



Treasury Financial Manual

Chapter 4100

REQUIREMENTS FOR USING DEPOSITARIES TO HOLD PUBLIC MONEY

This Treasury Financial Manual (TFM) chapter consolidates existing guidance to Federal agencies on the requirements for using depositaries to hold public money. Federal agency financial personnel should share this guidance with program and procurement personnel throughout their agency.

Section 4110—Scope and Applicability

This guidance is being issued to ensure Federal agencies:

- Comply with all statutes regarding public money;
- Collateralize all public money; and
- Report properly all public money held outside of the U.S. Treasury on all financial statements.

Section 4115—Authority

31 United States Code (U.S.C.) 321, 3302-3304, 3327, 3336; 12 U.S.C. 90, 265-266, 332, 391, 1434, 1452(d), 1464(k), 1767, 1789a, 2013, 2122, and 3101-3102; and 31 Code of Federal Regulations (CFR) Parts 202 and 206 provide the authority for this chapter.

Section 4120—Guidance

Federal agencies receiving public money from any source are statutorily required to deposit these funds into the U.S. Treasury, unless otherwise specifically authorized by law. Consequently, Federal agencies may not hold public money outside of the U.S. Treasury without specific statutory authority to do so. Federal agencies without specific statutory authority to hold public money outside of the U.S. Treasury must deposit all public money into an account in the name of the U.S. Treasury using one of the various mechanisms established by the Department of the Treasury, including, but not limited to, the Treasury General Account Network (TGA Network), General Lockbox Network, and Pay.gov. Please refer to [Volume I, Part 5, Chapter 2000](#), Depositing Domestic Checks and Cash Received in Over the Counter Collections, which provides instructions for Federal agencies to deposit domestic checks and cash.

In rare cases, a Federal agency may have statutory authority to hold money without depositing it to the U.S. Treasury or into an account at a depository designated by the Department of the Treasury. However, the agency still must report these funds on its monthly Statement of Transactions (224) and in its audited financial statements. Please refer to [Volume I, Part 2, Chapter 3400](#), Accounting for and Reporting on Cash and Investments Held Outside of the U.S. Treasury, which provides accounting and reporting policies and procedures on cash not deposited in a Treasury General Account and investments in non-Federal

securities.

Except as noted below, Federal agencies holding public money outside of the U.S. Treasury pursuant to specific statutory authority are required to place such public funds at a financial institution that the Secretary of the Treasury has designated as a depository and financial agent of the Federal Government. See 31 CFR Part 202. These Federal agencies must hold such funds in an official account other than an account in the name of the U.S. Treasury. They must comply with all Federal regulations and TFM policies, procedures, and instructions governing public money held outside of the U.S. Treasury and the use of depositories to hold public money. For example, Federal agencies holding funds in an account at a depository are responsible for the following:

- Ensuring that acceptable collateral is pledged to secure the public money on deposit in excess of recognized insurance coverage (refer to [Volume I, Part 6, Chapter 9000](#), Securing Government Deposits in Federal Agency Accounts, which describes Federal agency requirements for securing public money on deposit at depositories); and
- Properly reporting funds held in accounts at designated depositories on their monthly Statement of Transactions (224) or other designated accounting reports, and in their audited financial statements.

Section 4125—Overseas Depositories

This chapter generally concerns funds held at U.S. domestic depositories. Refer to [Volume I, Part 2, Chapter 3200](#), Foreign Currency Accounting and Reporting, for guidance concerning funds held at depositories located overseas.

Section 4130—Accounts of Agency Contractors

Unless an agency has specific statutory authorization, the general statutory requirement that Federal entities must deposit all public money into the U.S. Treasury does not permit Federal entities to deposit public money into a bank account of an agency contractor or vendor. This rule applies irrespective of whether the funds subsequently would be transferred into the U.S. Treasury. The rule applies equally to Federal agency contractors providing payment assistance and similarly prohibits agencies from depositing funds into a contractor or vendor account for subsequent disbursement. For example, a Federal agency must make payments directly to the USPS for postage and may not place public money in a postal vendor's account to be used for postage payment.

Section 4135—Assistance

The Bureau of the Fiscal Service (Fiscal Service) will assist Federal agencies with the appropriate mechanism for managing the inflow and outflow of public money. This discussion should occur prior to a Federal agency issuing a Request for Proposal for collecting or disbursing public money. Fiscal Service also establishes collateral accounts for Federal agencies to use for securing public money held outside of the U.S. Treasury.

Section 4140—Additional Guidance

As stated above, Federal agencies must have statutory authority to hold public money outside of the U.S. Treasury. If a Federal agency experiences exceptional circumstances requiring a specific need to hold public money outside of the U.S. Treasury and, after consulting with agency counsel, is unsure whether it has the requisite statutory authority, the agency can request guidance from Fiscal Service in determining

whether, and under what conditions, it may hold funds outside of the U.S. Treasury.

The agency's request for guidance should:

- Be written;
- Provide detailed information about the nature of the funds and where the funds will be held;
- Provide the statutory basis that the agency believes may permit it to hold public money outside of the U.S. Treasury; and
- Provide an analysis of other options and why they fail to meet the agency's needs.

Agencies should send requests for guidance to Fiscal Service's Bank Policy and Oversight Division (see Contacts). Fiscal Service will provide guidance on a case-by-case basis. Agencies must provide Fiscal Service with written notice of any subsequent changes to the statutory basis of any request for which Fiscal Service provided guidance.

Contacts

Direct inquiries concerning this chapter to:

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