

SUMMARY OF MAJOR CHANGES TO DoD 7000.14-R, VOLUME 5, CHAPTER 4 “CHECK CASHING SERVICE (ACCOMMODATION EXCHANGE)” All changes are denoted in blue font Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision. Hyperlinks are denoted by <u><i>underlined, bold italic, blue font</i></u>		
PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Hyperlinked references in chapter.	Addition
Multiple	Renamed “Disbursing Policy and Procedures Section, Financial Services and Disbursing Division” as “Disbursing/Debt Management Policy Division” (DFAS-NPD/IN).	Amendment
040101.B	Changed the address to send an exception to cash checks within the United States to “Disbursing/Debt Management Policy Division (DFAS-NPD/IN)” vice “Disbursing Policy and Procedures Section, Financial Services and Disbursing Division.”	Amendment
040102	Added Third-Party Checks to the list of negotiable instruments. The use of Paper Check Conversion Over the Counter (PCC OTC) may be used to process authorized checks if utilized by the disbursing office.	Addition
040103	Changed the location for obtaining the DD Form 2761 from the supporting DFAS site to the Washington Headquarters Service website.	Amendment
040104.E	Added that the contractor shall enter into agreement with the disbursing officer (DO) for any checks written by their employees that are returned as dishonored.	Addition
040105.E	Added alternate method for preventing identity theft when cashing personal checks.	Addition
040201.D.2.d	Deleted this subparagraph since the Department of Defense (DoD) civilian payroll office has established a central location for all DoD civilian debts. Adds that dishonored checks written by contract employees shall be collected immediately in accordance with the employees company’s agreement.	Deletion Addition
040201.D.6.b	Added the requirement to retain a copy of the check cashing agreement for a contractor with the dishonored check.	Addition

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 5, CHAPTER 4
“CHECK CASHING SERVICE (ACCOMMODATION EXCHANGE)”**

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Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision.

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

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
040304	Deleted reference to 70 Comptroller General Decision 616.	Deletion
040401	Deleted reference to 70 Comptroller General Decision 616.	Deletion
040403	Updated paragraph to include, “The DO, DDO, agent or cashier may submit a request relief of liability.	Amendment
Figure 4-1	Replaced DD Form 2761 (Personal Check Cashing Agreement) with revised form.	Amendment
Figure 4-3	Added sample of a request for the removal of deficiency due to dishonored checks.	Addition
Table 4-1	Revised the DoD component payroll office addresses.	Amendment

TABLE OF CONTENTS**CHECK CASHING SERVICE (ACCOMMODATION EXCHANGE)**

★0401	Exchange of Cash for Negotiable Instruments
★0402	Cashing Personal Checks
0403	Accountability of Dishonored Checks
★0404	Removal of Deficiencies
★Figure 4-1	Department of Defense (DD) Form 2761 (Personal Check Cashing Agreement)
Figure 4-2	Sample of Check Endorsements Consenting to Pay Account Collection for Dishonored Check Charges
★Figure 4-3	Sample of a Request for Removal of Deficiency due to Dishonored Checks
★Table 4-1	Component Payroll Office Addresses

CHAPTER 4

CHECK CASHING SERVICE (ACCOMMODATION EXCHANGE)0401 EXCHANGE OF CASH FOR NEGOTIABLE INSTRUMENTS040101. Policy

A. General. In accordance with [Title 31, United States Code \(U.S.C\), section 3342](#), disbursing officers (DOs) are authorized to provide check cashing and accommodation exchange service to military and civilian personnel of the United States (U.S.) Government, veterans hospitalized or domiciled in Department of Veterans Affairs facilities or other U.S. Government institutions, contractors engaged in U.S. Government projects (including contractor personnel) and personnel of authorized nongovernmental agencies operating with agencies of the United States. It is Department of Defense (DoD) policy that these services shall be offered only when satisfactory banking facilities are not available and only when the checks presented for cashing are from payees who are U.S. citizens.

★ B. United States. If on-base commercial banks, other financial institutions, or exchanges are not available to provide check cashing service, then the commander may request the Director of Defense Finance & Accounting Service (DFAS), or designee, to authorize the DO to cash the negotiable instruments listed in paragraph 040102 of this chapter. Such requests, with complete justification, shall be submitted through the [Disbursing/Debt Management Policy Division, Policy and Performance Management Directorate, DFAS-Indianapolis \(DFAS-NPD/IN\), 8899 E. 56th Street, Column 329F, Indianapolis, IN 46249-0050](#). If approved, then the provisions of section 0402 shall apply. Only the individuals listed in paragraph 040104 of this chapter, are eligible to receive check cashing service.

C. Overseas Areas and Ships Afloat. If military banking facilities, other financial institutions, or exchanges are not available or adequate to provide check cashing services, then the commander may authorize the DO to cash those negotiable instruments listed in paragraph 040102. Only the individuals listed in paragraph 040104 of this chapter, are eligible to receive check cashing service when:

1. The commander's check cashing policy is in writing and is approved by the theater commander or designee. The policy shall specifically identify the scope of the services to be offered and the personnel eligible to receive this service.

2. Adequate resources are available to provide these services without impacting on levels of other financial management services (e.g., primary disbursing and related functions).

3. The DO has the right to deny check cashing privileges to anyone based on the nonavailability of cash or personnel resources. The commander's written authorization shall emphasize this right.

★ 040102. Negotiable Instruments. The negotiable instruments that a DO is authorized to cash are: U.S. Treasury Checks; Traveler's Checks; Money Orders; [third-party checks](#); state and local government checks; credit card checks; business checks; and personal checks, payable in U.S. currency. [The definition of a third party check is a check on which the drawer, the drawee, and the payee are all different parties. The payee must be eligible for check cashing services. These negotiable instruments may be processed through the Paper Check Conversion Over the Counter \(PCC OTC\) system. For additional information on PCC OTC, see Chapter 5 of this volume. Instructions for PCC OTC may be obtained at the Department of the Treasury website.](#)

★ 040103. Eligibility. Eligibility for check cashing services normally shall extend to all personnel permanently assigned to units in the area served by the DO. Units desiring personal check cashing privileges from DOs of another activity or Component shall designate a point of contact (POC) to work with the DO. The DO may require the POC to furnish a list of personnel on temporary duty/temporary additional duty (TDY/TAD) when approved by the DO's commander. TDY/TAD personnel shall give the DO a copy of the TDY/TAD orders in addition to any other items of identification required by the DO. An authorized agent, usually a dependent who is authorized, pursuant to a properly executed power of attorney, may receive check cashing privileges for personal checks drawn on the account of the member, personal checks drawn on joint accounts to which the member is a party, and any other check which is drawn in favor of the member. The agent shall present valid identification in the course of all transactions. All restrictions which apply to benefiting members shall apply to agents of members under the terms of the executed DD Form 2761 ("Personal Check Cashing Agreement"), which serves as a power of attorney (see Figure 4-1). [The DD Form 2761 may be found on the Washington Headquarters Services website for local reproduction.](#)

040104. Eligible Individuals. Individuals who may be authorized to receive check cashing services are:

- A. Members of the U.S. Armed Forces.
- B. Civilian employees of the U.S. Government who are U.S. citizens.
- C. U.S. Military Retirees. This authorization is contingent upon the requirement that the theater commander or designee determines that provision of this service is not prohibited by the Status of Forces Agreement (SOFA) of the country involved and that other check cashing facilities (e.g., banks or exchanges) are not available or adequate.
- D. Hospitalized veterans of the U.S. Armed Forces.

★ E. Contractors and their employees engaged in U.S. Government projects given that the contractor is a U.S. firm and the employee is a U.S. citizen. The company on site representative must (1) furnish the DO with a listing of those employees who are authorized to cash personal checks, and (2) enter into a written agreement with the DO regarding dishonored checks written by company employees. The agreement shall stipulate that the DO will suspend check cashing privileges for all employees of that company if the DO receives a dishonored check, written by a company employee, and the DO is unable to collect for the dishonored check. The DO will notify the company representative when a dishonored check is received from one of its employees and suspend check cashing services for all employees of the company. The suspension will remain in effect until the DO is able to collect on the dishonored check. If the DO is not able to collect after 30 days, from the date of notification to the company, the check cashing agreement will be terminated.

F. U.S. citizens who are employees of authorized nongovernment agencies such as the American Red Cross operating with U.S. Government agencies.

G. Dependents of all the above ordered to safe haven posts due to emergency evacuation. See [Chapter 12](#) of this volume for accommodation restrictions.

H. Dependents of the personnel named in subparagraphs 040104.A through 040104.F of this chapter, holding proper identification and powers of attorney and those possessing valid DoD identification cards.

I. Third-country nationals employed as civilian employees under contract to the U.S. Government, as contractors or subcontractors that are U.S. firms engaged in U.S. Government projects in foreign countries, given the checks presented by the third-country nationals are U.S. Treasury checks or U.S. dollar checks issued by the contractors.

J. U.S. citizen employees of federal credit unions operating on U.S. military installations in foreign countries, but only in those countries that do not permit contractor operated DoD military banking facilities to operate on such installations.

040105. Internal Controls. Commanders and other individuals in the chain of command shall ensure that internal controls are adequate to preclude the fraudulent issuance and cashing of negotiable instruments. At a minimum, the following procedures shall be followed:

A. All instruments are endorsed, “Pay to the Order of the Disbursing Officer, (name of ship, station, activity, unit, or the DFAS site).”

B. The payee(s) shall sign or endorse each instrument in the presence of the DO, a deputy DO (DDO), the DO’s duly authorized agent, or a cashier.

C. The identity of the DDO, the DO's agent, or a cashier who provides the cash shall be clearly identifiable on the negotiated instrument. In the event that the instrument has been altered or forged, the DDO, agent, or cashier that cashed the instrument may be held pecuniarily liable. If the instrument becomes nonnegotiable and the identity of the DDO, agent, or cashier cashing the instrument is not apparent on the instrument, then the DO may be held accountable.

D. The DDO, the DO's agent, or a cashier who cashes the negotiable instrument shall properly verify the identity of the person(s) presenting the negotiable instrument for payment.

★ E. Adequate identification of the payee(s) or endorser(s) is recorded on the negotiable instrument in order that recovery can be made in the event that the instrument is dishonored (e.g., legible name, social security number (SSN), duty station/organization, duty phone, and identification card number). [Due to increased concerns of identity theft an alternate control to annotating the SSN on a check may be instituted by the DO. The use and retention of the DD 2761, with a photocopy of the negotiated check, is an alternate solution for identifying individuals when checks are dishonored.](#) For out-of-service debt collection, see [Chapter 29](#) of this volume.

0402 CASHING PERSONAL CHECKS

040201. Procedures for Cashing Personal Checks Overseas, Aboard Ships and, by Exception, Within the United States

A. General. If military banking facilities, other financial institutions, or exchanges are not available or adequate to provide check cashing services, then the commander may authorize the DO to cash personal checks overseas or afloat. These DOs do not always receive notification of dishonored checks prior to the individuals moving from the deployed location. In order to expedite collection on dishonored checks, standard overseas and afloat check cashing procedures applicable to appropriated fund civilians and military personnel throughout overseas and afloat DoD Components, are prescribed in this chapter. Overseas and afloat disbursing offices, all appropriated civilian payroll offices, and, when individually approved by DFAS, all DOs within the United States that provide accommodation exchange check cashing services shall implement these procedures subject to the following:

1. A commander may authorize the DO to cash personal checks for certain authorized individuals, as prescribed in section 0401 of this chapter.

2. The term "commander," as used in these procedures, refers to a theater commander, base or installation commander, commanding officer or officer-in-charge, director of the supporting DFAS site, or equivalent civilian head in the chain of command of the DO.

3. The commanders and other individuals in the chain of command shall ensure that internal controls are adequate to preclude the fraudulent cashing of negotiable instruments.

B. Exceptions. DOs of Navy vessels may cash personal checks for crew members when the vessel is in a U.S. port and check cashing facilities are not available for nonresidents of the area. A nontactical disbursing activity in the United States may provide check cashing service when a unit, squadron, or detachment, without a DO or disbursing capability, is performing temporary duty away from its permanent station or homeport in an area where check cashing facilities are not available for nonresidents of the area. This authority also applies when units, squadrons, or detachments are engaged in training or exercises which preclude use of available check cashing facilities. For any situations not described above, the commander may request authority to provide check cashing service from the Director of DFAS or designee. The request, with complete justification, shall be submitted as prescribed in subparagraph 040101.B of this chapter.

C. Limitations. Commanders shall establish maximum amounts for personal checks that may be cashed by authorized personnel and/or their agents. In overseas areas in which the personnel of two or more Military Services are operating, the senior commander shall ensure a uniform policy. Although check cashing privileges are required for authorized personnel and/or their authorized agents in many overseas areas, that service shall be supplied within sound financial management practices. Command policy and applicable limits, based on the dictates of the local economy and cost-of-living, shall be published in writing. Deviations from established command maximum limits shall be published by the supporting DO, in writing, for each exception. DOs shall provide a copy of the authorization to exceed the established limit when requesting removal of deficiencies involving uncollectible insufficient fund checks and any insufficient fund charges that may be assessed by financial institutions for personal checks they have cashed. See section 0404 of this chapter. Personal checks shall be made payable in multiples of \$5 unless local conditions make that increment impractical. U.S. Treasury checks or checks issued by insurance companies, banks or credit unions, or other institutions of similar financial standing may be cashed without regard to dollar amount. All checks shall be drawn on U.S. financial institutions, overseas branches of U.S. banks or credit unions, or overseas military banking facilities operated under U.S. Government contract; shall be payable through U.S. banks or credit unions, to include banks located in U.S. territories (e.g. Commonwealth of Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands); and shall be denominated and payable in U.S. currency. The DO shall establish the days and hours during which the service will be offered and shall make appropriate notification of any changes. Suspension of check cashing privileges for writers of dishonored checks shall be governed by this section.

D. Check Cashing Procedures

1. All authorized military and appropriated fund civilian personnel who request check cashing privileges shall consent, in writing, to immediate collection against their pay for the total of any dishonored check. With this procedure, dishonored checks are not considered to be delinquent debts. Therefore, there is no authority to assess a service charge (penalty). Regardless, recover any insufficient fund charges assessed on the DO by financial institutions. Depending on the circumstances, this practice gives the DO two options:

a. Option 1. The DD Form 2761

(1) If the individual's payroll office is not known or if the DO, DDO or his or her deputies, agents, or cashiers are cashing a check for a civilian employee or an authorized agent of a civilian employee or military member, then the DO shall use the DD Form 2761.

(2) The term "authorized agent," as used on the DD Form 2761, pertains to an individual, usually a dependent, who is authorized pursuant to a power of attorney to cash personal checks on behalf of a member or civilian employee as prescribed in this chapter.

(3) With the proper use of this form, a separate power of attorney on behalf of the individual requesting check cashing service is not required. The member or employee shall appoint an agent by providing a name(s) in the block titled "Authorized Agent" of the DD Form 2761. The form shall be signed by the member or employee. The agent's signature shall be verified against a valid form of identification at the time the check is presented.

b. Option 2. An authorized statement, which is stamped on the front of the personal check, may be used only for military members and civilian appropriated fund employees, but not for the members' authorized agents or other classes of individuals authorized check cashing privileges.

(1) If the individual's payroll office is known, then the DO can order a rubber stamp in small type to be placed on the front of the check along the top margin or above the bank's name and address as shown in Figure 4-2.

(2) The stamp shall include the following statement:

"I consent to immediate collection from my pay the amount of this check plus bank charges, if this check is dishonored ____."

(3) The DO, DDO or his or her deputies, authorized agents, or cashiers shall place this statement on the front of the check in the presence of the individual and shall ensure the individual's initials are present at the end of the statement to validate immediate collection from the individual's pay account for dishonored personal checks.

(4) If the stamp is used, then adequate identification of the payee shall be recorded on the negotiable instrument in order that recovery can be made in the event that the instrument is dishonored, see subparagraph 040105.E of this chapter. This information shall be verified against a valid identification card.

2. The following are the responsibilities of DOs, DDOs and their deputies, authorized agents, or cashiers when pay account collection for dishonored personal checks becomes necessary.

a. When a military member is in the same Component and the DO maintains the member's account:

(1) Immediate deduction from the pay account is authorized for the face value of the dishonored check(s), plus any charges assessed against the DO by a financial institution for processing dishonored checks.

(2) As a part of the DFAS consolidation effort, partial or casual payments are limited to emergency situations. Therefore, DOs shall not use partial or casual payments as a means of resolving a dishonored check.

b. When a military member is from a different Military Service, or from the same Component, but subparagraph 040201.D.2.a of this chapter, does not apply (e.g., retirees; members on PCS orders, on TDY, or in any other transitory status), apply the following procedures:

(1) When the DD Form 2761 is used, the DO shall make copies of the form (front and back), certify on the reverse side of the form that the individual consented to voluntary collection, and send it to the appropriate component payroll office, listed in Table 4-1, to effect the pay account deduction and make restitution to the negotiating DO. The payroll office shall annotate the reverse side of the DD Form 2761 specifying the action taken for each dishonored check listed.

(2) When the stamp is used on the face of a check, the DO shall prepare a DD Form 139 ("Pay Adjustment Authorization"), by Component as follows:

(a) Attach a listing showing each military member's name, DoD Component, SSN, unit or duty station, and check amount(s), along with copies of the checks (front and back). In cases where the depository adds a fee to the amount of the dishonored check, a copy of the Standard Form (SF) 5515 ("Debit Voucher"), shall be included to substantiate its inclusion in the total amount of the deduction. Send all required documents to the appropriate payroll office, at the mailing address given in Table 4-1, for execution of a pay account deduction.

(b) Certify that the military members consented to voluntary collection by typing the following certification statement on the DD Form 139 in the block titled "Explanation and/or Reason for Adjustment."

"I certify that these collections are the result of dishonored personal checks cashed by the cited individuals for the amounts stated. Each individual has consented, in writing, that in consideration for cashing the individual's personal check(s), the amount of any check returned unpaid, plus any charges assessed against the DO by a financial institution, for any reason may be collected from the individual's pay."

c. Dishonored personal checks for authorized appropriated fund civilian employees shall be processed as follows:

(1) Immediate pay account deductions are authorized for the face value of dishonored checks plus any charges assessed against the DO by financial institutions.

(2) The DO shall make copies of the DD Forms 2761 (front and back), certify on the reverse side of each form that the individual consented to voluntary collection, and attach front and back copies (if applicable) of the checks. In cases where the depository adds a fee to the amount of the dishonored check, attach a copy of the SF 5515 to substantiate its inclusion in the amount of the pay account deduction. Send all documents to the appropriate payroll office listed in Table 4-1 for pay account deduction(s).

★ d. When a check is returned for a contract employee, the DO must immediately seek reimbursement from the company employee, as indicated in the employee's company agreement.

3. When collection action becomes necessary and the payroll office receives the DD Form 139 or DD Form 2761 from the DO, the payroll office shall be responsible for the following:

a. Processing the pay account deduction following normal payroll procedures.

b. When possible, the payroll office shall include a statement similar to the following in the remarks column of the leave and earnings statement (LES): “Consensual collection action for a dishonored check.”

c. The payroll office shall annotate the DD Form 139 or DD Form 2761 with the action taken for the dishonored check(s) and return the document to the submitting DO to support the SF 1219 (“Statement of Accountability”).

d. The DoD Component payroll office shall enter the collections and centrally issue checks, after the debt has been collected, payable to the DO holding the dishonored check(s) for the amount(s) that has been collected each pay period until the total debt is satisfied.

NOTE: The DoD activity that receives the check shall ensure that the check is made payable and forwarded to the DO holding the dishonored check(s). The payment shall be made in full. A check is necessary to remove the dishonored check(s) from the DO’s SF 1219 for the situations described in this chapter.

4. When a military member or DoD civilian employee is separated or has resigned and cannot be located to make restitution, the DO shall process dishonored checks following the procedures otherwise prescribed in section 0404 of this chapter.

5. The writing of checks in advance of the availability of funds (floating a check) cannot be condoned or tolerated. Therefore, individuals who abuse their check cashing privilege by writing checks against insufficient funds shall be denied future check cashing privileges.

6. Retention of Documents

a. For all personal checks that are honored, the DO cashing those checks shall retain the original signed DD Form 2761 until 6 months after the individual transfers to a new duty station/installation or separates.

★ b. For all dishonored checks, the original DD Form 2761 shall remain with the dishonored check file until resolved. If the consent statement is stamped on the front of the check and the check is dishonored, then the DO, or his or her deputies, agents, or cashiers shall make copies of the front and back (if applicable) of the check and shall retain the dishonored check [along with a copy of the agreement if the individual is a contractor](#) until the matter is resolved.

0403 ACCOUNTABILITY FOR DISHONORED CHECKS

040301. General. Accountability for dishonored checks falls within one of three categories:

- A. Checks accepted from collection activities (commissary, housing, etc.);
- B. Checks accepted in satisfaction of an obligation (debt) due the United States (military pay, travel pay, etc.); or
- C. Checks received as accommodation exchange transactions.

040302. Checks Accepted From Collection Activities. Checks accepted by the DO from collection activities for the sale or transfer of something of value (e.g., property disposal sales activities, clothing sales, commissary sales, ships stores, housing offices, or similar activities), which later are returned unpaid by the depository on an SF 5515, are processed by the DO as follows: Record the SF 5515 on the DD Form 2657 (“Daily Statement of Accountability”) as a reduction of deposits (line 4.2.A) and prepare a reverse collection voucher as a reduction of reimbursements (line 4.1.E). Forward one copy of the collection voucher and one copy of the dishonored check to the collection activity concerned. It is the responsibility of the collection activity to pursue collection action in accordance with the regulations of the activity concerned and [Chapter 29](#) of this volume. Since these checks were collected into an appropriation and subsequently reversed, there would be no deficiency in the DO’s accountability.

040303. Checks Accepted in Satisfaction of an Obligation (Debt) Due the United States. Checks accepted in satisfaction of a debt to the United States (e.g., overpayment of travel allowances), which later are returned unpaid by a depository, shall be processed as prescribed in paragraph 040302 of this chapter. The activity responsible for originating the charge (e.g., military pay, travel pay or similar DO entitlement areas) shall use the dishonored check and the reverse collection voucher to reestablish the debt. That entitlement area shall pursue collection action in accordance with the regulations of the activity concerned and [Chapter 29](#) of this volume. If the DO is the collecting officer for these types of dishonored checks, then he or she shall initiate collection action in accordance with [Chapter 29](#) of this volume. Since these checks were collected into an appropriation and subsequently reversed there would not be a deficiency in the DO’s accountability.

★ 040304. Checks Received as Accommodation Exchange Transactions. Checks accepted as an authorized check cashing transaction (accommodation exchanges), as authorized by 31 U.S.C. 3342, which later are returned unpaid by the depository on an SF 5515, shall be processed as follows: the SF 5515 is recorded on the DD Form 2657 as a decrease to deposits (line 4.2.A) and as an increase to dishonored checks receivable (line 7.4). Unlike the checks discussed in paragraphs 040302 and 040303 of this chapter, these checks maybe considered erroneous payments because public funds have been disbursed. The DO is responsible for pursuing collection of these checks in accordance with this chapter and [Chapter 29](#) of this volume. Should these checks become uncollectible, the DO shall report the loss and request removal of the deficiency through the [Relief of Liability Section, Disbursing/Debt Management Policy Division, Policy and Performance Management Directorate, DFAS Indianapolis \(DFAS-NPD/IN\), 8899 E. 56th Street, Column 329F, Indianapolis, IN 46249-0050](#) as prescribed in section 0404 of this chapter.

0404 REMOVAL OF DEFICIENCIES

★ 040401. Request for Removal. Appropriate collection action shall start immediately on receipt of notification that a check has been dishonored and shall be pursued vigorously until recovery has been made. When the debtor is no longer employed or in the military service, or is an inactive reservist, and all methods and attempts of collection have been exhausted and any further attempts at collection become impractical, the DO shall submit a written request for removal of the deficiency to the [DFAS-NPD/IN](#) (see [Figure 4-3](#)). The request shall be addressed via the DO's commander and shall include: the original or a copy of the front and back of the uncollectible check; a copy of the related SF 5515; copies of the documents presented in section 0402 of this chapter, to include the latest available information regarding the debtor's whereabouts; a copy of the commander's check cashing policy/authority and, when applicable, a copy of the one time authority to exceed the commander's normal monetary check amount. Also include a copy of the correspondence that requests the DFAS payroll site to pursue collection action against the delinquent debtor to the fullest extent that the law will allow. Removal of deficiencies normally will be authorized under 31 U.S.C. 3342 provided that the DO has complied with the check cashing policy and collection requirements prescribed in this chapter and [Chapter 29](#) of this volume. If the [DFAS-NPD/IN](#) authorizes removal of the deficiency, then a memorandum shall be provided to the requesting DO authorizing a charge to ***6763.XXXX, Gains and Deficiencies on Exchange Transactions. DOs shall give a copy of the memorandum to the activity to which financial reports are submitted. The [DFAS-NPD/IN](#) shall notify the Debt and Claims Management Office, DFAS-Denver site to continue attempts to recover the debt and, if successful, shall arrange credit to the appropriation charged when the deficiency is removed as a result of successful debt recovery processes. If [DFAS-NPD/IN](#) declines to authorize removal of the deficiency, then the deficiency cannot be charged to ***6763.XXXX. The DO then either shall repay the loss or request relief of liability under the procedures for relief of liability for improper payments as prescribed in [Chapter 6](#) of this volume.

040402. Lost Dishonored Check. If a dishonored check that is held in the disbursing office is lost, then it shall be considered and handled as a physical loss of funds.

★ 040403. Forgeries and Other Unusual Cases. If investigative action (as addressed by [Chapter 6](#) of this volume) does not determine the identity of the person who committed the forgery, or if recovery from this person cannot be accomplished, then the DO, DDO, agent, or cashier who cashed the instrument shall be liable for the deficit. Forgeries should not go undetected if the check cashing procedures in this chapter are properly followed. [The DO, DDO, agent or cashier may submit a request relief of liability to DFAS-NPD/IN for the improper payment.](#) The request shall include a summary or a copy of the investigative results and describe the procedures used to preclude forgery. Each endorser to the basic correspondence shall express a recommendation as to whether relief of liability is considered appropriate.

PERSONAL CHECK CASHING AGREEMENT		<i>Form Approved OMB No. 0730-0005 Expires Feb 28, 2007</i>
The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Executive Services and Communications Directorate (0730-0005). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. RETURN COMPLETED FORM TO THE ADDRESS OF THE AGENCY WHICH PROVIDED THIS FORM.		
PRIVACY ACT STATEMENT		
AUTHORITY:	31 U.S.C. 3342, E.O. 9397, and DoD Financial Management Regulation (DoDFMR) 7000.14-R, Volume 5, Chapter 4.	
PRINCIPAL PURPOSES:	This form is designed exclusively to help overseas and afloat DoD disbursing activities, expedite the collection process of dishonored checks overseas and afloat.	
ROUTINE USES:	The information on this form may be disclosed as generally permitted under 5 U.S.C. Section 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense to Federal, state, or local government agencies, which have identified a need to know, for the purpose(s) identified in the DoD Blanket Routine Uses as published in the Federal Register	
DISCLOSURE:	Voluntary; however, failure to provide the requested information will result in refusal to cash personal checks.	
PLEASE PRINT OR TYPE ALL INFORMATION		
1. NAME (Last, First, Middle)		2. SOCIAL SECURITY NUMBER
3. ORGANIZATION/LOCATION		4. RANK/GRADE
		5. DUTY TELEPHONE NUMBER (Include Area Code)
6. BRANCH OF SERVICE	7. SUPERVISOR'S NAME (Last, First, Middle Initial)	8. SUPERVISOR'S TELEPHONE NUMBER (Include Area Code)
9. HOME ADDRESS (Street, Apartment Number, City, State, ZIP Code)		
10. HOME TELEPHONE NUMBER (Include Area Code)	11. DRIVER'S LICENSE NUMBER	12. DRIVER'S LICENSE STATE
POWER OF ATTORNEY		
I desire to execute a power of attorney and I appoint and by these presents do make, constitute and appoint the below listed individual(s) my true and lawful attorney(s)-in-fact to draw, make, endorse, and cash personal checks drawn upon any account which I may have as sole or joint owner. Any act performed hereunder for me or from my account shall be binding on me, my heirs, legal and personal representatives and assigns. Transactions under this authority shall be in my name and all endorsements and instruments executed by my attorney shall contain my name, followed by that of my attorney and the designation "Attorney-in-Fact".		
13. AUTHORIZED AGENT		14. AUTHORIZED AGENT
15. AUTHORIZED AGENT		16. AUTHORIZED AGENT
"In consideration of the extension of the privilege to have personal checks cashed by a Department of Defense finance/disbursing officer, I hereby freely and voluntarily consent to the immediate collection from my current pay, without prior notice or prior opportunity to be heard, the face value of any check cashed by myself or my authorized agents, plus any charges assessed against the government by a financial institution, in the event such instrument is dishonored and returned for insufficient funds or closed accounts."		
17. REQUESTOR'S SIGNATURE		18. DATE

DD FORM 2761, FEB 2004

PREVIOUS EDITION IS OBSOLETE

LOCAL REPRODUCTION AUTHORIZED.

★Figure 4-1 DD Form 2761 (Personal Check Cashing Agreement)

PAY ADJUSTMENT AUTHORIZATION		NOTE: If individual has been transferred, forward this authorization to the officer currently maintaining the individual's pay record.	
1. MEMBER/EMPLOYEE NAME (Last, First, Middle)	2. SSN	3. RANK/GRADE	4. BRANCH OF SERVICE
5. PAY GRADE NUMBER	6. AMOUNT	7. APPROPRIATION DATA	
8. FROM		9. NAME OF ACCOUNTABLE DISBURSING OFFICER (D.O.)	
		10. D.O. SYMBOL	11. G.A.O. EXCEPTION CODE
12. TO		13. YOU ARE HEREBY AUTHORIZED TO DEDUCT THE AMOUNT OF \$ FROM THE ACCOUNT OF THE ABOVE NAMED INDIVIDUAL.	
14. EXPLANATION AND/OR REASON FOR ADJUSTMENT			
I CERTIFY that this collection is the result of dishonored personal checks cashed by the cited individual for the amounts stated. The individual has consented in writing, that in consideration for cashing the individual's check(s) the amount of any check returned unpaid for any reason, plus any charges assessed against the government by a financial institution, may be collected from the individual's pay.			
15. FROM			
16. DISBURSING OFFICER			
a. NAME (Last, First, Middle Initial)	b. RANK/GRADE	c. SIGNATURE	
I CERTIFY that the adjustment indicated above has been entered on the above-named individual's Pay Record. (If adjustment has not been entered, give explanation in the space provided above.)			
17. TO	18. PAYROLL OFFICER		
	a. NAME (Last, First, Middle Initial) (Type or Print)		b. RANK/GRADE
	19. PAYROLL DSSN	20. DATE	
		21. SIGNATURE	

DD FORM 2761 (BACK), FEB 2004

★ Figure 4-1 DD Form 2761 (Personal Check Cashing Agreement) (Continued)

JAMES A. HANCOCK 123-45-6789 MARY S. HANCOCK 234-56-7890 4567 ASSUMED DRIVE (703) 345-6789 ALEXANDRIA, VA 22310		4620
		68-7497 2560
		20
PAY TO THE ORDER OF	\$	
		DOLLARS
XYZ FEDERAL CREDIT UNION VIENNA, VIRGINIA		
I CONSENT TO IMMEDIATE COLLECTION FROM MY PAY THE AMOUNT OF THIS CHECK PLUS BANK CHARGES, IF THIS CHECK IS DISHONORED		
FOR	SAMPLE - NON--NEGOTIABLE	
:256074974: 4620:::3333333333 :001		

JAMES A. HANCOCK 123-45-6789 MARY S. HANCOCK 234-56-7890 4567 ASSUMED DRIVE (703) 345-6789 ALEXANDRIA, VA 22310		I CONSENT TO IMMEDIATE COLLECTION FROM MY PAY THE AMOUNT OF THIS CHECK PLUS BANK CHARGES, IF THIS CHECK IS DISHONORED	4620
			68-7497 2560
		20	
PAY TO THE ORDER OF	\$		
			DOLLARS
XYZ FEDERAL CREDIT UNION VIENNA, VIRGINIA			
I CONSENT TO IMMEDIATE COLLECTION FROM MY PAY THE AMOUNT OF THIS CHECK PLUS BANK CHARGES, IF THIS CHECK IS DISHONORED			
FOR	SAMPLE - NON--NEGOTIABLE		
:256074974: 4620:::3333333333 :001			

Figure 4-2 Samples of Check Endorsements Consenting to Pay Account Collections for Dishonored Check Charges

(Letterhead Block)

XXXX-XX/XX

November 08, 2005

MEMORANDUM FOR RELIEF OF LIABILITY SECTION, DISBURSING/DEBT
MANAGEMENT POLICY, DFAS INDIANAPOLIS
(DFAS-NPD/IN), 8899 E. 56TH STREET,
INDIANAPOLIS, IN 46249-0500

SUBJECT: Request for Removal of Deficiency

I request removal of deficiency under the provisions of Department of Defense Financial Management Regulation, Volume 5, para 040401, for the following dishonored checks accepted as accommodation exchange transactions. This deficiency is carried on the accountability of disbursing station symbol number XXXX under the account holder Captain XXXXXXXX.

NAME	SSAN	CHECK #	DATE	AMOUNT
Irwin XXXXXX	xxx-xx-xxxx	185	July 15, 2005	\$150.00
James XXXXX	xxx-xx-xxxx	422	July 28, 2005	\$150.00
		TOTAL		\$300.00

This office has exhausted all means of collection. These individuals are no longer employed in an active duty, reserve, or civilian capacity for the U.S. Government. Members have been notified of their debt and have not responded to the collection letter. Attached are the dishonored check(s), copy of applicable debit voucher(s), copy of the applicable check cashing policy, and the documentation supporting attempted collection.

If you have any questions, please contact Mr. John Doe, at DSN ###-#####, comm (###) ###-#####, or by email: John.Doe@dfas.mil.

Signature Block
Disbursing Officer

Attachments:
As stated

★Figure 4-3 Sample of a Request for Removal of Deficiency due to Dishonored Checks

Branch of Service is	Active Duty	Active Reserve/National Guard	Inactive Reserve	Retired	Then the DoD Component Payroll Office Address Is
U.S. Army	X				Defense Finance and Accounting Service Code DMPO/IN P. O. Box 269009 Indianapolis, IN 46226-9009
		X			Defense Finance and Accounting Service Code PMTCA Military Pay Operations ANG/RES Supervisor 8899 East 56th Street Indianapolis, IN 46249
			X		Relief of Liability Section , Disbursing/Debt Management Policy Division Defense Finance and Accounting Service Code NPD/KC 1500 E. 95 th Street Kansas City, MO 64197-0030
				X	Defense Finance and Accounting Service U.S. Military Retirement Pay P.O. Box 7130 London, KY 40742-7130 or FAX 1-800-469-6559
U.S. Navy	X				Defense Finance and Accounting Service Navy Active Duty Pay Processing Division Code PMMC 1240 E. 9 Street Cleveland, OH 44199-2055
		X			Defense Finance and Accounting Service Code PMMD 1240 E. 9 Street Cleveland, OH 44199-2055
			X		Relief of Liability Section, Disbursing/Debt Management Policy Division Defense Finance and Accounting Service Code NPD/KC 1500 E. 95 th Street Kansas City, MO 64197-0030
				X	Defense Finance and Accounting Service U.S. Military Retirement Pay P.O. Box 7130 London, KY 40742-7130 or FAX 1-800-469-6559
U. S. Air Force	X				Defense Finance and Accounting Service Code PMJS/DE 6760 E. Irvington Place Denver, CO 80279-3000

★Table 4-1 DoD Component Payroll Office Addresses

Branch of Service is	Active Duty	Active Reserve/ National Guard	Inactive Reserve	Retired	Civilian	Then the DoD Component Payroll Office Address Is
U.S. Air Force		X				Defense Finance and Accounting Service Code PMMDB Room 2569 1240 East 9th Street Cleveland, OH 44199-2055
			X			Relief of Liability Section , Disbursing/Debt Management Policy Division Defense Finance and Accounting Service Code NPD/KC 1500 E. 95 th Street Kansas City, MO 64197-0030
				X		Defense Finance and Accounting Service U.S. Military Retirement Pay P.O. Box 7130 London, KY 40742-7130 or FAX 1-800-469-6559
U.S. Marine Corps	X	X				Defense Finance and Accounting Service Code PMMSB/KC 1500 E. 95 th Street Kansas City, MO 64197-0001
			X			Relief of Liability Section , Disbursing/Debt Management Policy Division Defense Finance and Accounting Service Code NPD/KC 1500 E. 95 th Street Kansas City, MO 64197-0030
				X		Defense Finance and Accounting Service U.S. Military Retirement Pay P.O. Box 7130 London, KY 40742-7130 or FAX 1-800-469-6559
U.S. Coast Guard	X	X	X	X	X	Commanding Officer U.S. Coast Guard Personnel Service Center Federal Bldg. 444 SE Quincy Street Topeka, KS 66683-3591
DoD Civilian					X	Defense Finance and Accounting Service Central Civilian Payroll Document Imaging System P.O. Box 33717 Pensacola, FL 32508-3717 or FAX 1-866-401-5849 or DSN 753-6450

★Table 4-1 Component Payroll Office Addresses (Continued)