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# Treasury Financial Manual

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## Chapter 5000

### ACCOUNTING AND REPORTING OF MONETARY ASSETS (NONOPERATING CASH ITEMS) HELD BY U.S. TREASURY OFFICES

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This chapter provides instructions to U.S. Department of the Treasury (Treasury) offices for the accounting and reporting of certain noncash assets. Examples of these assets are coins and coinage metals held by the Bureau of the U.S. Mint (Mint) offices and gold bullion, certificates, or coins held by Federal Reserve Banks (FRBs) for display or in reserve.

#### Section 5010—Authority

The Secretary of the Treasury is authorized by:

- [12 U.S.C. § 391](#) to require FRBs to act as depositaries and fiscal agents of the U.S. Government;
- [12 U.S.C. § 90](#), [12 U.S.C. § 265](#), [12 U.S.C. § 266](#), [12 U.S.C. § 1452\(d\)](#), [12 U.S.C. § 1464\(k\)](#), [12 U.S.C. § 1789a](#), [12 U.S.C. § 2013](#), [12 U.S.C. § 2122](#), [12 U.S.C. § 3101](#), [12 U.S.C. § 3102](#); [31 U.S.C. § 3303](#) and [31 U.S.C. § 3336](#) to designate various financial institutions as depositaries of public monies and as financial agents of the Government and to prescribe regulations in connection with their financial agency responsibilities; and
- [31 U.S.C. § 5133](#) and [31 U.S.C. § 5313](#) to take various actions regarding settlement of accounts and domestic coin and currency transactions.

#### Section 5015—Background and Purpose

Treasury has designated several of its organizational facilities as depositaries to handle public money transactions that cannot be processed by other depositaries and to hold certain monetary assets (for instance, gold, silver, paper currencies, and coins) that must be kept under the direct control of Treasury.

Treasury's Bureau of the Fiscal Service (Fiscal Service) issues regulations, prescribes forms, provides operating procedures, and makes official policy determinations to ensure proper maintenance of balances in Treasury's General Account (TGA). Fiscal Service updates its central accounting records through the

receipt, classification, and processing of each depository's accountability report and statement, and Federal agencies' reporting to Fiscal Service. These records are the basis of Treasury's reporting on the overall fiscal status of the U.S. Government to the President, the Congress, and the public.

#### **Section 5020—Definition of Terms**

**Depositories**—Treasury offices, FRBs or their branches, and commercial banking institutions (domestic, foreign, or in territorial possessions), that are authorized to maintain an account in the name of Treasury to handle public money transactions.

**Gold**—Treasury-owned bullion held by the Mint offices as custodial reserves. Some FRBs, such as FRB New York (FRB NY), have gold held in monetary reserve or for display purposes. The standard value of gold is set at \$42.2222 per fine troy ounce, as mandated by Public Law No. 93-110.

**Nonoperating Cash Items**—Monetary assets held by Treasury offices and other depositories for purposes authorized by law or as prescribed by the Secretary of the Treasury. These items include gold, silver, unclassified counter cash, and unfit paper currency in the custody of Treasury offices.

**Other Miscellaneous Assets**—Treasury-owned silver held by the Mint, unclassified counter cash, and receivables from General Services Administration (GSA) surplus sales.

**Silver**—Treasury-owned silver bullion held by the Mint as custodial reserves.

**Treasury's General Account (TGA)**—Treasury's operating account that is maintained by designated depositories, primarily FRBs and their branches, to handle daily public money transactions. These transactions include deposits of taxes, customs duties, public debt receipts, and other revenues.

**U.S. Treasury Offices**—Operating units within Treasury that handle transactions that cannot be processed by any other type of depository. The Mint and the Bureau of Engraving and Printing (BEP) hold monetary assets that must be kept under the direct control of Treasury.

**Unfit Paper Currency**—Mutilated paper currency received by BEP from FRBs or the public for replacement. Mutilated paper currency is currency that has been damaged to the extent that half or less of the original note remains, and its condition is such that its value is questionable. Since such currency is taken out of circulation, it is classified as nonoperating cash.

#### **Section 5025—Reporting Entities**

The entities identified below provide reports on nonoperating cash transactions to Fiscal Service for central accounting and reporting purposes.

##### **5025.10—The Mint, Treasury**

The Mint maintains the gold and silver custodial reserves of the United States. It has facilities in the following locations:

- Denver, CO;
- Philadelphia, PA;
- San Francisco, CA;
- West Point, NY;
- Fort Knox, KY—U.S. Bullion Depository; and
- Washington, DC—Mint Headquarters.

The Mint Headquarters provides an accountability report detailing monetary assets on hand through a monthly FS 5693: Statement of Assets and Liabilities (A&L).

#### **5025.20—Office of Currency Standards, BEP, Treasury**

The Bureau of Engraving and Printing (BEP) prints paper currency and replenishes currency taken out of circulation. BEP receives mutilated paper currency from private citizens, businesses, and FRBs and reports to Fiscal Service on the receipt, destruction, and replenishment of that currency. When BEP approves replacement of unfit currency submitted by members of the public, it issues a restitution check to the remitter. Replacement for unfit currency forwarded to BEP by FRBs is accounted for by Fiscal Service through an accounting entry to the TGA.

BEP also maintains an accountability for uncirculated U.S. notes (paper currency) as mandated by law. BEP restores the balance in this account monthly, based on estimates of the amount of U.S. notes destroyed.

#### **5025.30—Bureau of the Fiscal Service (Fiscal Service), Treasury**

Selected currencies were deemed public debt issues at the time that certain mediums of exchange were initiated. Treasury securities include silver certificates, National Bank notes, gold certificates, fractional currency, and FRB notes. Therefore, when these currencies are destroyed, they effect a decrease in the amount of public debt principal outstanding.

When BEP or the FRBs destroy Treasury securities, Fiscal Service will charge the Public Debt Principal Outstanding account, 20X0500.

#### **5025.40—Credit Accounting Branch (CAB), Financial Accounting and Services Division, Fiscal Service, Treasury**

When the balance of custodial reserves gold changes, the Federal Reserve Board issues or redeems a corresponding amount of gold certificates. CAB immediately provides a letter to FRB NY to identify these certificate changes. CAB also provides the Federal Reserve Board of Governors with a copy of the "Monthly Statement of Gold and Gold Certificate Fund, Board of Governors of the Federal Reserve System," which summarizes the monthly certificate activity.

## **5025.50—Cash Control Branch (CCB), Fiscal Service, Treasury**

CCB serves as the focal point of management and accounting control over Treasury operating cash and monetary asset reporting. It ensures timely receipt and processing of all depository reports and reviews and analyzes the Central Summary General Ledger (CSGL) account balances to assure data accuracy and the integrity of the U.S. Government's fiscal reports.

CCB also prepares and releases the status reports on Treasury-owned gold and the coin and currency outstanding and in circulation.

## **5025.60—FRBs**

FRBs and branches hold gold bullion, coins, and/or certificates for display or numismatic purposes. Changes in the FRBs' monetary asset holdings also are reported to Fiscal Service through the Automated Transcript System (ATS).

## **5025.70—Federal Reserve Board**

The Federal Reserve Board determines and provides allocation amounts by denomination on all Federal Reserve notes, silver certificates, and U.S. notes destroyed by FRBs. On the basis of this allocation, CCB provides notification to the FRBs and BEP for the processing of related accounting entries that affect any currencies removed from or reissued for circulation.

Treasury incurs a liability with the Federal Reserve Board when gold is fully monetized (converted to face value). Treasury's gold holdings are valued, when acquired, at \$42.2222 per fine troy ounce. The Federal Reserve Board, in effect, authorizes the transfer of cash from its account to the TGA when gold certificates are issued. A corresponding decrease to the TGA is made when gold certificates are redeemed.

The Federal Reserve Board also provides CCB with a monthly listing of gold certificates due from Treasury. This list, which identifies the date and the amount of gold purchases and sales, must agree with the value of gold certificate transactions processed by CAB and reported as purchases or sales by the Mint.

The Federal Reserve Board also submits other financial reports to Fiscal Service for report preparation and data review and validation.

## **Section 5030—Reporting Requirements**

### **5030.10—Transfer and Destruction of Unfit Currency**

The following transactions provide reporting procedures for the transfer, receipt, destruction, and replacement of unfit paper currency. BEP's Office of Currency Standards and FRBs destroy currency.

#### **5030.10a—Transaction A: Mutilated Paper Currency Received from FRBs**

When an FRB forwards mutilated paper currency to BEP for destruction, the FRB also prepares a debit voucher (SF 5515) reflecting BEP's ALC 20-13-9002. CASHLINK II reports the debit voucher on its daily transcript and sends the credit memorandum copies of the SF 5515, along with the mutilated currency, to BEP.

After receipt of the debit voucher and the mutilated currency, BEP reports a summary transaction amount on its monthly Statement of Transactions (224), as follows:

- Section I: 20A1040 TC 61 (total amount of confirmed unfit currency);
- Section I: 20A1227 TC (61) (total amount of unconfirmed unfit currency); and
- Section III, line 3 (amount of the SF 5515).

If the amount reported on the SF 5515 does not agree with the mutilated currency received from the FRB, BEP contacts the respective FRB and requests an adjusting entry to increase or decrease the original SF 5515 amount.

#### **5030.10b—Transaction B: Mutilated Paper Currency Received from the Public for Reimbursement**

After BEP examines the paper notes received from the public and determines that the customer is entitled to replacement of the currency, it prepares and processes an SF 1166, Voucher and Schedule for Payment, for its ALC 20-13-9002. This authorizes a check payment for the customer.

BEP reports the total amount of the SF 1166 payments confirmed, as paid by Fiscal Service, on its Statement of Transactions (224), as follows:

- Section I: 20A1040 TC 61; and
- Section II: Increase lines 1 and 3.

#### **5030.10c—Transaction C: Mutilated Paper Currency Destroyed by BEP**

On the days BEP destroys currency, it reports the amount destroyed, by denomination, on its daily SPS wire to FRB Richmond.

Upon receipt of BEP's SPS wire, FRB Richmond processes an SF 215 on the daily transcript for BEP's ALC 20-13-9002 for the amount of destroyed currency. It forwards the confirmed and memorandum copies of the SF 215 to BEP.

BEP reports the amount of the SF 215 (currency destroyed) as follows on its Statement of Transactions (224):

- Section I: 20A1040 TC equals (amount of the SF 215);
- Section II: Increase lines 2 and 3; and
- Section III: Increase lines 2 and 3.

BEP also initiates an Intra-governmental Payment and Collection (IPAC) billing

to Fiscal Service via the Central Accounting and Reporting System (CARS) Statement of Difference for all Treasury securities destroyed by BEP. It reports on its Statement of Transactions (224) as follows:

- Section I: 20A1040 TC equals (the IPAC amount); and
- Section II: Increase lines 1 and 3.

Fiscal Service reports the debit side of the IPAC billing on its Statement of Transactions (224) for ALC 20-55-0860 to the Public Debt Principal account, 20X0500, for the amount of Treasury securities destroyed.

**5030.10d—Transaction D: U.S. Notes and Silver Certificates Redeemed and Destroyed by FRBs**

CCB authorizes FRB Richmond to charge the TGA for the amount of U.S. notes and silver certificates redeemed and destroyed by the FRBs.

Upon receipt of CCB's administrative memo, FRB Richmond processes an SF 5515 debit voucher for Fiscal Service's ALC 20-55-0860 for the amount of U.S. notes and silver certificates destroyed. FRB Richmond includes these two amounts on its daily transcript. It forwards the confirmed and memorandum copies of the respective SF 5515s to Fiscal Service.

**5030.20—Mint Monetary Asset Transactions**

The following transactions are guidelines for the Mint's reporting to Fiscal Service for activity related to the purchase of coinage metals, establishing accountability for minted coins, and reporting the transfer or sale of these assets.

In addition to the accounts described in Section 5035, the Mint also uses the following accounts for reporting monetary asset transactions to Fiscal Service:

- 200612—Seigniorage, minor coinage; and
- 200613—Seigniorage, cupro-nickel clad coinage.

For coins shipped to cashiers and seigniorage is realized, on its Statement of Transactions (224), the Mint:

- Charges account 20X4159 at an amount equivalent to the seigniorage calculation.
- Credits seigniorage account 200612 and/or 200613 for the difference between manufacturing cost and face value and reports this amount on the Statement of Transactions (224) in column 2.

**Contacts**

***To obtain forms, contact Fiscal Service Property and Supply Section at:***

Property and Supply Section

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**Direct general inquiries concerning this chapter to:**

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**Appendices Listing**

Appendix No.	Form	Title
1	FS 5693	Statement of Assets and Liabilities
2	Statement of Transactions (224)	Statement of Transactions
3	SF 5515	Debit Voucher
4	SF 215	Deposit Ticket

Appendices are available in the [PDF version](#) only.

**Summary of Updates**

Section No.	Section Title	Summary of Change
5030	Reporting Requirements	Updated section
5030.10	Transfer and Destruction of Unfit Currency	Updated section

5030.10a	Transaction A: Mutilated Paper Currency Received from FRBs	Updated section
5030.10b	Transaction B: Mutilated Paper Currency Received from the Public for Reimbursement	Updated section
5030.10c	Transaction C: Mutilated Paper Currency Destroyed by BEP	Updated section
5030.10d	Transaction D: U.S. Notes and Silver Certificates Redeemed and Destroyed by FRBs	Updated section
5030.20	Mint Monetary Asset Transactions	Updated section