

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 5, CHAPTER 14
“LIMITED DEPOSITARY CHECKING ACCOUNTS”**

All changes are denoted in blue font

Substantive revisions are denoted by a ★ preceding the section or paragraph with the substantive change or revision.

Hyperlinks are denoted by **underlined, bold, italic, blue font**

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Revises the address and office code for Disbursing/Debt Management Policy Division, Policy and Performance Management Directorate, to reflect the transfer of function from the Defense Finance and Accounting Service (DFAS) Kansas City to DFAS Indianapolis.	Update

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CHAPTER 14

LIMITED DEPOSITARY CHECKING ACCOUNTS1401 INTRODUCTION

140101. Authority. Disbursing Officers (DOs) are authorized to maintain official limited depositary accounts (LDAs) for check payments or electronic funds transfer (EFT) in foreign currency with banks that have been designated by the Department of the Treasury as “Depositaries of Public Moneys of the U.S.”. Except for LDAs in U.S. dollars established under provisions of 10 United States Code (U.S.C.) 127 for Intelligence Contingency Fund purposes, LDAs in U.S. dollars shall not be established unless specific authority is first obtained from the Director for Accounting and Finance Policy, Office of the Under Secretary of Defense (Comptroller), through the [Disbursing/Debt Management Policy Division, Policy and Performance Management Directorate, Defense Finance and Accounting Service-Indianapolis \(DFAS-NPD/IN\), 8899 E. 56th Street, Column 329F, Indianapolis, IN 46249-0500.](#)

140102. Selecting LDAs. The Department of the Treasury’s policy in selecting the financial institutions that shall maintain U.S. Government operating accounts per 31 U.S.C. 3303 is predicated on the most beneficial banking arrangement available to the U.S. Government to transact essential business. After contract Military Banking Facilities (MBFs), preference shall be given to American financial institutions unless a local bank’s arrangement is more advantageous to the U.S. Government. The DO shall confer with the local U.S. Embassy or Consulate for assistance in determining which banks meet the criteria for consideration to maintain an operating account. When anticipating the establishment of a new LDA, the DO shall solicit all American owned and leading local financial institutions in the area to determine which would offer the most beneficial arrangement. The solicitation process of the banks shall be competitive with all banks submitting written information on identical questionnaires or requests for (banking) proposals. In determining the most beneficial banking arrangement, the DO shall consider the following three areas of service in descending order of importance: (1) standard operating services minimally required; (2) customary local banking practices (e.g., telex cost or armored car service); and (3) other special services that may be deemed necessary in a particular country or circumstance (payment of interest on the account, waiver of miscellaneous charges, etc.). At a minimum, the required services shall be:

- A. The capability to honor payments to payees in outlying areas.
- B. The processing of checks and, if possible, EFTs and deposits.
- C. The submission of a daily or a monthly bank statement as needed.
- D. The acceptance of the DO’s funding procedures.

The DO shall ensure the bank is a valid, financially secure, dependable, and reliable financial institution to avoid losses and ensure U.S. Government funds are protected. Unsolicited proposals from financial institutions to operate an existing LDA may be received at any time and the LDA shall be deemed open to all interested financial institutions if the DO determines that a soliciting financial institution: (a) offers a more beneficial banking arrangement than currently received or (b) reflects a higher level of American ownership than the present limited depositary (LD).

140103. Requesting LDAs. Once the DO selects an LDA institution (if other than a contract MBF), the DO shall formally request approval and designation of the financial institution as an authorized LD from the Department of the Treasury. The letter requesting approval and designation of a LDA shall be addressed to Financial Management Service, Over the Counter Revenue Collection Division, 401 14th Street, S.W., Room 324 Washington, D.C. 20227, through DFAS-NPD/[IN](#). After review, the DFAS-NPD/[IN](#) shall forward the request to the Department of the Treasury.

A. Requests for U.S. dollar accounts must include supporting documents indicating that a commitment to pledge collateral was requested from the bank suggested for selection. If the bank agrees to pledge collateral, then a U.S. dollar operating account may be requested. If the bank refuses to pledge collateral, then only a U.S. dollar zero balance account may be requested.

B. Requests for LDAs shall contain the following information:

1. Disbursing station symbol number (DSSN)
2. Justification for the account
3. Location
4. Name of the currency
5. Criteria for determining the preferred bank and reasons for recommending its selection (i.e., results of the competitive process)
6. Name of the bank to be designated (regardless of possible previous designation)
7. Bank address
8. Name and title of bank official and telephone number(s)
9. Percentage of ownership by a U.S. bank

10. Name of the correspondent bank in the U.S., the account number, and a point of contact (name, title, and telephone number)

11. Compliance with the provisions of subparagraphs 140101 through 140103 of this chapter, or reasons for exceptions.

C. DOs shall immediately notify the Over the Counter Revenue Collection Division, Department of the Treasury through DFAS-NPD/IN upon learning of a significant event that affects the designated bank (e.g., bank closure).

1402 ESTABLISHMENT OF LIMITED DEPOSITARY CHECKING ACCOUNTS

140201. Establishment Procedure. Once approval has been received from the Department of the Treasury, LDAs shall be established in the name of the activity to which the DO is assigned. Authority to sign checks drawn on the LDA shall be limited to the DO and other deputies or agents that the DO may appoint. When a DO transacts business in multiple foreign currencies, a separate LDA shall be established and maintained for each foreign currency account.

140202. Letter of Authorization. The commander shall certify by letter the name and rank of the DO assigned to the activity and state that the DO is authorized to maintain accounts with official funds of the United States in the name of the activity. In the case of the Deputy Disbursing Officer (DDO) working for a centralized DO, the commander's letter shall also reference the DDO/agent that will maintain the account. The letter shall certify that the account is to be subject to checks issued by the DO, his or her successors in office, and other deputies he or she may appoint. The letter shall contain a specimen of the DO's official signature, the signatures of the authorized deputies and agents, and a certification that the signatures are that of the personnel authorized to transact business with the LDA. The letter shall also request the bank to acknowledge acceptance by endorsement of the letter in triplicate. The bank should retain the original letter and return two copies to the activity.

140203. Blank Limited Depositary Checks

A. Procurement. LDA checks are not available through the U.S. Treasury check contract. LDA checks shall be ordered from the bank where the LDA is maintained.

B. Print Order Requirements. LDA checks shall be requested in a continuous form format for mechanized systems. LDA checks shall be overprinted to provide the serial number of the check, name of the activity, any limited payability notices as may be applicable in the foreign nation, and information necessary for security and accounting for check issues.

C. Cost. The procurement cost of blank LDA checks shall be charged to the disbursing activity Operation and Maintenance Fund (O&M).

D. Security. Blank LDA checks shall be controlled and safeguarded under the same guidelines prescribed for U.S. Treasury checks in [Chapter 7](#) of this volume. In the event blank LDA checks are lost or stolen, the DO shall immediately notify the LD of the serial numbers of the checks involved. A stop payment shall be placed against the checks and a copy of the stop payment shall be submitted with the next original LDA reports.

E. Relief of DO. Unused LDA checks shall be transferred to and used by the relieving officer with no change in serial numbers.

F. Limited Depositary Account No Longer Required. When a LDA is no longer required or when a disbursing office is deactivated, all unused blank LDA checks shall be voided and destroyed using the guidelines prescribed in section 1404 of this chapter and [Chapter 8](#) of this volume.

1403 MAINTAINING A LIMITED DEPOSITARY CHECKING ACCOUNT

140301. Preparation of Limited Depositary Checks

A. General. LDA checks shall be prepared by typewriter or by automated check writing equipment, if available.

B. Record of Check Issues. DOs shall maintain a record of every LDA check issued. The record shall contain the payee, the voucher number, the amount (in the currency of the check), the check serial number, the date of the check, and the activity name under which the account is established. Other information as to the purpose for which the check was issued and local identification codes are optional and subject to the discretion of the issuing DO. The record may be on paper or in a media designed for data processing use (paper tape, diskette, or compact disk). A separate record shall be kept for each LDA checking account. Records of check issues shall be included with retained disbursing records.

140302. Disbursement Vouchers. When a payment is made by check drawn on a LDA, the notation "LDA Check No.____," shall be entered on the disbursement voucher. Although a receipt is not generally required for a payment made by check, certain LDs outside the United States (U.S.) are prohibited by local law from returning paid checks to the drawer. In these cases, the voucher on which a LDA check payment appears shall evidence receipt of payment in one of the ways described in the following paragraphs.

A. Signature on Original Voucher. The original voucher shall be submitted as a part of the financial reports for the month of payment.

B. Periodic Statements From Depositary. Periodic statements from the LD listing the paid checks by number and amount, certified by an officer of the bank and the DO, shall be satisfactory evidence of payment. The certificate of the bank should be to the effect: "I

certify that the above is a true and correct list of all checks paid by this bank and charged to the account shown in the heading during the period covered by this statement and that the originals of such checks are on file in this bank and are required to be held for ___ years.” The certificate of the DO shall be to the effect that the bank statement has been reconciled with the disbursing records and found to be in agreement therewith.

140303. Delivery of Checks. Delivery of LDA checks shall be as referenced in [Chapter 8](#) of this volume. Before mailing any LDA checks outside the country in which the LDA is located, the DO shall verify that such action is not prohibited by the Status of Forces Agreements or the banking laws of the countries involved.

140304. Irregularity After Delivery of Checks. When an irregularity is discovered after a check has been delivered and the check is still outstanding, immediate action shall be taken to stop payment of the check. A complete report of the facts shall accompany the request for stoppage. If the irregularity is discovered after the check has been paid, then the DO shall notify the depository of the irregularity.

140305. Interest on Deposits. In certain cases, LDs will pay interest on checking accounts. Whenever possible, the DO shall obtain interest on the LDA. The DO shall canvass the market to obtain the highest interest rates legally available and commensurate with disbursing requirements. The DO is responsible for monitoring the interest bearing accounts to ensure that interest is being paid on a timely basis and per agreements reached between the DO and the banks. Upon notification that interest has been credited to the account, the DO shall prepare a [DD Form 1131](#), Cash Collection Voucher, crediting **3220, General Fund Proprietary Receipts, Not Otherwise Classified, All Other, for the U.S. dollar equivalent of the interest. The transaction shall be recorded as a collection and an increase of cash on deposit in the LDA.

140306. Account Balances. The checking account balances (or the forfeiture of potential interest earnings on the account) shall not be used to subsidize banking services that otherwise would be funded through the appropriation process. Daily balances in the LDA shall be as near zero as possible. Otherwise, the level of the balance to be maintained in the account shall be determined solely by disbursing requirements. If the collection of foreign currency causes a noninterest bearing LDA to exceed 5- to 7-business-day supply, and all attempts to sell the currencies to other DOs have been exhausted, then the accountable officer shall sell the foreign currency for U.S. dollars for deposit to a bank designated as General Depository for the Department of the Treasury

140307. Review of Limited Depository Checking Accounts

A. Commanders' Review. Commanders shall require a review of LDAs maintained by DOs to ensure compliance with the requirements set forth in this volume. This review shall be accomplished by the quarterly cash verification team required by [Chapter 3](#) of this volume. Reviews shall be performed quarterly, upon transfer of accountability to a

successor DO, upon deactivation of the LDA, or upon a change in the designated settlement office. Quarterly reviews shall be unannounced. Reviews shall also be accomplished before the departure of the DO from the command.

B. DOs' Review. DOs shall review the LDA on a continuing basis to ensure account balances are maintained at the minimum amount necessary to meet immediate disbursement needs (checks issued and in process) and are commensurate with the activity in the LDA; balances in excess of immediate needs (typically a 5- to 7- business day supply) are promptly withdrawn and deposited with the Department of the Treasury. Ensure the terms negotiated with the depository are favorable to the government, including interest on the account at the highest possible rate. At least every 3 years, for each account, the DO shall determine if it may be cost effective to solicit competitive proposals from all American owned and leading financial institutions in the area to secure the most beneficial banking agreement.

1404 VOIDED AND SPOILED LIMITED DEPOSITARY CHECKS

140401. General. Original LDA checks that are not to be issued shall be treated as voided or spoiled checks. All LDA checks shall be accounted for by the DO who has been authorized to establish the LDA. Checks shall be voided or spoiled because of errors in the writing of the check (e.g., wrong name, amount.), withdrawal of the voucher by the applicable functional area, or because the check is physically damaged during preparation. These checks shall be conspicuously marked so they may not be cashed, either in error or through fraud. Separate listings of voided and spoiled checks shall be prepared each month and attached to the [SF 1149](#) (Statement of Designated Depository Account).

140402. Voided Checks. The functional area authorizing the payment of a voucher shall determine when a check is to be voided. The DO's decision shall be based on the payee's nonentitlement to the payment, or an error in the way the check is drawn. Voided checks are not reported as checks issued in the check report of the DO. They shall be rendered nonnegotiable by stamping, marking or writing the words, "VOID - NOT NEGOTIABLE, NO CHECK ISSUED UNDER THIS NUMBER" on the face of the check in large prominent letters. The marking on the check shall be applied immediately after the determination is made to void the payment. No unmarked voided checks shall be stored in the safe or vault of the DO or any deputies or agents. At the end of each month a listing of voided checks shall be prepared and forwarded with the monthly SF 1149. The listing shall be in check number sequence of the checks, titled "Voided Checks," and show the accounting month, the name of the LD, and the checking account number. The original of all voided checks shall be submitted with the listing.

140403. Spoiled Checks. The DO issuing the check shall determine when a check is to be reported as spoiled. The DO's decision shall be based on the physical appearance of the check (e.g., mutilated, torn, not whole, smudged or unreadable) or upon the discovery of an error in the preparation of the check (e.g., voucher correct and the check data does not match the voucher). A separate listing (in check number sequence) of spoiled checks shall be prepared at

the end of each month. The listing shall be titled “Spoiled Checks” and show the accounting month, the name of the LD, and the checking account number. The listing and the original spoiled checks shall be attached to, and forwarded with, the monthly SF 1149 (Statement of Designated Depository Account). Spoiled checks shall be replaced by another serially numbered check. When issuing another serially numbered check to replace a spoiled check, the next available numbered check shall be used. Except for the check serial number and the check issue date, the information on the check shall be identical to what appeared on the original check. The replacement check shall be dated on the date of issue. The original check shall be rendered nonnegotiable by writing, marking, or stamping the face of the check “SPOILED - NOT NEGOTIABLE, REPLACEMENT ISSUED UNDER CHECK NO. ____ DATED ____.” The words “Issued to Replace Check No. ____” shall be inscribed on every replacement check in the lower left-hand corner of the face of the check. This same information shall be shown also on the detailed record of checks issued.

1405 TRANSFERRING THE PROCEEDS OF LIMITED DEPOSITARY CHECKS

140501. General. After a LDA check has been issued, events may occur that require transferring the proceeds of the check to the Department of the Treasury or to the original appropriation. The most frequent occurrence of transferring the proceeds of LDA checks is when outstanding check amounts are transferred to the Department of the Treasury as uncurrent. An uncurrent LDA check is one that has not been negotiated through the LD one fiscal year after the fiscal year in which it was issued. The transfer of LDA check proceeds may also be caused by undeliverable checks and by checks due deceased or incompetent payees.

140502. Uncurrent Check Transfers. Proceeds of uncurrent checks shall be transferred to the Department of the Treasury in October of each fiscal year. The DO who issued the original check, the successor to that DO, or a settlement office designated by the supporting DFAS site shall make the transfer. The procedures for the transfer are explained below. Note: If the laws of the nation in which the LDA is located provide that the negotiable period of a check is less than one full fiscal year after the date of issue, then the DO shall comply with those laws in carrying out these procedures.

A. Open Limited Depository Accounts

1. Preparation of Check Listing. Prepare a separate check listing in an original and four copies for each LDA with a heading showing the DO’s name and location and the name and location of the LD. Each listing shall show the uncurrent LDA checks in ascending numerical order and provide for each check the issue date, check number, name of the payee, amount of the check in foreign currency, and U.S. dollar equivalent of the check at the time it was issued (as shown on the payment voucher). The check listing shall also show the total amount of foreign currency units and the total U.S. dollar equivalent of all checks on the listing. The total U.S. dollar equivalent at the time the checks were issued shall be the amount transferred to the Department of the Treasury account, 20X6045, Proceeds and Payment of

Certain Unpaid Checks.

2. Stop Payment Notice to LD. The DO shall immediately give a copy of the uncurrent check listing to the LD and request the LD to place stop payments on all checks on the listing. The LD shall be instructed to advise all payees presenting checks shown on the listing to submit the checks to the disbursing office for transmittal to, and settlement by the Credit Accounting Branch, Financial Management Services, Department of the Treasury 3700 East-West Hwy, PG Metro Ctr II, Room 6D32, Hyattsville, MD 20872.

3. Method of Transfer. The DO shall prepare an Optional Form (OF) 1017-G (Journal Voucher (J.V.)) which shall serve as the basis to purchase the amount of foreign currency units represented by the outstanding checks. The DO then shall complete the purchase by issuing a U.S. Treasury check payable to the Department of the Treasury for the U.S. dollar equivalent as shown on the check listing. A complete explanation of the transaction shall be written on the OF 1017-G giving the date, the check serial number, and the DSSN of the activity issuing the U.S. Treasury check. The OF 1017-G shall support the increase in the LDA checkbook balance, and the transaction shall be reported on line 6 of the SF 1149. A copy of the OF 1017-G shall be attached to the uncurrent check listing and forwarded with the U.S. Treasury check to the Department of the Treasury as provided in subparagraph 140502.A.5 of this chapter.

4. Accounting for the Transfer. To maintain the DO's accountability, several actions shall be accomplished in the daily business at the close of the business day on which the transfer occurs. The U.S. Treasury check shall be reported in the daily business as "Checks Issued on U.S. Treasury." "Cash on Deposit in Designated Depository" shall be increased in the same U.S. dollar amount as the U.S. Treasury check. The LDA checkbook balance shall be increased by the total amount of foreign currency units as shown on the check listing. The current U.S. dollar equivalent of the LDA checkbook balance (including the foreign currency units added above) shall be computed using the current rate of exchange. The computed total U.S. dollar equivalent of the LDA checkbook balance shall then be compared to the total U.S. dollar equivalent shown as "Cash on Deposit in Designated Depository." Any difference in total U.S. dollar equivalents shall be vouchered as a gain or loss by exchange transaction on a DD Form 1131 or SF 1034, (Public Voucher for Purchases and Services Other Than Personal), (as appropriate) against **6763, Gains and Deficiencies on Exchange Transactions, and recorded in the day's business as either a collection, increasing "Cash on Deposit in a Designated Depository," or a disbursement, decreasing "Cash on Deposit in Designated Depository."

5. Distribution of Documents. Distribute the uncurrent check listing, OF 1017-G, and the DD Form 1131 or SF 1034 as follows:

a. The original and one copy of the uncurrent check listing, a copy of the OF 1017-G, and the U.S. Treasury check shall be forwarded to the Credit Accounting Branch, Financial Management Services, Department of the Treasury.

b. One copy of the uncurrent check listing shall be given to the LD.

c. One copy of the uncurrent check listing, one copy of the OF 1017-G, and one copy of the DD Form 1131 or SF 1034 shall be attached to the SF 1149.

d. One copy of the uncurrent check listing, one copy of the OF 1017-G, and one copy of the DD Form 1131 or SF 1034 shall be filed in the DO's retained LDA records.

e. The original and appropriate number of copies of the OF 1017-G and DD Form 1131 or SF 1034 shall be included with other vouchers supporting the [SF 1219](#) (Statement of Accountability).

B. Closed Limited Depositary Accounts. When outstanding (unpaid) checks become uncurrent in a closed LDA, transfer the U.S. dollar equivalent to the Department of the Treasury account 20X6045. The DO having jurisdiction over the closed account shall arrange with the LD for the necessary transfer of funds from the closed LDA to the DO's current LDA. After the LD completes the transfer to the current account, the DO shall follow the procedures prescribed in subparagraph 140502.A of this chapter. If the closed account belonged to a predecessor DO, or is the settlement account for a closed disbursing station, then prepare one additional copy of the uncurrent check listing for filing with the retained records of the closed station's disbursing records. On this copy of the listing, reference shall be made to the disbursing office accomplishing the transfer and the date the transfer was accomplished.

140503. Transferring the Proceeds of Undeliverable Checks

A. General. The procedures prescribed in this paragraph relate to undeliverable LDA checks, the proceeds that are still due the payee or the payee's estate. LDA checks which are returned as undeliverable and are not due the payee (or payee's estate) shall be canceled as prescribed in section 1406 of this chapter.

B. Time Limit for Holding Undeliverable Checks. Undeliverable LDA checks shall be held only until determination is made that the DO cannot deliver the LDA checks with the information available. In no case shall undeliverable LDA checks be held longer than 60 days from the date of issue.

C. Record of Undeliverable Checks. The DO shall establish a record of undelivered LDA checks using [DD Form 2658](#) (Returned and Undeliverable Check/Bond Record) which shall include complete identification of the check, the disbursement voucher number, the date the check was returned, disposition of the check, the disbursing official authorizing disposition, and the date of disposition. Disposition of undelivered checks may be authorized by the DO, the principal deputy, or a third individual authorized in writing by the DO

to make such disposition.

D. Safekeeping Undeliverable Checks. While held in the disbursing office, undeliverable LDA checks shall be protected the same as cash. Undeliverable LDA checks shall be filed in an order best suited for ease of retrieval and ready identification.

E. Disposition of the Proceeds of Undeliverable Checks Drawn on Open Accounts. The proceeds of undeliverable LDA checks (current as to date of issue) drawn on an open LDA shall be credited to the appropriation or fund charged for the original disbursement at the rate of exchange in effect on the date of issue as shown by the payment voucher. A payable shall be established to allow for future settlement. Undeliverable LDA checks shall be scheduled on an [SF 1098](#) (Schedule of Canceled or Undelivered Checks) showing the check number, month and year of issue, name of payee, amount (U.S. dollar equivalent on date of issue), DSSN, and the appropriation or fund to be credited. Each SF 1098 shall be accounted for as a cash collection. To maintain the DO's accountability, "Cash on Deposit in Designated Depository" shall be increased in the same U.S. dollar amount as the SF 1098. The LDA checkbook balance shall be increased by the total amount of foreign currency units as shown on the check. The current U.S. dollar equivalent of the LDA checkbook balance (including the foreign currency units added above) shall be computed using the current exchange rate. The total U.S. dollar equivalent of the LDA checkbook balance shall then be compared to the total U.S. dollar equivalent shown as "Cash on Deposit in Designated Depository." Any difference in total U.S. dollar equivalents shall be vouchered as a gain or loss by exchange transaction on a DD Form 1131 or SF 1034 (as appropriate) against **6763 and recorded in the day's business as either a collection, increasing "Cash on Deposit in a Designated Depository," or a disbursement, decreasing "Cash on Deposit in Designated Depository." The record of outstanding checks and undeliverable checks shall be updated to reflect the disposition. At the time of disposition, the undelivered checks shall be rendered nonnegotiable by writing, typing, or stamping on the face of the check the words "NOT NEGOTIABLE, PROCEEDS CREDITED IN GOVERNMENT ACCOUNTS, D.O. SYMBOL (DSSN)" to prevent negotiation by unauthorized persons. The amount of the defaced checks shall be included on line 3 of the SF 1149. The canceled checks and one copy of the SF 1098 shall be forwarded with the SF 1149 in the same manner as voided and spoiled checks at the end of each month. Sufficient additional copies of the SF 1098 shall be reproduced to provide the functional area authorizing the original disbursement a copy so they may set up a payable to handle future claims for the proceeds of canceled undeliverable checks.

F. Disposition of the Proceeds of Undeliverable Checks Drawn on Closed Accounts. If the LDA on which the undeliverable checks were drawn has been closed, then the successor DO, or DO responsible for settlement of the account, shall notify the LD that the checks are being canceled. He shall request that the value of the checks be transferred to an open account (if the DO maintains a LDA) or that the depository transfers the funds to the DO by check payable to the DO, by title. When the proceeds have been transferred to the open account, the DO shall proceed as prescribed in subparagraph 140503.E of this chapter, for undeliverable checks drawn on an open account. If the LD provides the proceeds by check, then the DO shall

collect the check on a DD Form 1131 to the appropriation or fund charged when the undeliverable check was issued. No SF 1098 is prepared in this situation. The DD Form 1131 shall be prepared at the rate of exchange in effect on the date the check was issued (as shown by the payment voucher). The DD Form 1131 shall be recorded in the DO's accounts as a cash collection. Any difference in the U.S. dollar value at the current rate of exchange and the rate of exchange at which the check is collected, shall be accounted for as a gain or loss by exchange transaction. At the time of disposition, the undelivered checks shall be rendered nonnegotiable by writing, typing, or stamping on the face of the check the words "NOT NEGOTIABLE, PROCEEDS CREDITED IN GOVERNMENT ACCOUNTS, D.O. SYMBOL (DSSN) " to prevent negotiation by unauthorized persons. The record of outstanding checks and undeliverable checks in the former DO's accounts shall be updated to reflect disposition of the checks. A copy of the DD Form 1131 and the defaced checks shall be forwarded with the SF 1149 to support the changes in the closed LDA account at the end of the month. A copy of the DD Form 1131 shall be forwarded to the applicable functional area to enable them to establish the payable in the event of future claims for the proceeds of the canceled undeliverable checks.

G. Undeliverable Checks Uncurrent as to Date of Issue. Any uncurrent undeliverable checks that come into the possession of the disbursing office, the proceeds of which have been transferred to the Department of the Treasury account 20X6045 and for which no current claim has been presented, shall be forwarded directly to the Credit Accounting Branch, Financial Management Services, Department of the Treasury. Uncurrent undeliverable checks that come into the possession of the disbursing office, the proceeds of which have not yet been transferred to the Department of the Treasury, shall be processed as prescribed in paragraph 140502 of this chapter. Under no circumstance shall an uncurrent undelivered check be scheduled on an SF 1098 or DD Form 1131 as a current undeliverable check.

140504. Limited Depositary Checks Due Deceased or Incompetent Payees

A. Checks Current as to Date of Issue. Un-negotiated LDA checks that are still current as to date of issue, returned to the disbursing office in connection with a claim for the proceeds which are still due a deceased or incompetent payee, shall be processed as prescribed in subparagraphs 140503.E and 140503.F of this chapter, for undelivered checks.

B. Checks Uncurrent as to Date of Issue. All un-negotiated LDA checks that are uncurrent as to date of issue, and returned to the disbursing office in connection with a claim for the proceeds that still are due a deceased or incompetent payee, shall be handled as prescribed in this subparagraph. If the proceeds of these outstanding undeliverable checks previously were not transferred to the Department of the Treasury account 20X6045, then this action shall be accomplished as provided in paragraph 140502 of this chapter, before forwarding the check and the claim to the Department of the Treasury. If a previous transfer of the proceeds to Department of the Treasury account 20X6045 has taken place, then the check shall be forwarded with the claim to the Credit Accounting Branch, Financial Management Services, Department of the Treasury for settlement.

140505. Claims for the Proceeds of Undeliverable Checks

A. Claims for Settlement by the DO. In processing claims for the proceeds of undeliverable checks that have been credited to the appropriation or fund originally charged, the payments shall be supported by a regular disbursement voucher using a SF 1034. Each voucher shall cite a reference to the original undeliverable check, showing the check serial number, amount, and DSSN.

B. Claims for Settlement by the Department of Defense (DoD). When there is any question of law or fact, claims for the proceeds of undeliverable checks shall be forwarded for settlement to DoD, Office of the General Counsel, 1600 Defense Pentagon, Washington, DC 20302-1600, when there is any question of law or fact.

1406 CANCELING LIMITED DEPOSITARY CHECKS

140601. General. LDA checks shall be canceled when the proceeds of the check are not due a payee or the payee's estate but are for credit to an appropriation or fund account. The procedure for cancellation of these checks depends on whether the account on which the check was written is an open account or a closed account, the check is "current" or "uncurrent," and the check is available or unavailable to the DO who maintains the LDA.

140602. Checks Not Due a Payee or Payee's Estate. The functional area submitting the certified payment voucher for issue of the check normally is the only office with authority to cancel checks not due a payee or the payee's estate. Except as provided in this paragraph, the SF 1098 shall be used to list and report all checks not due the payee or payee's estate which are being canceled. In all cases where practicable, the SF 1098 shall be prepared by the functional area authorizing the original payment. If the DO's disbursing office prepares the SF 1098, then the functional area shall sign and date the form in the lower right-hand corner, in the spaces titled "Forwarded" and "By." The disbursing office shall mark the front of the check with the word "CANCELED" and the date of cancellation in prominent letters to prevent improper negotiation of the check.

A. Checks That Are Current as to Issue Date. The DO shall cancel LDA checks not due a payee as quickly as possible. The U.S. dollar equivalent of the foreign currency amount of the check, at the rate of exchange in effect on the date the check was issued (as shown on the payment voucher), shall be the amount credited to the original appropriation or fund charged for the payment.

1. Open Accounts. If the LDA is open (established and being used by the current DO), then the SF 1098 shall be processed in the accounts to effect the credit to the fund or appropriation originally charged for the disbursement, to increase the LDA checkbook balance, and to remove the canceled check from the record of outstanding checks. Each SF 1098 shall be accounted for as a cash collection. To maintain the DO's accountability, "Cash on

Deposit in Designated Depository” shall be increased in the same U.S. dollar amount as the SF 1098. The LDA checkbook balance shall be increased by the total amount of foreign currency units as shown on the check. The current U.S. dollar equivalent of the LDA checkbook balance (including the foreign currency units added above) shall be computed using the current rate of exchange. The total U.S. dollar equivalent of the LDA checkbook balance then shall be compared to the total U.S. dollar equivalent shown as “Cash on Deposit in Designated Depository.” Any difference in total U.S. dollar equivalents shall be vouchered as a gain or loss by exchange transaction on a DD Form 1131 or SF 1034 (as appropriate) against **6763 and recorded in the day’s business as either a collection, increasing “Cash on Deposit in a Designated Depository,” or a disbursement, decreasing “Cash on Deposit in Designated Depository.” The face of the canceled check shall be marked with the word “Canceled” and the date of cancellation. The canceled check and a copy of the SF 1098 shall be forwarded with the original SF 1149 at the end of the month.

2. Closed Accounts. If the LDA is closed or the account was maintained by a predecessor DO and closed upon change of DOs, then it shall be necessary to transfer funds between the closed and current (open) LDAs before processing the cancellation action. If the transfer can be accomplished by drawing a check against the closed account for deposit to the open account, this procedure shall be followed. Otherwise, the procedures outlined below shall be followed in processing the necessary transfer:

a. Check to be Canceled Drawn on DO’s Current Limited Depository. If the DO cannot draw a check against the closed LDA and both the closed and open accounts (DO’s current account) are with the same LD, then advise the LD by letter that the check is in the possession of the DO and is being canceled. Request the bank to transfer the funds involved from the closed account to the open account. When the LD advises that the requested transfer has been made, proceed with the preparation of the SF 1098, as described in subparagraph 140602.A.1 of this chapter.

b. Check to be Canceled Drawn on Different Limited Depository. If the closed LDA and the DO’s current open LDA are in different LDs, then request in writing that the LD on which the check was drawn charge the account for the check being officially canceled and transmit the funds to the DO, by title. Upon receipt, the funds shall be deposited in the current open LDA and treated as a cash collection using the DD Form 1131 for credit to the fund or appropriation originally charged for the check being canceled. Do not process an SF 1098 for this transaction. The U.S. dollar equivalent of the foreign currency amount of the check and the rate of exchange, effective on the date the check was issued as shown on the payment voucher, shall be shown on the DD Form 1131. State prominently on the DD Form 1131 that the transaction involves the proceeds of a canceled check. Any difference in the U.S. dollar value at the current rate of exchange and the rate of exchange at which the funds provided by the LD are collected on the DD Form 1131 shall be accounted for as a gain or loss by exchange transaction.

B. Unavailable Checks. LDA checks, the proceeds of which are not due the payee or the payee's estate, and not held by the disbursing office, shall be canceled even though the check cannot be forwarded with the SF 1149 as a canceled check. The following procedures shall be used:

1. The applicable functional area shall prepare a SF 1098 and give an explanation on the schedule of the circumstances that make the check unavailable. The SF 1098 shall be approved by the functional area authorizing the issue of the original check and shall also be signed by the DO under the explanation of the unavailability of the check.

2. The DO shall request the LD on which the check was drawn to place a stop payment on the check and provide a written acknowledgement when the action has been accomplished.

3. When the LD's acknowledgement is received, the DO shall process the SF 1098 and credit the fund or appropriation originally charged, adjust the checkbook balance, and reduce the record of outstanding checks as prescribed in subparagraph 140602.A.1 of this chapter. A copy of the LD's acknowledgement and a copy of the SF 1098 shall be forwarded with the SF 1149 at the end of the month.

4. The original SF 1098 and the bank's acknowledgement shall be filed with the DO's monthly financial reports and the DO shall keep copies for the retained records file.

C. Checks That Are Uncurrent as to Date of Issue. The proceeds of uncurrent checks not due a payee or payee's estate shall be processed through the Department of the Treasury account 20X6045. Uncurrent LDA checks (whether or not due the payee or payee's estate and whether or not available to the DO) shall have been processed through the Department of the Treasury account 20X6045 as prescribed in paragraph 140502 of this chapter, in October of the fiscal year which is one full fiscal year after the fiscal year in which the check was issued.

1. The DO shall schedule the check on an SF 1098 prepared in original and six copies crediting the fund or appropriation originally charged for the payment. The amount to be credited shall be the U.S. dollar equivalent of the foreign currency at the rate of exchange in effect when the check was issued (as shown on the payment voucher). Modify the heading of the SF 1098 to read "Schedule of Limited Depositary Checks Canceled by the Department of the Treasury." A full explanation of the reason for cancellation of the check shall appear on the SF 1098. Do not process this SF 1098 in the accounts as a collection.

2. Forward the original and five copies of the SF 1098 and the check, when available, through the supporting DFAS site to Credit Accounting Branch, Financial Management Service, and to the Department of the Treasury, with a covering letter or memorandum requesting cancellation of the check. A copy of the outstanding check listing and

OF 1017-G prepared when the check was transferred to the Department of the Treasury account 20X6045 shall be attached to document the request. Retain one copy of the SF 1098 in a pending receivable file.

3. After cancellation of the check is approved, the Department of the Treasury shall authorize issuance of a U.S. Treasury check for the value of the canceled LDA check. Process the check and the [SF 1080](#) (Voucher for Transfer Between Appropriations and/or Funds) upon receipt from the Department of the Treasury as a collection. Support the transaction with the retained copy of the SF 1098.

1407 REPLACEMENT OF MISSING, MUTILATED, AND FORGED LIMITED DEPOSITARY CHECKS

140701. General. Upon receipt of a claim for a check that is reported as not received, or as lost, stolen, destroyed, mutilated, forged or defaced, the DO shall determine from the LD or from retained records the status of the check. When checks are outstanding and unpaid, reported before the end of the fiscal year following the fiscal year in which they were issued, and do not involve any question of law or fact, the DO shall issue a replacement check. Checks that have been paid on a forged endorsement, reported before the end of the fiscal year following the fiscal year in which they were issued, and to which the payee is entitled, shall be replaced by a settlement check. Claims for replacement of checks submitted more than one full fiscal year after the fiscal year in which they were issued, or involving any question of law or fact, or on behalf of deceased or incompetent payees without a court appointed legal representative, or where the claimant's entitlement is in question shall be referred to the DoD, Office of the General Counsel (Fiscal).

140702. Replacement Check Procedures. The following procedures apply to checks drawn on LDs in foreign countries.

A. Action by the Original Payee of the Check or Other Claimant. The payee or other claimant shall notify the DO, in writing, over his or her own handwritten signature, when a check has been lost, stolen, mutilated, or destroyed, and request payment on the check be stopped.

1. The notification shall provide all available information on the check. When furnished by the DO, the payee or other claimant shall complete a TFS Form 2244 (Undertaking of Indemnity - Substitute Checks) and return it to the DO before the end of the full fiscal year following the fiscal year in which the check was issued.

2. Claimants other than the original payee shall present a statement in support of their ownership of the check in addition to the TFS Form 2244. Representatives of deceased payees or owners who clearly are entitled to the proceeds of original checks as part of the estate, also shall complete and submit an [SF 1055](#) (Claim Against the United States for

Amounts Due a Deceased Creditor).

3. Claimants acting as guardians of incompetent payees or owners who are shown by the evidence to be entitled to the proceeds of the original check shall submit a short form court certificate showing their appointment and qualifications as guardians in addition to the TFS Form 2244.

4. If the payee or other claimant is a bank or other financial institution and the check was drawn for \$15,000 or less; or, a corporation or business of recognized financial standing and the check was drawn for less than \$5,000; or, a financially responsible individual and the check was drawn for less than \$150 or is for a recurring payment, in any amount greater than \$150, then the DO may, at his or her discretion, accept an undertaking of indemnity in the form of a written statement or letter. The substance of the statement or letter shall be:

“In consideration of the issuance of a replacement check in lieu of (check number of original check, date, amount, and payee) and the payment of the replacement check, the undersigned undertakes and agrees to save harmless and indemnify the United States of America, its officers and agents, of and from any and all liability, loss, expense, claim, and demand whatsoever, arising in any manner by reason of or on account of said original check(s) or the stoppage of payment thereof, or the issue of payment of the replacement check(s), to replace the same.”

The statement shall be witnessed by a person with authority to so act and, when necessary, may be executed in a foreign language translation of the foregoing letter of indemnity. If the claim exceeds the amounts stated above and the DO still desires to use the letter form of the undertaking of indemnity, then approval shall first be obtained from the Director for Policy and Requirements Management, DFAS Arlington, through the supporting DFAS site.

B. Action by the DO. The DO shall first determine that the check reported as lost, stolen, destroyed, mutilated, or defaced is still outstanding. If the check is outstanding, then the LD shall be requested, in writing, to enter a stop payment against the check and to acknowledge, in writing, receipt of the request. Upon receipt of the acknowledgement, the DO shall forward a modified TFS Form 2244 to the claimant for completion and return to the disbursing office. The modifications by the DO required on the TFS Form 2244 are:

1. Enter the description of the check.
2. Enter the name of the bank on which the check was drawn.
3. Insert a statement near the added bank name that reads, “This change made prior to execution of bond with full knowledge and consent of all parties concerned.” This statement shall be signed by the claimant and by the surety/sureties.

Once the TFS Form 2244 is completed by the claimant and returned, the DO shall approve the claim for payment when determining the original check still is outstanding. The replacement check can be issued before the end of the full fiscal year following the fiscal year of issue, providing there is no question of law or fact concerning the payment, the written claim, TFS Form 2244 or written statement or letter, includes an undertaking of indemnity, and any necessary supporting documents have been received in proper form. The approval shall be noted on the reverse of TFS Form 2244 or on letter undertaking indemnity, in the words “Claim approved by (Name, title, and disbursing station), Date (month, day, and year).” If the original check was drawn on a closed LDA, then it shall be necessary to transfer funds to an open LDA before a replacement check can be issued. Use the procedures described in subparagraph 140602.A.2 of this chapter, to accomplish the transfer of funds. The DO then shall issue a replacement check with the current date and payable in the same currency as the original check. The replacement check shall contain information on its face in the lower left-hand corner identifying the original check as follows: “Issued in lieu of check number Dated (month, day, year) drawn by (DO who issued original check) on (Name of LD).” The number of the replacement check, the date of issue, and the name of the LD on which drawn shall be recorded on the back of the TFS Form 2244 (or letter undertaking indemnity) by the DO when the replacement check is issued. At the end of the month, the DO shall include a copy of all replacement checks issued during that month with the SF 1149. If copies cannot be provided, then a listing of replacement checks issued shall be submitted with the SF 1149. The listing shall show only the replacement check number and the number and date of the original check it replaces. Replacement checks do not increase the DO’s accountability and are not reflected in the SF 1219. The TFS Form 2244 and all supporting documents shall be filed with the retained records of the DO.

C. Sureties. A surety assumes the status of a debtor under the original agreement and is primarily liable with the claimant for every default. Acceptable sureties in connection with TFS Form 2244 are either a corporate surety authorized by the Secretary of the Treasury, or two responsible individual sureties. In foreign countries, the claimant is responsible to secure the certification as to the financial sufficiency of the individual sureties. The certification shall be executed by one of the persons listed on the face of the TFS Form 2244 under “Certificate as to Sureties” and in the manner prescribed by the instructions appearing on the TFS Form 224. If the amount of the original check was equivalent to \$200 or less in U.S. currency, then only one financially responsible surety is required. Sureties shall not be required when:

1. The DO determines that the nonreceipt, loss, theft, destruction or mutilation of the check was not the fault of the owner or holder and occurred while the check was in the custody or control of an agent of the United States performing services in connection with an official function of the United States.

2. The DO is satisfied that a substantial portion of the check is presented and is in fact the subject of the claim and that those missing portions are not sufficient to form a valid claim against the United States.

3. The claimant or holder is an officer or employee of the United States, a municipal corporation, or a political subdivision of the United States, a state, the District of Columbia, or a U.S. Territory or Possession.

4. The claimant is a corporation whose entire capital is owned by the United States, a foreign government or agency thereof, a foreign central bank, or a Federal Reserve Bank.

140703. Settlement Check Procedures. The procedures for claims on paid checks are applicable to all LDAs.

A. Action by the Payee of the Check. The payee immediately shall notify the DO, over his or her own handwritten signature, when a check has been paid on a forged endorsement. The notification shall provide all available information on the identification of the forged check. The payee shall complete the FMS Form 1133 (Claim Against the United States for the Proceeds of a Government Check) and return it to the DO issuing the original check within 90 days of the date appearing on the FMS Form 1133.

B. Action by the DO. Upon receipt of a written request for the proceeds of a check paid on a forged endorsement, the DO shall:

1. Request the LD to commence reclamation. The request to the LD shall be in writing. The LD shall be requested to acknowledge the request in writing and, if canceled checks are not returned to the account holder with the bank statement, then to provide the forged check or a clear legible copy thereof to the DO.

2. Give the payee a copy of the forged check, a FMS Form 1133 with instructions on completing the FMS Form 1133 and inform the payee the FMS Form 1133 must be returned within 90 days. The return address at the top right of the form shall be that of the DO processing the claim. In the opposite box insert the complete name and address of the claimant as shown on the forged check, the check number, the date of issue, and the amount of the check.

3. If the completed FMS Form 1133 is not returned within 90 days, then the DO shall consider the case closed. If the FMS Form 1133 is completed and returned by the payee within 90 days, then the DO shall forward the form and a copy of the forged check to his or her Component's investigative service for examination by a handwriting expert.

4. The investigative service shall be requested to certify an opinion as to the authenticity of the endorsement. The opinion of the handwriting expert shall be the basis for deciding whether or not a settlement check can be approved for the claimant. Approval for a settlement check shall be granted if the opinion of the handwriting expert states the endorsement was forged and not executed by the payee. A settlement check can be issued before the end of

the full fiscal year following the fiscal year in which the forged check was issued providing there is no question of fact or law concerning the payment; the payee's claim is in writing; and the FMS Form 1133, the certified opinion of the handwriting expert, or any other necessary supporting documents have been received in proper form.

5. When the DO has determined that a settlement check is due the payee, it shall be issued without waiting for reclamation to be accomplished by the LD. The approval shall be noted on the front of the FMS Form 1133 in the words "Settlement approved by (name, title, and disbursing station), Date (month, day, and year).” The DO then shall issue a settlement check with the current date and payable in the same currency as the original check. The settlement check shall contain information on its face in the lower left-hand corner identifying the original check as follows: “Issued in settlement of check number _____ dated (month, day, year) drawn by (DO who issued original check) on (Name of Limited Depositary).” Settlement checks shall be reported as checks issued and accounted for in the regular manner when preparing the SF 1149.

6. Where the local currency disbursed for the forged check was purchased through a Military Banking Facility, by an open market transaction, or by issuance of a U.S. Treasury check, the issuance of the settlement check shall be reported as a Receivable - Check Overdraft on line 7.2 of the [DD Form 2657](#) (Daily Statement of Accountability) and the SF 1219. The receivable shall be established and cleared as a check issue overdraft discrepancy as prescribed in section 1408 of this chapter. If the funds originally used to pay the forged check were obtained from U.S. owned foreign currencies, then the DO shall charge the disbursement of the settlement check to the same foreign currency account.

C. Reclamation. In all cases where settlement checks have been issued, the DO responsible for the LDA shall be satisfied that reclamation action is timely, and every effort is made to recover the proceeds of forged LDA checks. The DO shall, at least twice within the 30 days immediately following the receipt of the LD's acknowledgement of the notification of a forgery, make a formal written request for completion of reclamation by the LD. If the LD advises that reclamation cannot be made because the LD can prove a point of local law that relieves it from responsibility, then the DO shall request relief of liability for the illegal, incorrect, or improper payment as prescribed in [Chapter 6](#) of this volume. If relief of liability is granted, then the DO shall clear the check issue overdraft as prescribed in section 1408 of this chapter. Recoveries made through reclamation shall be credited to the appropriation to which the disbursement of the settlement check was charged. If the charge is still carried as a check issue overdraft, then line 7.2 of both the DD Form 2657 and the SF 1219 shall be cleared. If line 7.2 has already been cleared by relief of liability, then the account General Fund Proprietary Receipts, Defense Military, Not Otherwise Classified, **3210, shall be credited.

140704. Recovery of Original Check. If the original LDA check is recovered before issuance of a replacement check, then suspend the replacement check action and request the LD to remove the stop payment against the original check. The payee then may negotiate the

original check. If the replacement check has been released, then the original check shall be rendered nonnegotiable by writing or stamping across the face of the check “Not Negotiable - Replacement Check Issued Under No.____.” Such a check shall be submitted with the next SF 1149.

140705. Referral to OSD

A. Entitlement or Legal Representation. All cases involving questions as to the payee or owner’s entitlement to a substitute or settlement check, and cases where no legal representative has been appointed by the court for deceased/incompetent payees or owners, shall be forwarded for advice to DoD, Office of the General Counsel (Fiscal). Submissions should include an assessment or determination from the appropriate entitlement area concerning the underlying obligation. [Chapter 8](#) of this volume addresses entitlement area responsibilities with respect to Treasury check recertification and for claims on obligations underlying canceled Treasury checks, and should be reviewed before referring cases to the DoD, Office of General Counsel (Fiscal).

B. Question of Law or Fact. All cases involving any question of law or fact shall be forwarded to DoD, Office of the General Counsel (Fiscal), for settlement action.

C. Checks Outstanding More Than One Full Fiscal Year. All cases involving checks that have been outstanding more than one full fiscal year after the fiscal year in which they were issued shall be forwarded to DoD, Office of the General Counsel (Fiscal), for settlement action. Documentation for these cases shall include an undertaking of indemnity for the proceeds of a lost, stolen, destroyed, mutilated, or defaced LDA check; the check in question, when available, or any identifiable portions thereof; and, any other supporting documentation.

140706. Files. Approved claims and supporting documentation, or copies of the same where the originals have been transferred to the supporting DFAS site, shall be retained by the DO as part of the retained records.

1408 ADJUSTMENT OF CHECK ISSUE DISCREPANCIES

140801. General. This section sets forth the actions necessary to effect adjustments of LDA differences chargeable to DOs. These adjustments shall be made and recorded in the accounts of the DO immediately upon discovery. The procedures described herein do not apply to voided or spoiled LDA checks or canceled LDA checks, which were discussed in sections 1404 and 1406 of this chapter. LDA check issue discrepancies are disclosed in internal audit reports, GAO audits, or by control measures initiated by the DO. These differences occur when the LD pays a check in an amount different from the disbursement voucher and the record of checks issued; the disbursing office draws a check to the wrong payee; the disbursing office issues a check in an amount different than the amount shown on the disbursement voucher; the disbursing office voids, spoils, or cancels a valid check in error while

at the same time issuing the check that was the subject of the action to void, spoil, or cancel; or the payee advises of a possible overpayment or underpayment.

140802. Recording Limited Depositary Check Issue Overdrafts and Underdrafts. As soon as the DO is aware of a check issue difference (regardless of the U.S. dollar value) an OF 1017-G shall be prepared in original and three copies to record the overdraft or underdraft. A complete explanation of the difference shall be shown on the form, including a description of the check (check number, date, amount, payee, account number, and LD name) and identification of the related disbursement voucher. The original OF 1017-G shall be attached to the DO's SF 1219. A copy shall be attached to the SF 1149, and the two remaining copies shall be placed in a file and used as the DO's official subsidiary record of the uncleared difference comprising the DO's accounts receivable and/or accounts payable.

140803. Adjustments During The Current Accounting Period. Documentation for adjustment of check issue discrepancies applying to the current accounting period, which are disclosed and adjusted in the current accounting period, shall not be furnished with the SF 1149. These documents are required for internal processing and shall be maintained with the other retained financial records. Differences disclosed during the current accounting period which cannot be adjusted until a subsequent accounting period shall be documented as prescribed in paragraphs 140804 through 140806 of this chapter.

140804. Adjustments of Check Issue Overdrafts of More Than \$1. When the DO determines that a LDA check has been issued for more than the amount shown on the disbursement voucher and the amount reported in the LDA reports, prepare an OF 1017-G as described in paragraph 140802 of this chapter, and enter the amount as a decrease to the LDA on line 6.1 and an increase to accounts receivable on line 7.2A of the DD Form 2657. If the overdraft is an actual overpayment to the payee, then the DO shall commence collection action. When recovery is made on the overpayment, the DO shall deposit the funds in the LDA and enter the amount as an increase on line 6.1 and a decrease on line 7.2A of the DD Form 2657. Prepare an OF 1017-G to document this transaction. Do not prepare a collection voucher. If the overdraft is due to not having charged the appropriation for the total amount of the check, then prepare a one-sided [SF 1081](#) (Voucher and Schedule of Withdrawals and Credits) to charge the overdraft to the appropriation cited on the original disbursement voucher. Include a complete explanation of the adjustment on the SF 1081 and process the voucher as a disbursement on line 4.1A and a decrease to accounts receivable on line 7.2 of the DD Form 2657.

140805. Adjustments of Check Issue Underdrafts of More Than \$1. When the DO determines that a check has been issued for less than the amount shown on the disbursement voucher and the amount shown on the depositary reports, prepare an OF 1017-G as described in paragraph 140802 of this chapter, and enter the amount of the underdraft as an increase to line 4.1E and an increase to line 6.1 of the DD Form 2657. Prepare a one-sided SF 1081 crediting deposit fund account, Accounts Payable - Check Issue Underdrafts, **X6999. If the underdraft is due to charging the appropriation cited on the disbursement voucher more than the amount of

the check, then prepare an SF 1081 charging deposit fund account **X6999 and crediting the appropriation charged on the original voucher. If the underdraft is due to issuing the check for less than the amount on the original voucher, then prepare an SF 1034 charging deposit fund **X6999 and issue a check to the original payee for the amount of the underdraft. Record the check and the SF 1034 as a new transaction in the LDA and on the DD Form 2657.

140806. Clearing Overdrafts and Underdrafts of \$1 or Less. When the DO determines that an overdraft or underdraft of \$1 or less exists, prepare an OF 1017-G as described above for overdrafts and underdrafts over \$1. LDA check issue differences equal to \$1 or less in U.S. currency, even though they shall be recorded in the DO's accounts, shall not be liquidated by collection from overpaid payees, payment to underpaid payees, or adjustments to appropriation or fund accounts which were over or under charged in the original processing of the voucher and issuance of the check. Instead, the procedures in the following paragraphs shall be used:

A. Clearance of Overdrafts Equal to One U.S. Dollar or Less. At the close of each fiscal year the DO shall prepare a one-sided SF 1081 for the cumulative total of all outstanding check issue overdrafts with a U.S. dollar value of \$1 or less. The SF 1081 shall charge the O&M appropriation of the disbursing activity and credit accounts receivable. Show a complete description of the transaction including a listing of the OF 1017-Gs being cleared.

B. Clearance of Underdrafts Equal to One U.S. Dollar or Less. At the close of each fiscal year the DO shall liquidate all outstanding underdrafts for check issue differences with a U.S. dollar value of \$1 or less by processing an SF 1081 to transfer the cumulative total of these accounts payable from deposit fund **X6999 to miscellaneous receipt account, Forfeiture of Unclaimed Money and Property, **1060. If a payee requests payment of the underpaid amount at any time after the DO has processed the OF 1017-G for the underdraft but before the end of the fiscal year, then the DO shall confirm the claim and, when necessary, issue a check charging the original appropriation for the disbursement. Claims received after the outstanding underdraft has been cleared as prescribed in this paragraph shall be referred to the supporting DFAS site.

140807. Clearing the Subsidiary Account Files. When the adjustment action has been completed, collection made, or additional check issued, mark the two file copies of the OF 1017-G with the appropriate legend: See Deposit Ticket No. _____, dated _____; See Check No. _____, dated _____; or, See Adjustment Voucher No. _____, dated _____. Submit one of the annotated copies with the SF 1149 at the close of the accounting period. File the remaining copy with the DO's retained records for the LDA.

1409 DOCUMENTATION OF LIMITED DEPOSITARY ACCOUNT TRANSACTIONS

140901. General. DOs are responsible for maintaining the controls and safeguards necessary to assure the drawing of LDA checks in strict conformance to disbursement vouchers

as certified. LDAs are a part of the DO's accountability for public funds and are not recorded in agency accounting records until disbursements and collections are properly vouchered. For this reason, records maintained by the DO shall be complete, accurate, and available for audit to ensure the integrity of the LDAs. A loss resulting from a bank failure is treated as a physical loss. Refer to [Chapter 6](#) of this volume for processing irregularities in a DO's account.

140902. SF 1149 (Statement of Designated Depository Account). Within 30 days following the close of each calendar month, a SF 1149 shall be prepared and submitted by the DO holding an open LDA and by accountable individuals charged with the settlement of closed accounts. The SF 1149 shall be prepared by the account holder closing a LDA on the last business day and submitted within 5 days after the LDA is closed. When a LDA is closed, the final SF 1149 shall be marked "FINAL" at the top of the form. If the LDA holder is the DO, then the SF 1149 shall be prepared in an original and two copies and if the account holder is an agent of the DO, then the SF 1149 shall be prepared in an original and three copies. The SF 1149 shall be supported by:

- A. A LD bank statement for the period or a certified list of paid checks.
- B. A record of checks issued.
- B. A schedule of spoiled and voided checks and the checks themselves.
- D. A copy of every SF 1098 issued during the reporting period canceling available checks and the checks themselves.
- E. A copy of every SF 1098 issued during the reporting period canceling unavailable checks with the LD's letter acknowledging cancellation of the unavailable checks.
- F. A copy of each OF 1017-G issued during the accounting period to transfer uncurrent checks or report/clear check issue discrepancies.
- G. Original checks returned or recovered after a substitute check has been issued or any mutilated or defaced checks that are received from claimants.
- H. A schedule of deposits made to the LDA during the accounting period, showing date and amount of each deposit.
- I. A list of outstanding checks showing check number, date, and amount.
- J. A copy of the SF 1219.

140903. Preparation of SF 1149. Information necessary for the preparation of the SF 1149 is shown in the following paragraphs. See figure 14-1 for an example of a completed

SF 1149.

A. Heading

1. Name of Disbursing Officer or Cashier. Enter the name of the account holder.

2. Name (Funds advanced by). If the DO is the account holder, then leave blank, otherwise enter the name of the DO who advanced the funds used to establish the LDA.

3. Station or Office. Enter the name and address of the activity to which the account holder is assigned.

4. Name of Depository. Enter the name of the financial institution maintaining the LDA. A separate SF 1149 is required for each financial institution.

5. Location of Depository. Enter the address of the financial institution maintaining the LDA.

6. Account Number. Enter the account number shown on the statements received from the LD. A separate SF 1149 is required for each LDA.

7. Accounting Period. Enter the from/to days of the calendar month being reported by the SF 1149.

8. Monetary Unit of This Account. Enter the complete name of the monetary unit on deposit with the LD (i.e., Australian dollar, not merely DOLLARS that may be Canadian, Bermudan, or Guyana to cite a few of the nations using that currency name).

B. Summary of Transactions. Enter the amounts in the applicable foreign currency on lines 1 through 12, as explained below, and on the reverse of the SF 1149.

1. Line 1 - Checkbook Balance at Close of Previous Period. Enter the amount shown on line 18 of the preceding months SF 1149. The figure shall agree with the amount on line 6.1 of the preceding SF 1219 unless the DO has more than one LDA.

2. Line 2 - Deposits to Official Credit.

a. Transfers. Enter amounts of wire transfers or similar transactions into the account.

b. Others. Enter the total of all deposits made by the DO or account holder during the month. Attach a listing showing the date and amount of each deposit.

3. Line 3 - Checks Canceled This Period. Enter the total of all checks canceled by SF 1098 (both available and unavailable checks shall be included). Attach a copy of each SF 1098, the checks that have been canceled, and copies of the bank's acknowledgement on unavailable check cancellations. Note: Disregard instructions for Line 3 on the reverse of the SF 1149 requiring submission of the [SF 1184](#) (Unavailable Check Cancellation (Cancellation Document)).

4. Line 4 - Undeliverable Checks Credited This Period. LEAVE BLANK. No entry necessary. These amounts are included in Line 3. Note: Disregard instructions for Line 4 on the reverse of the SF 1149 requiring submission of SF 1184 schedules.

5. Line 5 - Adjustments. Enter the total adjustment increases during the month (i.e., check issue underdrafts or interest credited to the account) and attach a copy of the OF 1017-Gs, a detailed explanation of each adjustment, or the depository's credit memos for the increases.

6. Line 6 - Uncurrent Checks. Enter the amount of uncurrent LDA checks that were transferred to the Department of the Treasury account 20X6045 during the month. Attach a copy of the uncurrent check listing and a copy of the OF 1017-G to the SF 1149.

7. Line 7 - Total To Be Accounted For. Add lines 1 through 6 and enter the total on this line.

8. Line 8 - Total Checks Drawn This Period. Enter the total of all LDA checks issued during the period. Voided checks are reported as zero dollar amount checks. Spoiled checks are reported as zero amounts when replaced by serially numbered checks. Replacement of spoiled checks does not change the check issue records because the check serial number of the original check is assigned to the replacement check. Attach carbon copies of the checks issued or, if the carbon copies are not available, then attach a detailed listing of all checks issued showing location of the disbursing office, check number, check date, and check amount. Replacement checks are reported, but the amount of the check is omitted. If a listing is furnished instead of carbon copies of the checks, then identify the replacement check as such on the listing, omit the amount and insert the number and date of the original check on the same line as the serial number of the replacement check. The carbon copies of the checks or the detailed listing may be amended by a signed, handwritten correction from the account holder for voided checks discovered before the submission of the SF 1149.

9. Line 9 - Uncollectible Checks Returned by Depository. Enter the total of all dishonored checks returned by the LD. Attach a schedule showing the check number, date, payee, and amount of each dishonored check and the date and amount of the deposit slips under which they were deposited.

10. Line 10 - Adjustments. Enter the total adjustment decreases during the month (i.e. check issue overdrafts or fees for returned checks) and attach a copy of the OF 1017-G, a detailed explanation of each adjustment, or copies of the LD's debit memoranda supporting the decrease.

11. Line 11 - Total. Add lines 8 through 10 and enter the total on this line.

12. Line 12 - Checkbook Balance Close of Period. Subtract line 11 from line 7 and enter the result on this line.

C. Reconciliation. Prove the checkbook balance by completing lines 13 through 19 as explained below and on the reverse of the SF 1149.

1. Line 13 - Balance Per Bank Statement. Enter the balance from the LD bank statement and attach a copy of the statement to the SF 1149.

2. Line 14 - Add: Deposits in Transit. Enter the total of deposits included in the amount on line 2 that were not shown on the bank statement. Attach a listing of the date and amount of each deposit not shown on the bank statement.

3. Line 15 - Total. Add lines 13 and 14 and enter the total on this line.

4. Line 16 - Deduct: Outstanding Checks. Enter the total of any checks not shown as paid on the current and all preceding bank statements. Verify that checks shown on this line have been reported on line 8 of previous SFs 1149. Attach a listing showing the check number, date, and amount of each outstanding check.

5. Line 17 - Deduct: Deposits Not Credited By (Disbursing Officer or Cashier). Enter the amount of deposits listed on the bank statement and not reflected in the checkbook balance (Line 12). The only acceptable reason for an entry on this line is a LD bank error crediting the wrong account. A detailed list showing the amount and date of each deposit shall support an entry on this line.

6. Line 18 - Balance Per Checkbook. Subtract the sum of lines 16 and 17 from the amount entered on line 15 and enter the result here. The amount entered on this line shall equal the amount entered on line 12 or the LDA has not been properly reconciled. Recheck all entries on lines 1 through 18 to determine source of the error.

7. Line 19 - U.S. Dollar Equivalent. The amount shown on this line shall be the U.S. dollar equivalent of the monetary units shown on line 12 and as reported on the

SF 1219. Convert the amount shown on line 12 to its U.S. dollar equivalent using the rate of exchange from line 20. When the account has been properly reconciled, the values of lines 12 and 18 are the same and the U.S. dollar equivalent shall be the same for the adjusted bank balance and the adjusted checkbook balance.

8. Line 20 - Rate of Exchange. Use the official rate of exchange expressed as the units of foreign currency equal to one U.S. dollar carried to at least two decimal points (100th of one foreign currency unit). This rate shall be the same rate used to determine the U.S. dollar value shown on line 6.1 of the SF 1219 for the month.

D. Checks Used This Period. Enter the check serial numbers in the blank spaces provided. The beginning check serial number shall be one number greater than the ending check serial number from the preceding months SF 1149. Check serial numbers shall run in ascending order from one report to the next.

E. Date and Signature

1. Date. Enter the date the SF 1149 is prepared.

2. Signature of Disbursing Officer or Cashier. The account holder shall sign in the space provided. If the account holder is not the DO, then the statement shall be countersigned by the DO above the signature of the account holder before the SF 1149 is forwarded to the supporting DFAS site.

140904. SF 1098 (Schedule of Canceled or Undelivered Checks). LDA checks being canceled because the payee is not entitled to the proceeds of the check or because the check cannot be delivered to the payee shall be vouchered on a SF 1098. Procedures for processing undeliverable checks are in paragraph 140503 of this chapter, and procedures for processing canceled checks are in section 1406 of this chapter. If the checks being scheduled are all drawn on the same LDA and are all being canceled, or are all undeliverable, then a single SF 1098 is required. If checks were drawn on more than one LDA or if the checks being scheduled are a mix of canceled and undeliverable checks, then multiple SFs 1098 are required. Do not include checks to be canceled on the same SF 1098 with checks, which are undeliverable. LDA checks charged to different appropriations or funds and drawn on the same LDA do not need to be scheduled on separate SFs 1098. Prepare the SF 1098 as prescribed in the following paragraphs. See figure 14-2 for an example of a completed SF 1098.

A. Heading

1. Insert the phrase "Limited Depositary Account" at the top of the form.
2. Enter an "X" in the "Canceled" block for canceled checks.

3. Enter an “X” in the “Undelivered” block for undelivered checks. Only one block shall be marked. Both blocks are never marked on the same form.

B. Department or Establishment. Enter the appropriate component title. For example: U.S. Army, U.S. Air Force, U.S. Navy, Defense Logistics Agency, or Defense Finance and Accounting Service.

C. Schedule Number. Enter the collection voucher number.

D. Bureau or Office. Enter the name and address of the disbursing activity.

E. Sheet Number. Enter the page number and total number of pages comprising the SF 1098 (1 of 2; 2 of 2; 1 of 4; etc.). When there is only one page leave blank.

F. Location. Enter the name of the limited depositary bank and the account number.

G. DO Symbol Number. Enter the DSSN of the account holder or the DSSN of the account holder’s DO in the case of an agent account holder.

H. Accounting Period. Leave blank.

I. Agency Location Code. Leave blank.

J. Body. Record all information for each check listed on the SF 1098.

1. Date of Issue, Check Number, and Payee. Enter the information shown on the check or on the bank confirmation for unavailable checks.

2. Voucher Number Applicable. Enter the disbursement voucher number supporting the original check issue.

3. Amount. Enter the U.S. dollar equivalent of the check at the rate of exchange in effect on the date the check was issued (as shown on the payment voucher).

4. Symbol of Appropriation or Fund to be Credited. Enter the accounting data to which the proceeds shall be credited.

5. Total. Enter the total of all checks listed on the SF 1098. If the SF 1098 consists of more than one page, then ensure the total reflects the entire submission.

K. Signature Element.

1. Date of Deposit Ticket. Leave blank.
2. Forwarded. Leave blank.
3. By (Name). Enter the name of the account holder.
4. Disbursing or Accountable Officer. Enter the name of the DO.
5. Date. Enter the date the SF 1098 data was entered in the DO's records. Do not use the date the SF 1098 was signed unless the signature date and the date entered in the DO's accounts are the same.
6. Title. If the account holder is the DO, then leave blank, otherwise enter the title of the agent holding the account.

140905. OF 1017-G. Journal vouchers are prepared to document the DO's accountability when disbursement or collection vouchers from the functional areas are not appropriate. The transfer of the proceeds of uncurrent checks and adjustments of check issue discrepancies are transactions that shall be documented by the DO with a OF 1017-G. Prepare the form as indicated in the following paragraphs.

A. Heading. Type the month and year the transaction is recorded into the DO's accountability in the upper left hand corner of the form. Type the DSSN and name of the DO in the upper left hand corner of the form immediately below the month and year.

1. J.V. No. Enter the sequential J.V. voucher number assigned for this transaction.

2. Date. Enter the date the OF 1017-G is prepared.

B. Body of the Form

1. Reference. Enter the voucher number, date, and other identification for the disbursement of the uncurrent check or the check overdraft or underdraft.

2. Explanation. Provide a narrative explaining the purpose for the form and a description of the check containing the DSSN of the issuing activity, check serial number, check date, and payee. Also, supply the identification of any vouchers or other documents associated with the transaction.

3. Debit. Enter the amount to be charged (in U.S. dollar equivalent) and under it, enclosed in parentheses, show the appropriation classification data to be used to enter the disbursement in the financial records.

4. Credit. Enter the amount to be credited (in U.S. dollar equivalent) and under it, enter the appropriation classification data to be used to enter the collection in the financial records.

5. Total. Enter the total debit and/or credit amount for all items listed in the body of the form.

C. Signature Element

1. Prepared By (Signature) and (Title). The account holder shall sign and enter his or her typewritten title.

2. Approved By (Signature) and (Title). The DO shall sign and enter his or her typewritten title.

1410 TRANSFERRING AND CLOSING THE LIMITED DEPOSITARY ACCOUNT

141001. General. When a LDA is no longer needed, the DSSN is not being closed, and the DO plans to continue the LDA, the agent of the DO shall reconcile the account and transfer the unexpended balance to the DO, DDO, or successor DO. When a LDA is being closed and the DSSN is not being closed, the agent of the DO shall reconcile the account, leave a sufficient balance to cover all current outstanding checks, and transfer the account to the appointing DO/DDO for subsequent closure. When a LDA is being closed, the DSSN is not being closed, and there are no outstanding checks, the agent of the DO shall reconcile the account and close the LDA. When a LDA is being closed, and the DSSN is being closed by the DO/DDO, the agent of the DO shall reconcile the account, leave a sufficient balance in the account to cover all current outstanding checks, and transfer the account to a settlement office designated by the supporting DFAS site for subsequent closure. In all cases, the DO/DDO shall notify DFAS-NPD/IN within 15-days of LDA closure that the account is closed.

141002. Reconciliation of a LDA. Before attempting to reconcile the LDA, the agent of the DO shall contact the LD and request an up-to-date statement of the account and, if available, all the paid LDA checks since the last bank statement. The account shall be reconciled by preparation of a SF 1149 as explained in paragraph 140902 of this chapter.

141003. Transfer of the LDA. When transferring the LDA to the DO/DDO, a successor DO, or designated settlement office due to operational requirements or economic considerations, the actions in the following subparagraphs shall be taken.

A. By the Agent of the DO

1. Obtain an up-to-date bank statement from the LD.

2. Reconcile the LDA.
3. Prepare a list of the outstanding LDA checks and provide it to the individual charged with continuing the account.
4. Give the LD the name, official title, and address of the individual charged with continuing the account and arrange for future bank statements and paid checks to be delivered to that individual.
5. Turn over all undelivered LDA checks to the individual charged with continuing the account.
6. Issue a check payable to the transferee for the unexpended reconciled balance of the account.
7. Report the check transaction on line 10 of the final SF 1149.
8. Forward the SF 1149 and a list of the outstanding checks to the supporting DFAS site.
9. Enter the amount of the unexpended balance and give a complete description of the check issued to the individual continuing the account as an Other Cash Item on line 7.9 of the SF 1219.
10. Return any unused checks belonging to the LD for disposition. If the unused checks were purchased by the disbursing activity, then deliver them to the individual continuing the account.
11. Prior to transferring to a settlement office for closure, the agent of the DO shall request designation of a settlement office for liquidation of the account from the supporting DFAS site.

B. By the Person Continuing the Account

1. Verify the LDA is in balance before relieving the agent of the DO and ensure that a balance sufficient to satisfy all outstanding checks remains in the LDA.
2. Notify the LD of the new check signing and agents of the DO identities.
3. Deposit the check received from the previous agent of the DO for the unexpended balance and show the check amount on line 2 of the SF 1149 in the first monthly report of the individual continuing the account.

4. Make all required reports and process all transactions as prescribed in the procedures for the maintenance of LDAs in this chapter.

141004. Closing the LDA.

A. By the DO/DDO or Agent of the DO. The DO/DDO or agent of the DO shall follow these steps to close the LDA account.

1. Request an up-to-date statement of the account from the LD.
2. Prepare a list of outstanding checks showing the name of the LD, check number, date, payee name and SSN, payee address, voucher number under which the check was disbursed, amount in units of foreign currency, amount of the check in equivalent U.S. dollars at the time of issue, DSSN, and the name of the DO under whose authority the account was established.
3. Prepare a letter for the commander's signature, in triplicate, advising the LD that the account shall be closed with the withdrawal of the unexpended balance and that an amount sufficient to cover all outstanding checks shall remain in the account. Give the LD the name, official title, and address of the settlement officer and request that future statements and paid checks, when available, be forwarded until the account balance is depleted. Request the LD to acknowledge acceptance by signature and to retain the original and return two signed copies to the activity. The account holder shall retain one of the signed copies.
4. Prepare a LDA check, payable to the DO (by title) under whose authority the account was established, for the unexpended balance of the account. The DO shall cash the check and account for it on the SF 1219 by reducing line 6.1 and increasing line 6.2 by the amount of the check.
5. Reconcile the account and prepare a final SF 1149 as of the last day of business showing a zero checkbook balance on lines 12 and 18. The ending balance in the account shall be the total amount of the checks shown on the list of outstanding checks and on line 16.
6. Forward to the designated settlement office all undelivered checks, a copy of the final SF 1149, a copy of the up-to-date bank statement furnished by the LD, a signed copy of the letter advising the LD of closure of the account, a copy of the check issued for the unexpended balance of the account, and the list of outstanding checks.
7. Unused LDA checks belonging to the LD shall be returned to that institution for disposition. Unused LDA checks purchased by the disbursing activity shall be stored and disposed of in the same manner as U.S. Treasury checks. No certificate of destruction or notification to the DFAS or to the Department of the Treasury is required when LDA checks

are destroyed.

B. By the Designated Settlement Office. The settlement office shall follow these steps to close the account.

1. Confirm the LDA is in balance before accepting accountability from the DO/DDO or agent of DO.

2. Use the documentation provided by the account holder to validate transactions in the LDA.

3. Render the monthly SF 1149 as prescribed in paragraph 140902 of this chapter, using the documentation provided by the account holder and the statements furnished by the LD.

4. Transfer the proceeds of uncurrent checks to the Department of the Treasury as prescribed in paragraph 140502 of this chapter.

5. Issue replacement checks as prescribed in paragraph 140703 of this chapter.

6. When necessary, dispose of undeliverable checks as prescribed in paragraph 140503 of this chapter.

STANDARD FORM 1149 Revised March 1982 Dept. of the Treasury 1 TFM 4-8000		STATEMENT OF DESIGNATED DEPOSITARY ACCOUNT	
NAME OF DISBURSING OFFICER OR CASHIER MSGT Joe L. Smith		NAME <i>(Funds advanced by)</i> Maj Eugene L. Doe, USAF	
STATION OR OFFICE USDAO, US Embassy, Brindisi, Italy			
NAME OF DEPOSITARY Banca Commerciale Italiana		LOCATION OF DEPOSITARY Brindisi, Italy	
ACCOUNT NUMBER <i>(or other designation)</i> as shown on depositary statement 26,042/00			
ACCOUNTING PERIOD From 1 Jun 19XX		To 30 Jun 19XX	
MONETARY UNIT OF THIS ACCOUNT Italian Lire			
(SEE REVERSE SIDE FOR LINE INSTRUCTIONS)			
1. Check-book balance at close of previous period		97,564	
2. Deposits to official credit:			
Transfers	0		
Others	6,217,187	6,217,187	
3. Checks canceled this period		0	
4. Undeliverable checks credited this period		0	
5. Adjustments		0	
6. Uncurrent checks		0	
7. TOTAL TO BE ACCOUNTED FOR		6,314,751	
8. Total checks drawn this period		6,305,639	
9. Uncollectible checks returned by depositary		0	
10. Adjustments		0	
11. TOTAL		6,305,639	
12. Check-book balance close of period		9,112	
RECONCILIATION			
13. Balance per bank statement		101,791	
14. Add: Deposits in transit		0	
15. TOTAL		101,791	
16. Deduct: Outstanding checks		92,679	
17. Deduct: Deposits not credited by		0	
(Disbursing officer or cashier)			
18. Balance per check book		9,112	
19. U.S. dollar equivalent			
20. Rate of exchange 1.983 per \$1.00			
CHECKS USED THIS PERIOD			
BEGINNING SERIAL NUMBER 24,009		ENDING SERIAL NUMBER 24,057	
I certify that the above statements and supporting data are correct and in accordance with applicable regulations.			
DATE 15 July 19XX		SIGNATURE OF DISBURSING OFFICER OR CASHIER	
NSN 7540-00-682-6749		PREVIOUS EDITION USABLE	
		1149-105	

Figure 14-1. SF 1149 (Statement of Designated Depositary Account)

STANDARD FORM 1149 (REV. 3-82) BACK

LINE INSTRUCTIONS

1. Report the balance in checking account carried forward from previous statement.
2. Enter the totals of all deposits, segregating transfers, made to the checking account during the month and submit a list showing date and amount of each deposit.
3. Show the total of all checks canceled during the report period, to be supported by corresponding Schedules of Canceled Checks, Standard Form 1098, and Unavailable Check Cancellation, Standard Form 1184.
4. Show on this line the total of credits to the checking account for undeliverable checks which have been credited to appropriation or fund accounts as supported by Standard Form 1185 schedules.
5. Report the total of all adjustments increasing the accountability during the report period. A detailed explanation should support each adjustment.
6. Add the total of checks that became uncurrent at the close of the fiscal year. A complete detailed listing of each uncurrent check should support the entry on this line.
7. Show the total of lines 1 through 6, reflecting total accountability for the report period.
8. The grand total of all checks drawn for the period will be shown here. A complete detailed list or check carbon copies should be submitted.
9. The total of uncollectible checks returned by the depository during the report period will be shown here with supporting schedules showing the date and amount of the original certificate of deposit or deposit slip.
10. Enter the total of all no-check adjustments processed during the period which reduces the accountability, and submit a supporting detailed explanation of each adjustment.
11. Show the total of lines 8 through 10. This amount represents the total decrease in the checking account accountability for the report period.
12. The figure shown here will be the difference between the totals on lines 7 and 11.
13. Show on this line the balance of funds in the checking account as shown on the bank statement. Support with bank statement.
14. Show the total of all deposits in transit to the checking account, the amounts of which have been included in line 2. A detailed list showing the amount and date of each deposit must support this line amount.
15. Show here a total of lines 13 and 14.
16. Report here the total of outstanding checks in the account. Support this figure with a detailed listing of each check.
17. Report here the total of deposits credited by the bank but not credited in the checking account. A detailed list showing the amount and date of each deposit must support this line.
18. The amount on this line should be the same as the total shown on line 12. If not, explain in detail.
19. The amount shown on this line will be the U.S. dollar equivalent of the monetary units shown on line 12 and as reported on the Statement of Accountability.
20. Show here the rate of exchange used in the conversion shown on line 19.

*U.S. GOVERNMENT PRINTING OFFICE : 1982 O - 361-526 (8010)

Figure 14-1. SF 1149 (Statement of Designated Depository Account) (Back)

STANDARD FORM 1098 Revised July 1980 Department of the Treasury 1 TFM 4-7000 1098-110						"Limited Depository Account"					
SCHEDULE OF CANCELED OR UNDELIVERED CHECKS											
CANCELED ☒ UNDELIVERED ☒											
DEPARTMENT OR ESTABLISHMENT U.S. Air Force						SCHEDULE NUMBER CF000001					
BUREAU OR OFFICE 487 CSG/ACF Banco Di Sicilia Acct #572654						SHEET NUMBER					
LOCATION Comiso ASIT APO AE 09694						D.O. SYMBOL NO. 8479					
ACCOUNTING PERIOD						AGENCY LOCATION CODE (ALC)					
DATE OF ISSUE	CHECK NUMBER	PAYEE	VOUCHER NUMBER APPLICABLE	AMOUNT	SYMBOL OF APPROPRIATION OR FUND TO BE CREDITED						
10/12/XX	00,011,921	Ruth Savage 375,000L@.000800	F000001	300.00	57*3500						
10/13/XX	00,012,001	Tom Grant 686,016L@.000758	F000002	520.00	57*3400						
TOTAL				820.00							
The amount of the above check(s) was deposited for credit in the account of the U.S. Treasury, on deposit ticket no.			DATE OF DEPOSIT TICKET			FORWARDED (Date)					
DISBURSING OR ACCOUNTABLE OFFICER Jonathon Andrews			DATE 10/15/XX			BY (Name)					
						TITLE Deputy Disbursing Officer					
NSN 7540-00-634-4287						PREVIOUS EDITION NOT USABLE					

Figure 14-2. SF 1098 (Schedule of Canceled or Undelivered Checks)