

## VOLUME 5, CHAPTER 15: “DISBURSING OFFICER ACCOUNTABILITY REPORTS”

### SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated [October 2018](#) is archived.

| PARAGRAPH           | EXPLANATION OF CHANGE/REVISION  | PURPOSE  |
|---------------------|---|----------|
| All                 | Updated hyperlinks and formatting to comply with current administrative instructions.   | Revision |
| 1.1.2<br>(150101.B) | Added guidance to the subparagraph titled “Accountability Reports” paragraph from the Treasury Daily Reporting Policy Memo (FPM 19-14).   | Revision |
| 6.0<br>(1506)       | Added guidance to the section titled “Statement of Accountability, Standard Form (SF) 1219” paragraph from the Treasury Daily Reporting Policy Memo (FPM 19-14).                                      | Revision |
| 7.2.1<br>(150702.A) | Deleted guidance for submission of SF1219 to Defense Finance and Accounting Service (DFAS), Disbursing Policy and Enterprise Solution & Standards (ESS). The SF1219 submission is no longer required. | Deletion |
| Figure 15-1         | Deleted “Department of Defense (DD) 2665” form. The DFAS, ESS Disbursing Division has assumed responsibility for managing disbursing related procedural forms.  | Deletion |
| Figure 15-2         | Deleted “DD 1081” form. The DFAS, ESS Disbursing Division has assumed responsibility for managing disbursing related procedural forms.  | Deletion |
| Figure 15-3         | Deleted “DD 2657” form. The DFAS, ESS Disbursing Division has assumed responsibility for managing disbursing related procedural forms.  | Deletion |
| Figure 15-4         | Deleted “SF 1219” form. The DFAS, ESS Disbursing Division has assumed responsibility for managing disbursing related procedural forms.  | Deletion |

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## CHAPTER 15

**DISBURSING OFFICER ACCOUNTABILITY REPORTS**

## 1.0 GENERAL (1501)

## \*1.1 Overview (150101)

1.1.1. Financial Reports. All disbursing officers (DOs) are accountable to the Treasury for the cash and cash equivalent items (including receivables) in their possession. DOs are required to submit financial reports to support the Department of Defense (DoD) accountability to the U.S. Government for all public funds collected and disbursed. These reports are the basis for official audits and settlement of accounts by the U.S. Government Accountability Office, and provide information to maintain administrative accounting controls.

1.1.2. Accountability Reports. DOs maintain their daily accountability on the DoD (DD) Form 2657, Daily Statement of Accountability. The DO's official monthly accountability is recorded and reported on the Standard Form (SF) 1219, Statement of Accountability. DOs report disbursement and collection transactions on both the DD 2657 and the SF 1219, with collections reported as net of disbursements on the SF 1219. Every DO must keep detailed records of all transactions. These records must be available for examination by authorized representatives. The use and distribution of the DD 2657, SF 1219, DD 2665, and DD 1081 as referenced in the DoD FMR Volume 5, Chapter 15 are not impacted by daily reporting. DOs must continue to submit financial reports to supporting DFAS sites following instructions by the site.

## 1.2 Purpose (150102)

This chapter provides the policy, guidelines, and forms to record daily and monthly accountability for cash items (and receivables) in the DO's possession. In addition, it provides requirements for submission and distribution of financial reports and retention of disbursing office records, and defines the accounting period.

## 1.3 Authoritative Guidance (150103)

Under Title 31, United States Code, section 3513, the Secretary of the Treasury prepares reports required to inform the President, Congress, and the public on the financial operations of the U.S. Government. The head of each executive agency must provide the Secretary of Treasury reports and information relating to the agency's financial conditions and operations. See Treasury Financial Manual (TFM), Volume 1, Part 2, Chapter 4700.

## 2.0 POLICY (1502)

## 2.1 Balancing of Accounts (150201)

2.1.1. DOs. DOs keep documents representing cash in their vault or safe and account for them daily on the DD 2657 and monthly on the SF 1219. The DD 2657 represents the permanent written

record of the DOs daily balance of cash in their possession. When accounts are inspected, DOs must present the DD 2657 to the inspectors for examination.

2.1.2. Deputies, Cashiers, and Disbursing Agents. Deputies DOs (DDOs), cashiers, and disbursing agents perform most DO cash transactions. The DO or primary DDO balances all DDOs, cashiers, disbursing agents, paying agents, and collections agents daily, using the DD 2665, Daily Agent Accountability Summary. The DD 2665 represents the report of their accountability to the DO, and preparation of this form is based on a physical count of all cash and negotiable instruments in their possession.

## 2.2 Deputies, Cashiers, and Disbursing Agents at Remote Locations (150202)

DDOs, cashiers, and disbursing agents who are geographically distant from the DO (e.g., DO in Indiana and agent in Afghanistan) are still required to record transactions by preparing a DD 2665; however, they need not submit the DD 2665 to the DO on a daily basis. DOs will establish the timing of agent turn-ins for their operations. Agent turn-ins must include all DD 2665s, supporting documentation (e.g., collection vouchers, disbursement vouchers, and deposit tickets), and DD 1081, Statement of Agent Officer's Account.

## 2.3 Navy Vessels (150203)

DOs aboard Navy vessels balance their cash using the DD 2657. The DDOs, cashiers, and disbursing agents must use DD 2665 to balance at least weekly, immediately before and after each payday, the last day of each month, and anytime the DO suspects that an irregularity has occurred. When workload and staffing conditions allow, DOs aboard Navy vessels should balance cash accounts for all DDOs, cashiers, and disbursing agents daily.

## 3.0 DAILY AGENT ACCOUNTABILITY SUMMARY (DD 2665)(1503)

The DD 2665 is a stand-alone document that provides a complete picture of a DDO's, cashier's, or disbursing agent's accountability transactions from day to day. Each DDO, cashier, and disbursing agent prepares a DD 2665 for each day during which he/she transacts business. They must summarize that day's business and record the transactions in U.S. dollar (USD) values. Paying agents appointed to work with contracting for contingency operations need to prepare a DD 2665 on the day they turn-in all their business to the DO. To the extent possible, avoid performing a turn-in during the middle of a business day. If a turn-in for the middle of the day is necessary, prepare a DD 2665 up to and including the turn-in period; prepare another DD 2665 for the portion of the business day after the turn-in.

## 4.0 STATEMENT OF AGENT OFFICER'S ACCOUNT (DD 1081)(1504)

### 4.1 Overview (150401)

Agent officers (DOs, cashiers, and disbursing agents) prepare a DD 1081, as a summary of cash transactions and receipt for cash and vouchers on hand (between DOs and their agent officers). This form is prepared when a DO is advancing funds to an agent and is also used to

summarize cash transactions for the period covered by the turn-in. When the agent officers settle their account, the DO or principal DDO verifies the DD 1081, signs the original and a copy of the form, keeps the original form and supporting documents, and returns the signed copy of the form to the agent officer. The DO or principal DDO must perform a physical count of cash at the time of the turn-in or settlement. The agent officer keeps the signed copy as a record of the opening cash balance for the next period of duty and for record purposes if the account is balanced to zero.

#### 4.2 Electronic Submission of DD 1081s in Contingency Locations (150402)

Subject to the approval of the parent DO, paying agents in remote operational contingency locations may transmit electronically scanned or facsimile copies of the DD 1081 to the parent disbursing office. A paying agent is solely responsible to ensure that all documentation is legible and that:

4.2.1. The scanned or facsimile copies were produced from original documents and cannot be altered;

4.2.2. The copies are retained until the applicable retention period expires; and

4.2.3. Access to the images is limited to authorized personnel.

In cases of paying agents transmitting documents electronically, the DO must verify the electronic submissions are in fact from the paying agent. Further, the DO is responsible to ensure that adequate internal controls are implemented to prevent the posting of duplicate items when receiving electronic and original documents from the operational contingency location. The DO must also provide for the confirmation and acceptance of digitally signed documents, and the return of the accepted DD 1081 to the agent.

#### 5.0 DAILY STATEMENT OF ACCOUNTABILITY (DD 2657)(1505)

The DD 2657 summarizes the total disbursements and collections made during the business day by the DO and all DDOs, cashiers, and disbursing agents. Section I of the DD 2657 reflects the total DO accountability to the Treasury at the end of each business day. If disbursing operations were to cease, the total amount listed in Section I for the last operational business day would be the amount that the Treasury would seek to recover from the DO.

#### \*6.0 STATEMENT OF ACCOUNTABILITY (SF 1219)(1506)

In a daily reporting environment, the SF 1219 is no longer required to be submitted to the Treasury. DOs may continue to complete and submit the SF 1219 at month's end to DFAS for reporting requirements based on each site's instructions. The SF 1219 will continue to be utilized to reconcile deposits, collections, disbursements, and cash balances with Treasury on a monthly basis. In a daily reporting environment, there is still the requirement to balance to the Treasury monthly account statement, which summarizes the financial activities of federal agencies. DoD currently has established processes for creating and reconciling the SF 1219, which reduces risk from a reconciliation and balancing standpoint as DoD transitions to daily reporting. From an

accounting perspective, there is no warrant or apportionment for DO cash and no formal funds control system documentation that legally places responsibility on the DO for the cash. Additionally, the SF 1219 is a recognized means of establishing responsibility for a specific and verified balance at a point in time. It aligns with accounting reporting cycles (the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) bulk file submission), which transmits the end of month balance in the DO Cash account(s) and must match the sum of the SF 1219s for each Service to facilitate reconciliation with the general ledger reporting.

## 7.0 FINANCIAL REPORTS (1507)

### 7.1 Overview (150701)

7.1.1. Accounting Period. DOs submit financial reports to the Defense Finance and Accounting Service (DFAS) on a calendar month basis, except for months during which accountability begins or ends on other than the first or last day of a month.

7.1.1.1. For a new disbursing office, the accounting period begins on the first day official business is transacted. When one DO relieves another, the accounting period for the relieved officer ends on the date of relief. The accounting period for the relieving officer normally begins on the next calendar day. Whenever possible, relief of a DO should occur on the last day of a month to preclude the need to submit an additional set of financial reports for that month.

7.1.1.2. An accounting period may not extend beyond the end of a calendar month. Exceptions to the calendar month accounting period may occur when a DO is relieved from disbursing duty before the last day of a month or commences disbursing duty on other than the first day of a month. The first day of the accounting period coincides with the date of commencement of disbursing duty notification forwarded under Chapter 2, subparagraph 020406.B.5. For any month during which accountability ends because of a Disbursing Station Symbol Number (DSSN) closing, the DO must submit the financial reports from the first day of the month through the date of closing.

7.1.2. Adjustments. DOs are allowed to submit supplemental reports to Treasury to adjust prior period reporting, make corrections to the original reporting, or report additional current month transactions.

7.1.3. Submission of DO's Financial Reports. DOs submit financial reports to the supporting DFAS site following instructions provided by that site.

### 7.2 Requirement for Submission of the DD 2667 (150702)

When a DDO, cashier, disbursing agent, paying agent, collection agent, or imprest fund cashier has a physical loss of funds, forward the DD 2667, Subsidiary Accountability Record, to DFAS-ZPFA/IN within five calendar days after the end of each month (see Chapter 6, subparagraph 060402.B.2).

## 8.0 DISBURSING OFFICE RECORDS (1508)

### 8.1 DFAS Record Retention (150801)

The supporting DFAS site examines all financial reports and sends them to the nearest federal records center for retention based on record retention requirements and storage availability at the DFAS site.

### 8.2 DoD Record Retention (150802)

8.2.1. Volume 1, Chapter 9, section 0902 provides records retention requirements applicable to financial records. The retention requirements for Federal entities are further defined in the National Archives and Records Administration [\(NARA\) General Records Schedule](#). The DoD has also developed supplementary guidance in [DoD Instruction 5015.02](#), DoD Records Management Program.

8.2.2. DOs must apply the most stringent record retention requirements to support accounting records of initial entries and support records such as checks, electronic fund transfers (EFT), and invoices (see Financial Improvement and Audit Readiness Guidance), and maintain them until all outstanding issues are resolved. Before disposal of contingency operations documents, DOs must contact their legal counsel for document retention in excess of the NARA and DoD guidance for financial records. Records must be available and accessible to all authorized users. Additionally, a DO or designated settlement official must keep records to complete the reconciliation of payment or collection discrepancies until resolved.

### 8.3 Other Records (150803)

8.3.1. Original Disbursing Office Records. Original disbursing office records include, but are not limited to:

8.3.1.1. Disbursement and collection vouchers including supporting documents (e.g., invoices, receiving reports, purchase orders or contracts, and lodging receipts);

8.3.1.2. [DD 2659](#), Voucher Control Logs;

8.3.1.3. DD 2657;

8.3.1.4. SF 1219;

8.3.1.5. DD 2665;

8.3.1.6. Check issue records and reports;

8.3.1.7. Limited Depositary Account (LDA) records and reports;

8.3.1.8. Deposits of negotiable instruments;

8.3.1.9. Deposit tickets and debit vouchers;

8.3.1.10. Appointments and revocations of accountable individuals;

8.3.1.11. Payroll deposit transactions to individual service members' local pay accounts that are accessed via shipboard cash dispensers (automated teller machines);

8.3.1.12. Any other document record, log, or electronic file that supports disbursing transactions that affects the accountability of the DO or other accountable individual; and

8.3.1.13. Local check cashing policies and agreements.

8.3.2. Other Records Retention. The requirement for retaining original records applies to any record a DO receives that accompanies payment or collection transactions, or supports financial reports. The requirement applies to both paper and electronic records kept as original supporting documents at both the functional and disbursing offices. Certifying officials send electronic payment files to only the DO and keep supporting documentation in accordance with the guidance referenced in paragraph 8.2. For Foreign Military Sales document record retention, see Volume 15, Chapter 6.

8.3.2.1. Hardcopy and electronic records storage controls must be in place by the disbursing office to ensure that only authorized personnel have access to any paper documents and electronic images.

8.3.2.2. Original disbursing office records and supporting documents in electronic format are a form of record retention. Duplicate copies of disbursement and collection vouchers and associated supporting documents may be retained as necessary at the DO's discretion.

8.3.3. Unclassified Records. Individual records may be unclassified, but sometimes when information is aggregated, the security classification may change. Unclassified records do not require special security or storage controls and may be stored in open files or cabinets. Store these records with controls that readily identify:

8.3.1.1. Records that have been removed from the files;

8.3.1.2. The name of the individual(s) who removed the records;

8.3.1.3. The date the records were removed;

8.3.1.4. The name of the individual(s) who returned the records;

8.3.1.5. The date the records were returned; and



8.3.1.6. Other information needed to contact the responsible individual(s), (e.g., organization, address, telephone number, and email address to ensure that records are returned timely).

#### 8.4 Transfer and Disposition of Retained Disbursing Office Records (150804)

8.4.1. Nontactical Disbursing Offices. Transfer all disbursing office records to the incoming (relieving) DO as a part of the relief process described in Chapter 2, paragraph 020406. When a disbursing office is deactivated, package and mail all disbursing office records to the office designated to settle the accounts.

#### 8.4.2. Tactical Units and Naval Vessels

8.4.2.1. Detachment With Relief. When a DO of a tactical unit or naval vessel is relieved from disbursing duty, the incoming DO keeps the outgoing DO's disbursing records for 90 days from the date of relief. After the 90-day period, the incoming DO packages the disbursing records and sends them to the supporting DFAS site or alternate site designated by DFAS for retention until the expiration of the required retention period. For deployed units, the 90-day period begins after the unit or vessel returns to homeport.

8.4.2.2. Detachment Without Relief. When a DO of a tactical unit or naval vessel is relieved from disbursing duty due to deactivation of the disbursing office or when a vessel or unit is decommissioned from service, the DO must package and send all disbursing office records to the supporting DFAS site or alternate site designated for retention.

8.4.2.3. Shipment of Retained Documents. To facilitate shipment of retained records, DOs of tactical units and naval vessels file retained records in these categories:

8.4.2.3.1. Public vouchers other than payroll vouchers;

8.4.2.3.2. Payroll vouchers with supporting documents;

8.4.2.3.3. Collection vouchers and supporting documentation;

8.4.2.3.4. Checking accounts records, to include records of checks drawn. These records include SF 1179, Month End Check Issue Summary; Financial Management Service (FMS) Form 5206, Advice of Check Issue Discrepancy, with related correspondence; and Optional Form 1017-G, Journal Voucher, with related correspondence;

8.4.2.3.5. DD 2657;

8.4.2.3.6. SF 1149, Statement of Designated Depository Account;

8.4.2.3.7. SF 1219;

8.4.2.3.8. Instruments deposited;

- 8.4.2.3.9. SF 1184, Unavailable Check Cancellation;
- 8.4.2.3.10. Debit Vouchers;
- 8.4.2.3.11. Certificate of revaluation of foreign currency;
- 8.4.2.3.12. Quarterly reports on the status of suspense accounts; and
- 8.4.2.3.13. Other miscellaneous retained disbursing documents.