

**Forest Service Handbook
National Headquarters - Washington Office
Washington, DC**

**Forest Service Handbook 6509.11k – Service-Wide Finance and Accounting Handbook
Chapter 50 - Accounting**

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Responsible Staff:

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Digest: Following is an explanation of the changes throughout the directive by section.

57.03 - 57.05: Establishes policy, responsibilities, and definitions for Change Making Imprest Funds.

57.7: Establishes code and caption “Change Making Imprest Funds” and set forth direction.

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56.3 - Real Property Accounting

The real property accounting system requires the uniform application of definitions, asset classification, capitalization guidelines, and inventories by property officers in order to provide a basis for the review and application of property management principles on a broad scale to achieve better property utilization and economy.

56.31 - Accounting Basis for Real Property

56.31a - Asset Classification

Real property, regardless of the cost shall be capitalized when it meets the following criteria:

1. A man-made improvement to land or land other than public domain. The value of public domain land shall not be capitalized.
2. It is a fixed asset characterized by its physical existence with a physical identity that it maintains for its lifetime.
3. It has a finite life of more than 2-years.

56.31b - Value to Be Capitalized

The value to be capitalized on the real property records shall be on the accrual (delivered) basis, using the following methods of valuation:

1. Value improvements, including additions and betterment thereto, at acquisition cost if acquired by purchase, construction, or reimbursable transfer from other Federal agencies. Include the following costs:
 - a. Use the actual contract price for the improvement for contracted work.
 - b. Include all labor, materials, heavy equipment, and expendable small tools purchased specifically for the project for force account construction. Include on-the-job supervision, all travel time, and transportation.
 - c. Architect's and engineer's fees.
 - d. The time of technical specialists performing full-time contract inspection.
 - e. The cost of heating, air conditioning, or similar equipment. For example, the cost of a heating or air conditioning plant designed to serve two or more buildings and installed in one of them shall be prorated against each. The cost of a separately constructed heating plant and the building in which it is housed shall be carried separately as a utility system.
 - f. Capitalize the value of time contributed to the construction of an improvement. This includes the time of primary purpose fire control employees retained in pay

status for a guaranteed 40-hour week and who work on these construction activities with their time charged to fire funds.

g. The cost of betterment reduced by the cost of features superseded or destroyed through betterment.

h. Charge the cost of any material or labor used to improve a building in any way to the improvement. The value of salvaged material used and cost of transportation must be charged against the improvement in which it is used.

2. Capitalize improvements acquired with no direct cash outlay as follows:

a. Capitalize timber purchaser constructed roads when earned (credit established). The source of this data is the last column of TSA451-01, Road Credits Authority Accounting Report E02 produced by the Automated Timber Sale Accounting system.

b. Capitalize the value of roads constructed by other than timber purchasers only if value to the Forest Service and under complete jurisdiction of the Forest Service. Values shall be determined by an engineer appraisal.

c. Capitalize Job Corps work projects at appraised value taken from form FS-1800-16, Human Resource Programs Accomplishment Report.

3. Capitalize improvements received by donation or transfer at the estimated depreciated value on the date of transfer. Use estimated amounts when actual amounts are not available. When depreciation is not computed, such as on land, the original cost (estimated, if not known) shall be assigned. Dams such as those constructed by permittees on summer home sites shall be capitalized as donated assets when abandoned if needed by the Forest Service to administer a resource use. If not needed, they shall not be capitalized.

4. When appropriate, repair or recondition property acquired without reimbursement prior to placing the property into service. These costs plus depreciated value of such assets can be capitalized to the extent the total amount does not exceed the original cost or estimated original cost of the property to the Government.

5. Capitalize land and improvements received by exchange at an appraised value, but no less than the recorded cost of the property exchanged, plus any additional remuneration; except that no value shall be assigned to land received in exchange for public domain land or for timber from public domain land.

6. Capitalize the cost of improvements constructed on land or buildings leased. This includes costs of engineering, design, direct labor, and materials. For example, an aircraft hangar constructed by the Forest Service on leased land at an airport. Do not capitalize costs or ordinary repairs which do not substantially increase useful life.

7. Capitalize miscellaneous items of expense connected with acquisition of real property. Examples include search and guarantee of title, notary and recording fees, accrued and

assumed tax liabilities, consents, damages, demolition, transportation, and installation costs.

8. Delete non-expendable personal property when it is incorporated into and becomes a part of real property, from personal property records and include such as real property.
9. Maintain only one record when two or more items of real property are combined; however, maintain separate costs of individual improvements subject to fund code limitation.
10. Note on the property records the amount of any limitation provided by appropriation acts or other applicable laws on expenditures for construction, additions, or betterments of real property.

56.31c - Inventories

Take inventories of all real property at least every 2-years. See FSM 6446 for instructions on conducting an inventory. The inventory process may be segmented and scheduled throughout the 2-year period. The Real Property Ledgers, form FS-6500-53, or inventory data in an approved statistical record must be reconciled with the physical inventories. Make necessary adjustments in accordance with FSM 6446 and section 56.31c

56.31d - Accountable Property Officers

Accountable property officers shall be responsible for maintaining unit accountability control over all property assigned to them. Each employee shall be held responsible for proper use and protection of any property in their custody or control. The Regional, Station and Area headquarters shall maintain general ledger control accounts to reflect the value of property. Forests, Experiment Stations, and Area offices shall maintain subsidiary accounting records when so directed by the Washington Office Director of Financial Management.

56.32 - Real Property Accounts

Asset code classifications used in the real property accounting system are defined in section 55.61 and posted to the real property subsidiary records in accordance with the titles provided in sections 55.61a through 55.61e.

All real property involving National Grasslands and Land Utilization Projects (Bankhead-Jones Act, Title III lands, 7 U.S.C. 1010-1012) including land, buildings, and other improvements, shall be charged to appropriate general ledger and asset code accounts on the same basis as prescribed for National Forest land.

Maintain the following general ledger accounts:

<u>Account</u>	<u>Description of Account</u> <u>Heading</u>
150	Land
152	Buildings
159	Leasehold Improvements
175	Cooperative Project Assets
154	Other Structures and Improvements

In addition to the above accounts, Working Capital Fund (WCF) general ledger accounts 151 - Buildings, 152 - Other Structures and Improvements, and 153 - Cold Storage Refrigeration Plant and Equipment shall be maintained in accordance with FSH 6509.11f, Working Capital Fund Accounting Operations Handbook.

56.33 - Real Property Accounting Procedures

Regional and Station headquarters (Accounting Centers) may prescribe local procedures for frequency of routing and posting of property adjustment vouchers. Where other units in the same Accounting Center are involved in a transfer of real property, current routing and posting of the documents are encouraged. Where other Accounting Centers are involved, the adjustment should be documented and posted to the property record, and the journal voucher forwarded to the Regional or Station headquarters for posting and for forwarding a copy to the other Accounting Center involved.

56.33a - Regional and Station Headquarters Procedures

Subsidiary records supporting general ledger accounts listed in section 56.31 shall be maintained at the Regional or Station headquarters without regard to appropriation for each Forest, Experiment Station, or Area office, or similar unit to support the general ledger real property accounts.

File control accounts first, by general ledger account number and then by unit. Record each real property accounting document affecting a unit's subsidiary real property individually by reference number and amount. Occasionally, there is a transfer of real property from one unit to another. Ensure both debit and credit, between units within an Accounting Center are properly entered on the records of the respective units.

Where other Regions or Stations are involved in a transfer of real property because of a change in Forest boundaries, require a reassignment of real property between Accounting Centers. Enter such transfers between Accounting Centers in the control account records of both issuer and

receiver in the same accounting period. Adjust each unit's Real Property Ledger, form FS-6500-53, to reflect property either transferred or received.

The issuing Region or Station shall prepare journal vouchers from the property accounting form AD-107, Report of Transfer or Other Disposition or Construction of Property. A journal voucher may cover more than one form AD-107. Prepare separate journal vouchers for each receiving Accounting Center. The issuing Region or Station shall be responsible for the asset until it has received a signed duplicate copy of the journal voucher from the receiving unit. The journal voucher shall be entered first in the receiver's control account, and only when acknowledged shall it be recorded in the issuer's control account in the same accounting period.

If questions arise as to the accounting classification assigned to an item, the receiving unit shall initially accept that assigned by the issuer and shall subsequently make the necessary corrections. Any inter-Regional transfer not recorded in the receiver's records by September 15 shall be held for the next fiscal year.

Depreciation, other than WCF, shall not be taken until incorporated into the property accounting system.

At least semi-annually, balances in the general ledger subsidiary accounts shall be totaled to determine they are in agreement with the real property control accounts at the Regional and Station headquarters.

56.33b - Unit Procedures

Real property shall be recorded at the unit headquarters on form FS-6500-53, Real Property Ledger. Individual summary forms shall be maintained for general ledger accounts 150, Land 152, Buildings 154, other structure and improvements, 159, and 175. Additional breakdowns shall be made as indicated below.

1. General Ledger Account 150 - Land. Only a summary sheet showing costs and acres is necessary.
2. General Ledger Account 152 - Buildings. Each item of property in asset codes 01, 02, 03, 04, 05, and 06 requires individual expenditure and statistical data (sec. 55.6). Each item shall be listed on a separate form FS-6500-53, use the front of the form to record the statistical data.
3. General Ledger Account 154 - Other Structures and Improvements. Expenditure data for asset codes 07, 08, 09, and 10 shall be maintained by asset code, for example, asset code 10 for Construction of Range Improvement (sec. 55.6). Beginning in FY 1989 new asset codes 19 and 29 were added to this category (sec. 55.6). The Fiscal Officers may prescribe the breakdown of monetary value below the asset code summary level if desired. Statistical data for the preceding accounts shall be recorded on the reverse side of the form FS-6500-53. Where acceptable statistical inventory systems are in existence, the property may be recorded by summary of elements within each asset code. For example, statistical data on the back of the summary form FS-6500-53 for asset code 10,

Construction of Range Improvements, would show the total number of wells, total miles of range fences, total number of corrals, and so forth. When adequate statistical inventory systems are not available, each individual item must be listed on the reverse side of the summary form FS-6500-53. Under either system, it is suggested that a line or two beneath each of the original entries be left blank to accommodate future additions or similar type of assets.

56.33c - Posting Procedures

Use as ink pen typewriter for all entries on form FS-6500-53, Real Property Ledger. Rubber stamps, including date stamps, shall be used wherever feasible to add to the uniformity and neatness of the form.

Coding on forms FS-6500-53 under the caption "Account Code" shall show the general ledger account, asset code, and title. For example, a warehouse building should be coded 152-03, Construction of Storage Buildings.

Posting of current fiscal year expenditure and statistical data to forms FS-6500-53 shall be accomplished each fiscal year as of September 30 by each unit. Accounting Centers shall furnish all of their units with the monetary information on an accrual basis. The Accrued Real Property Unit Summary (sec. 51.41j) can serve as the source document for posting. Statistical increase (also on an accrual basis) shall be in full agreement with other formalized statistical inventory systems.

Posting of adjustments should normally be accomplished currently, but where the number of adjustments is small, Fiscal Officers may establish procedures for fiscal year summary adjustments and have a single posting. Each entry of either monetary value or statistical data must be supported by a journal voucher or an equivalent document.

56.33d - Recording Acquired Values

The value of real property acquired without payment of the purchase price shall be recorded as directed below. Document these values on journal vouchers prepared by units.

1. Roads Constructed by Timber Purchasers and Others. Identify roads constructed by timber purchasers as "Timber purchaser constructed." Capitalize these roads at values defined in section 56.31b and record annually.
2. Job Corps Work Projects. Capitalize all Job Corps work project improvements classified as real property at the values defined in section 56.31b.

56.33e - Adjustments to Form FS-6500-53, Real Property Ledger

Each form FS-6500-53, Real Property Ledger, must be carefully reviewed periodically or at least annually. When improvements have been abandoned, destroyed, sold, or otherwise disposed of, the related values should be written off in accordance with current procedures. The value of

additions to and betterment of improvements should be reduced by the amount of the features superseded or destroyed. This step should result in only valid records being maintained.

1. When improvements, installed equipment, and so forth, are abandoned, destroyed, sold, or otherwise disposed of, the related values shall be written off the accounts on the following bases:
 - a. For roads, where only a portion of the road is involved, use the value shown on the property record and compute the estimated cost of the portion by using the mileage cost (average) times the mileage reduction. A corresponding reduction must be made in statistical data.
 - b. For bridges, use the estimated cost of the bridge being replaced when the cost of replacement is chargeable to construction.
 - c. For other items, use the actual or average cost where the information is available in the accounting records, or the best estimate of costs that can be reasonably supported.
2. Transactions not specifically identified in this section which affect real property values shall be covered by journal voucher. They include, but are not limited to, the transactions itemized below.
 - a. Appraised value of salvaged materials used on new projects.
 - b. Transfers from stores (other than those processed as expenditure adjustments).
 - c. Value of salaries and wages of direct work contributed (1) to projects subject to statutory limitations, and (2) to other projects where the contribution represents a sizable portion of the total cost.
 - d. Real property values sometimes arise as a result of research expenditures. This might include a new facility that was initially charged to expense. In these instances, the value of the property shall be recorded upon completion by form OF-1017G, Journal Voucher, if not recorded through regular expenditure procedures.
 - e. Real property values originally intended for use of a single project of limited duration (2-years or less) that shall not be abandoned at the conclusion of the project, but shall be retained and continue to be used.

Journal Vouchers, form OF-1017G, shall be used to record evaluated labor; acquired values; condemned, sold or transferred investments; and any other adjustments which affect investment record values except those affected in the expenditure accounts. Form OF-1017G shall be prepared currently as transactions occur and briefly but clearly describe the transaction. Show the journal voucher number, fiscal year, date prepared, units and accounts involved, amounts, statistical data, and other information needed by the units concerned. The form OF-1017G shall bear approval of a responsible official. An extra copy of the form OF-1017G should be

provided. In cases involving inter-Regional transfers, sufficient copies of form OF-1017G should be prepared to provide two copies for the receiving unit.

In lieu of using form OF-1017G as the journal voucher, other forms describing the transaction, may be used as the journal voucher if properly identified, such as property/accounting form AD-107, Report of Transfer or Other Disposition or Construction of Property; form AD-112, Report of Unserviceable, Lost, or Damaged Property.

56.33f - Filing Form FS-6500-53, Real Property Ledger

The method of filing real property records, form FS-6500-53, Real Property Ledger is designed to (1) make information readily available for operating purposes, (2) provide a subsidiary record to the general ledger accounts, and (3) facilitate preparation of annual reports.

Form FS-6500-53 is a permanent record and shall be filed at the unit level. This section does not cover the procedures for handling statistical records which are maintained in program and other service divisions.

Form FS-6500-53 must be either maintained or identified separately for the following:

1. National Grasslands,
2. Land Utilization Projects, and
3. Working Capital Fund.

First, the forms FS-6500-53 must be properly coded with the general ledger and asset codes (sections 55.61a through 55.61e). Sort the forms into major classes of assets (general ledger accounts 150, 152, 154, 159, and 175) (sec. 56.33b). Within major classes, sort into groups by asset code.

56.34 - Real Property Reports

The Accrued Real Property reports are computer generated by the National Finance Center (NFC) as described in sections 51.41j and 51.42g. The net NFC adjustment column represents the difference between object class 32XX and all other object classes within an asset code. The reason for this adjustment is to record all expenditures charged to an asset code without an asset budget object classification such as force account work. The NFC shall post to the general ledger the amount in the net NFC adjustment column by Accounting Center and account number. Units should post the column "Amount All Object Classes" to their Real Property Records prior to preparation of their annual reports.

Journal Vouchers, form OF-1017G, should be submitted to make corrections or adjustments to these reports and submitted to the Accounting Center office, where a consolidated journal voucher is prepared and submitted to NFC as per the yearend closeout letter (sec. 54). Prepare journal voucher as shown in exhibit 01.

The NFC does not maintain statistical data. The Accounting Center and the unit are responsible for maintaining statistical inventory data. Accounting Centers are responsible for maintaining a subsidiary ledger by unit with a grand total for each Accounting Center.

The Annual Report of Real Property, GSA form 1166, is a complete inventory of Federal real property as of each reporting period. The property reported is segregated between that which is owned by the United States and that which is leased by the United States. Instructions covering preparation and related information on GSA form 1166 are provided in Federal Property Management Regulations (FPMR) 101-3. Use forms FS 6500-53, Real Property Ledger, as the source of information for posting to the GSA form 1166.

Chapter 50 - Accounting

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56.34 - Exhibit 01

JOURNAL VOUCHER

(Facsimile of form OF-1017G)

J. V. No. 13-89-2Date Jan. 25, 1989**GENERAL LEDGER POSTING** DEBIT CREDIT

154 Utility System	49,078.84	
152 Buildings		49,078.84

DR 154 Subsidiary Ledger 49,078.84

CR 152 Subsidiary Ledger 49,078.84

Subsidiary Data for Posting to FS-6500-53:

Treasury <u>Symbol</u>	GL <u>Symb</u>	Asset <u>Code</u>	<u>Amount</u>
12X1103.13	154	07	49,078.84
12X1103.13	152	06	49,078.84 CR

Purpose: To adjust General Ledger based on First Quarter FY 1989 Accrued Expenditures Summary, Budg 4Y-1.

TOTAL	49,078.84	49,078.84
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56.4 - Assessments

56.41 - Assessment of Accounts Involving Work Performed for Others on Reimbursable Basis to Cover General Administration Expenses

These procedures apply to work performed on a reimbursable basis for other Federal, State, and local Government agencies, or for private parties, except for those National Reimbursement Programs which have been assigned separate fund code symbols (FSM 6513.4). Charge the General Administration (GA) type expenses for those National Reimbursement Programs directly to the assigned fund code(s) using the GA work activities (TG3 and TG4).

See the Program Development and Budgeting Handbook, FSH 1909.13, section 42.1, for budgetary procedures determining general administration rates and for policy on the assessment made to cover the general administration expenses for administering the work performed for other Forest Service units. The assessment rate(s) established at the beginning of the year shall apply throughout the year. Recalculations should not be made. See FSM 6512.12 for types of reimbursable work subject to assessment.

The following procedures explain the computation and control of assessments made to cover the general administration expenses for administering the reimbursable work performed, hereafter called GA assessments, and provide for a record of the amounts assessed.

Examples of the computations are shown in exhibit 01.

1. Control Features. The controls included in the assessment process are:
 - a. Separate identification of direct obligations for each reimbursable account, using a unique account number.
 - b. Separate identification of the GA assessment for each reimbursable account, using the unique account number plus the work activity identifier TS411, GA Credits, in the "Other" field.
 - c. Separate identification of gross obligations in fund code NFGA, General Administration, and the amount recovered through reimbursable work, using work activity TS411, GA Credits.
2. Amount of Assessment. The formula for determining the amount of the current assessment is:
 - a. Multiply the total direct obligations (paid and unpaid) in the reimbursement account by the appropriate general administration assessment rate.
 - b. From the result, subtract total assessments to date for the account. The difference is the amount of the current assessment.

3. Assessment Procedure. Prepare the accounting adjustments for assessing reimbursable accounts using form AD-757, Miscellaneous Payment System. Use the appropriate management codes discussed below. The form AD-757 shall be numbered in the regular voucher number series and may include the appropriate debits and credits for more than one reimbursable account or fund code. Assessments can be made at any time, but should be made quarterly or at designated financial review dates, and immediately prior to the end of the fiscal year when a final bill for the account has not been processed. The final assessment should be made just before the final billing.

When establishing the management codes needed for the assessment adjustments, use the information shown in exhibit 02 to determine the appropriate coding to use on the Management Code Master File Update.

56.41 - Exhibit 01

**SAMPLE ACCOUNTING CODING FOR ASSESSING
REIMBURSABLE WORK ACCOUNTS**

(Used when establishing Management Code Master File)

The transactions illustrate coding for direct obligations, GA assessments, and collections. These three steps for account 101 are identified as (a). Direct obligations and GA assessment for account 102 are identified as (b). Direct obligations and GA assessment for account 103 are identified as (c). Collections for account 102 are not shown.

Accounting Transactions

Trans ID	Fund	Acct	Work Activ.	Other	Object Class	Reimburs	Expend
Reimbursable Project Obligations for accounts 101 - 103:							
(a)	NFNF	101	TS12		2300		20,000
(b)	SPSP	102	TS12		2600		10,000
(c)	TTTT	103	TS12		2600		5,000
General Administration Assessments for each account: <u>1/</u>							
(a)	NFNF	101	TS12	969	1100		1,800
(a)	NFNF	101	TS12	969	1200		200
(b)	NFNF	102	TS12	969	1100		900
(b)	NFNF	102	TS12	969	1200		100
(a+b)	NFGA	TS411			1100		-2,700
(a+b)	NFGA	TS411			1200		-300
(c)	TTTT	103	TS12	969	1100		450
(c)	TTTT	103	TS12	969	1200		50
(c)	TTTT		TS411		1100		-450
(c)	TTTT		TS411		1200		-50
Reimbursement Collection for account 101 only:							
(d)	NFNF	101	TS12	969	0250	20,000	
(d)	NFNF	101	TS12	969	0250	2,000	

1/ GA assessment based on an overhead assessment rate of 10 percent of direct project obligations. GA assessment for direct obligations in appropriation NFNF are made in appropriation NFGA. Assessment for TTTT is made in TTTT because GA for this appropriation is not included in GA limitation.

56.41 - Exhibit 02

**Preparation of Management Codes
for Assessing General Administration**

<u>Blocks on Management Code Master File Update</u>	<u>Management Code for Debit Line</u>	<u>Management Code for Credit Line</u>
a. <u>Fund Code:</u>		
Research, State and Private Forestry, National Forest Systems, Land Acquisition, and Construction.	GA fund code (NFGA).	GA fund code (NFGA).
All Other Funds.	The same fund code used for the direct reimbursable obligations.	The same fund code used for the entry.
b. <u>Account:</u>	Appropriate reimbursable account number assigned by unit.	Blank (except where required by MASC 2103, table 15, found in section 21.3).
c. <u>Work Activity and Subunit:</u>	Appropriate reimbursable work activity normally used for the type of work performed, and the performing subunit symbol.	Work activity TS411 and headquarter office subunit symbol. GA Credits are combined in one TS411 account per fund code.
d. <u>Other:</u>	A standard alpha/numeric number TS411 which corresponds to the GA work activity code assigned to receive the credit for the reimbursable GA assessments.	Leave blank.
e. <u>Object Class:</u>	Preferably object class in the 1110, 1210, and 2100 series but any code can be used.	The same object class as used in the debit entry.
f. <u>Amount:</u>	Amount determined by assessment process.	Same as debit amount.

57 - Reporting Procedures

57.01 - Authority

1. Debt Collection Improvement Act (DCIA) of 1996. This directive provided for access to taxpayer identification numbers and enhanced administrative offset and salary offset authorities.
2. Financial Management Service, Imprest Fund Policy Directive Issued November 9, 1999. This directive requires that all Federal agencies eliminate agency use of imprest funds by October 1, 2001, except for those provided for under this policy directive (<http://www.fms.treas.gov/imprest>).
3. Title 31, Code of Federal Regulations, Part 208--Management of Federal Agency Disbursements (31 CFR part 208). This part applies to all Federal payments made by an agency and, except as specified in 208.4, requires such payments to be made by electronic funds transfer. This part does not apply to payments under the Internal Revenue Code of 1986 (26 U.S.C.).
4. Departmental Regulation 2250-1 (DR 2250-1). This regulation requires that (a) Department of Agriculture agencies eliminate agency imprest funds except where waivers are approved and (b) provides waiver request and approval policy.
5. Title 31, Code of Federal Regulations, Part 202--Depositories and Financial Agents of the Government (31 CFR part 202). The regulations in this part govern the designation of Depositories and Financial Agents of the Federal Government, and their authorization to accept deposits of public money and to perform other services as may be required of them.
6. Federal Managers' Financial Integrity Act of 1982 (Pub.L. 97-255). This Act requires agency heads to establish controls that provide reasonable assurances that (a) obligations and costs comply with applicable law; (b) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (c) revenues and expenditures are properly recorded and accounted for.
7. OMB Circulars A-127-Financial Management Systems, and A-123-Management's Responsibility for Internal Control. This circular sets forth general policies for Federal financial management systems and relates these policies to Circular A-123, Management's Accountability and Control (<http://www.whitehouse.gov/omb/circulars/index-ffm.html>).

57.03 - Policy

A change making fund is the only type of imprest fund authorized for Forest Service offices. A Forest Service's request for a change making fund may be approved when justified and no other source is available for change making. Imprest funds are subject to Treasury's Financial

Management Service Imprest Fund Policy Directive located at: www.fms.treas.gov/imprest; and Title 31, Code of Federal Regulations, Part 208 (31 CFR 208, sec. 01, paragraphs 2 and 3).

In compliance with the procedures in Treasury's Imprest Fund Policy Directive and the USDA Department Regulation 2250-1, the USDA Office of the Chief Financial Officer (OCFO) evaluates requests for imprest fund waivers based on the submission of a Forest Service's (a) request, (b) justification, (c) certification, and (d) semi-annual informational reporting. The absence of any of the four items would jeopardize the approval of a waiver. All imprest fund waivers approved by the USDA OCFO are valid for up to 1-year and must be re-justified annually.

57.04 - Responsibility

1. The Chief Financial Officer (CFO) has the authority and responsibility as delegated by the United States Department of Agriculture (USDA), Office of the Chief Financial Officer (OCFO) to:
 - a. Establish, maintain, and enforce internal controls, policies, and accounting standards related to the change making imprest funds.
 - b. Request waivers in accordance with the Treasury FMS Imprest Fund Policy Directive, Title 31, Code of Federal Regulations, Part 208 (31 CFR part 208), and Departmental Regulation 2250-1.
 - c. Mandate Forest Service data and reporting format requirements.
 - d. Certify at the end of each fiscal year, based on field reports, whether Forest Service change making imprest funds are managed and operated in accordance with the Department of the Treasury, Department of Agriculture regulations, and Forest Service guidelines.
2. The Director of the Albuquerque Service Center-Budget and Finance (ASC-B&F) has the responsibility to:
 - a. Oversee national and resource accounting operations.
 - b. Provide financial and accounting services for the Forest Service.
 - c. Ensure compliance with internal controls, policies, and accounting standards.
 - d. Ensure annual and semi-annual certification and justifications for imprest funds are transmitted to the OCFO by April 30 and October 30.
 - e. Appoint the approving official(s) who are responsible for the review and approval/disapproval of all cashier designations, fund increases, decreases, liquidations, and revocations. The approving official returns copies of the validated, processed forms to the appropriate Forest Service locations.

3. Regional Foresters, Station Directors, Area Director, Institute Director, and Job Corps National Office has the responsibility to:

a. Manage financial management activities within their respective units, consistent with financial management policies set forth in this chapter.

b. Approve, recommend, and submit waiver requests to the ASC-B&F for submission to USDA, Office of the Chief Financial Officer for approval.

c. Confirm that all of the following occurs for the change fund in your main office.

(1) Ensure all cashiers, alternate cashiers, and sub-cashiers have read and fully understand the guidance set forth in FSH 6509.11k, chapter 50 and in the Department of the Treasury, Financial Management Service's Manual of Procedures and Instructions for Cashiers as it pertains to their specific duties.

(2) Ensure form SF-211, Request for Change or Establishment of Imprest Fund are properly prepared and processed, when there is a transfer of accountability between cashiers. For electronic copies of these forms, go to:
<http://fsweb.asc.fs.fed.us/bfm/programs/financial-operations/receivables-collections/accountable-officers/forms.php>.

Establish the controls necessary to ensure unannounced verifications and audits are performed and documented, adequate corrective action is taken when required, and action and additional investigations are taken to protect the assets involved in irregularities.

(3) Review and analyze cash requirements for the change fund, based on actual usage at least every 6 months. As plastic card payments increase, the number of customers paying with cash and requiring change should decrease. Reduce the amount of the change fund as conditions indicate.

4. Forest Supervisors and District Rangers or organizational equivalents have the responsibility to:

a. Manage financial management activities within their respective units consistent with financial management policies.

b. Ensure all cashiers, alternate cashiers, and sub-cashiers have read and fully understand the guidance set forth in FSH 6509.11k, chapter 50 and in the Department of the Treasury, Financial Management Service's Manual of Procedures and Instructions for Cashiers as it pertains to their specific duties.

c. Ensure forms SF-211, Request for Change or Establishment of Imprest Fund are properly prepared and processed, when there is a transfer of accountability between cashiers. For electronic copies of these forms, go to:
<http://fsweb.asc.fs.fed.us/bfm/programs/financial-operations/receivables-collections/accountable-officers/forms.php>.

Establish the controls necessary to ensure unannounced verifications and audits are performed and documented, adequate corrective action is taken when required, and action and additional investigations are taken to protect the assets involved in irregularities.

d. Review and analyze cash requirements for the change fund, based on actual usage at least every 6 months. As plastic card payments increase, the number of customers paying with cash and requiring change should decrease. Reduce the amount of the change fund as conditions indicate.

5. Agency employees are often both change making imprest cashiers and collection officers. Both designations are accountable officers per FSM 6500. Cashiers are personally liable for all monies that come into their possession and are accountable for the full amount of change making funds at all times. A cashier shall personally keep imprest cash locked in the safeguarding equipment provided, except when processing transactions involving such funds. A cashier shall not keep the door or drawer of the safe unlocked or with a partly worked combination to facilitate entry.

The cashier's responsibility for the change fund continues until the fund is formally closed or the funds are formally transferred to another designated cashier.

57.05 - Definitions

Accountable Officers. All Government officers or employees who, by reason of their employment, are responsible for or have custody of Government funds. These include, but are not limited to, such agents of the Government who do not disburse but whom, nevertheless, are fully responsible for funds entrusted to their charge. Examples of accountable officers are certifying officers, collection officers, unit collection officers, and imprest fund cashiers.

Alternate Cashier (Change Making Fund, "Class D"). A Government employee that has been designated in the same manner as a cashier but functions in such a capacity only during the absence of a principle change making cashier, for change making only.

Approving Official. A Government employee who has been delegated the authority to manage imprest fund operations including the processing of designations for cashiers and alternates cashiers, submitted by field offices. Approving officials cannot re-delegate their authority and must review cash requirements based on actual usage at least every 6 months.

1. Local Approving Official – Serves at the regional office or forest supervisor's office level.

2. ASC-B&F Approving Official – Supervises imprest fund operations at the ASC-B&F, processes requests for relief for up to \$3,000.

Change Making Cashier (“Class D”). A Government employee, who has been designated to operate and manage a change making imprest fund, is a Class D cashier. Class D cashiers’ authority is limited to change making and making advances from the change fund to sub-cashiers or alternate cashiers for change making.

Imprest Fund. A fixed-cash fund approved by Treasury for a specific purpose such as change making. Change making funds are maintained by the Forest Service in the form of currency or coin, representing advanced funds held outside of the Treasury.

Liquidation of an Imprest Fund. When an imprest fund is liquidated, the fund amount is reduced to zero using form OF-1129, Cashier Reimbursement Voucher and/or Accountability Report (to access forms go to:

<http://fsweb.asc.fs.fed.us/bfm/programs/financial-operations/receivables-collections/accountable-officers/forms.php>). All funds in the form of currency and coin must be converted to money order or cashier’s check and returned to the Department of the Treasury.

Revocation of a Cashier. A cashier is revoked when the employee is no longer performing the duties of an imprest fund cashier at the location that has been granted a waiver to have the imprest fund. An appropriate accountability report on form OF-1129, Cashier Reimbursement Voucher and/or Accountability Report (to access forms go to: <http://fsweb.asc.fs.fed.us/bfm/programs/financial-operations/receivables-collections/accountable-officers/forms.php>) must be prepared and accompany the principal cashier’s revocation form SF-211, Request for Change or Establishment of Imprest Fund. Except for principal cashiers, all other cashier revocations do not require form OF-1129 to accompany form SF-211.

57.1 - Obligation Reporting

Accomplish reporting of unpaid obligations from units to the National Finance Center (NFC) as follows:

1. Computer files are established at the National Computer Center, Fort Collins (NCC-FC). Units input data via terminals to the NCC-FC file. See chapter 60 for automated data processing user instructions.
2. Direct wire transmission is used to send the data from NCC-FC to NFC. The unpaid files at NCC-FC must be complete by the sixth day of each month for transmission to NFC. The NFC and NCC-FC accomplish the transmission. No unit action is necessary, other than to ensure its files are complete before transmission.
3. Units have total control of their unpaid file at NCC-FC, both for entering and purging data. There is no automatic purging of this unpaid file when NFC makes payments.
4. The Central Accounting System (CAS) has the capacity for including commitments as well as unpaid obligations. Since commitments are not yet legally reportable obligations, exercise extreme care to distinguish commitments from unpaid obligations. Including

commitments can improve the usefulness of internal management statements, and their inclusion is encouraged. This is, however, a unit option.

5. The NFC uses cutoff dates to control the documents that are included by NFC as either paid or unpaid at the end of each month. With a few exceptions, the previous document by document control used by each unit is eliminated and the following cutoff procedures are used:

- a. The NFC establishes the prior month's unpaids on the fifth day of each month. The NFC includes all documents received and entered in the appropriate NFC payment system in reports issued by NFC.
- b. Units shall allow sufficient time for submission and entry into the payment system for their documents transmitted to NFC to obtain maximum benefits from this cutoff date. The NFC cutoff for their payment systems is 3 or 4 workdays following the due date for Forest Service submitted obligations. Therefore, it is recommended that you not process MISCPAY documents until 4 workdays following the month end obligation report due date for submission to NCC-FS to alleviate duplicate reporting.

57.11 - Report Dates

Per the Office of Management and Budget (OMB), monthly obligation reports are mandatory for all apportioned funds. The accuracy and usefulness of internal financial statements (for example, Project Manager's Statement and Unit Financial Statement) are directly dependent upon the quality of unpaid obligations reporting. The same criteria apply to upward reports submitted to the OMB.

The National Finance Center (NFC) obligates estimates for payroll, gasoline credit cards, telephone charges, utilities, and Departmental charges on a monthly basis.

The due dates at the National Computer Center at Fort Collins (NCC-FC) for the obligation report are published in an interim directive to this section each year.

57.12 - Obligation Documentation and Definitions

(See sec. 56.11.)

57.13 - Reporting Content

Include the following for each unpaid obligation:

1. Unit identification number.
2. Management code.
3. Transaction code.

- a. Code 3, Accounts Payable and Accrued Liabilities - Within Government.
 - b. Code 4, Accounts Payable and Accrued Liabilities - Other.
 - c. Code 5, Undelivered - Customer Orders (WCF).
 - d. Code 7, Undelivered Orders - Within Government.
 - e. Code 8, Undelivered Orders - Other.
 - f. Code 9, Commitments.
4. Name of payee or other item identification such as, Purchase Order Number, Transportation Request (TR) Number, or Government Bill of Lading (GBL) Number.
 5. Appropriate Object Class Code.

57.14 - Payroll Obligations

1. Full Pay Period in Current Month. If the pay period ends prior to or on the last day of the month, the National Finance Center (NFC) shall compute that full pay period and include the actual expenses in reports issued by NFC. No obligation estimate is necessary by units.
2. Partial Pay Periods at End of Current Month. The NFC estimates the unpaid obligations as of the last day of the month. Estimates are based on charges for the last full pay period, by management code. Estimates are for 1 to 13 days, depending upon how the end of the pay period falls within the month. The NFC will give these unpaid estimates a separate cost element code and so identify the estimates on the Project Manager's Statement. No obligation estimate is necessary by units.

57.15 - Working Capital Fund (WCF) Fleet Obligations

57.15a - Equipment Use

Units make unpaid obligation estimates.

57.15b - Fixed Ownership Rate (FOR)

Units no longer report FOR unpaid obligations. The National Computer Center at Fort Collins (NCC-FC) programs now generates total fiscal year FOR obligations and transmits them to the National Finance Center (NFC). Monthly, the NCC-FC generates input to NFC to convert the appropriate portion from an unpaid obligation to a paid expenditure.

57.16 - U.S. Government Transportation Requests (GTR's) and U.S. Government Bills of Lading (GBL's)

Units are responsible for controlling and reporting unpaid obligations for these payments. Retain obligation copies in an unpaid file and remove when paid. The National Finance Center prepares a monthly report of payment for each unit at the close of the third week. This proof of payment report for GTR's and GBL's is used by the unit as the basis for removing obligation copies from the unit's unpaid file.

57.17 - General Services Administration (GSA) Motor Pool

Due to the extreme time lag between incurring obligations and the billing by GSA, plus the fluctuation between GSA Regions insofar as timeliness of billings are concerned, a firm obligation control system cannot presently be established. The National Finance Center (NFC) provides a monthly proof of payment listing for the GSA Motor Pool to each unit to help establish the unpaid use period. A monthly proof of payment listing for the GSA Motor Pool is provided by NFC to each unit to help establish the unpaid use period. Key information in the report is the unit's Billing Office Address Code (BOAC) number, vehicle numbers, closing date of service, and amount paid. Prepare each report at the closing of the third week of the month on a paid basis.

1. Units shall maintain an obligation file of the GSA Daily Motor Vehicle Trip Tickets and the Monthly Motor Vehicle Use Records for the current and preceding month. Obligation estimates for these 2 months shall be reported as unpaid obligations at the end of each month, except when the monthly report from NFC indicates a different period of use is outstanding.
2. Units shall ascertain the degree of accuracy needed for reporting these obligations. For months other than financial reviews, broad estimates shall suffice for upward reporting purposes. For financial review periods, units may wish to make actual computations.
3. The obligation file at the National Computer Center at Fort Collins (NCC-FC) should be used as effectively as possible. To illustrate, units may enter the 2 months' obligation separated by month; then at the end of each month, the unit would simply purge the second preceding month's data and enter the current month's data.

57.2 - Conversion of Payments by the National Finance Center (NFC)

57.21 - Payment Types Not Yet Converted by the National Finance Center (NFC)

These are principally contracts and blanket purchase arrangements. Units shall report any unpaid obligations outstanding at monthend. Use the cutoff procedure described in section 57.1 rather than establish document control system to determine what item is picked up by NFC. As these types are converted to NFC, the principles for unpaid obligation reporting covered in section 57.1 shall apply.

57.22 - Payment Types Converted by the National Finance Center (NFC)

1. Travel Vouchers. The NFC shall include all vouchers received by the last day of the month. Units shall obligate vouchers not submitted in time to reach NFC, plus any unvouchered travel as of the end of the month.
2. Utilities and Telephone. The NFC shall obligate.
3. Gasoline Purchases. The NFC shall obligate.
4. Form AD-838, Purchase Order and Form AD-744, Purchase Order/Invoice/Voucher. The NFC shall obligate all documents received by the last day of the month. Units shall obligate orders not submitted in time to reach NFC by the cutoff date.
5. Casual Fire Time Payments. The NFC shall include all documents received by the last day of the month. Units shall obligate documents not submitted in time to reach NFC by the cutoff date.
6. GSA FEDSTRIP. (Sec. 51.41a) The NFC shall obligate all requisitions received by the last day of the month. Units shall obligate any documents not submitted in time to reach NFC by the cutoff date.
7. On-Line Payment and Collections (OPAC) and Departmental Assessments Paid by the NFC. The NFC shall obligate all OPAC items, such as Government Printing Office (GPO) Printing Requisitions, and Departmental Assessments for which they receive an obligating copy by the last day of the month.

57.3 - Intra-Regional and Inter-Regional Transfers of Expenditures

1. Performing unit shall report only the unpaid actual obligations incurred as a result of performing work under the form FS-6500-46, Authorization for In-Service Expenditures. The performing unit must deobligate prior year paid and unpaid obligations.
2. The ordering unit shall only report as an obligation the untransferred portion of the prior year obligations reported to them by the performing unit at the end of the prior fiscal year. However, for fund control purposes, the ordering unit may record the entire amount of current year issued in-service authorizations as a commitment against the appropriate project management code.
3. Procedures for processing and paying intra- and inter-regional transfers can be found in the National Finance Center Procedures Voucher and Invoice Payments Manual -- Title II (NFC), chapter 6, section 5.
4. Procedures for reporting intra- and inter-regional authorizations at end of the fiscal year are found in section 56.11o.

57.7 - Change Making Imprest Funds

57.71 - Request for Waivers

The Chief Financial Officer (CFO) must submit imprest fund waiver requests to the OCFO. Imprest funds may be used only for change making. Treasury allows waivers when two of the following conditions exist:

1. A payment by EFT is waived in accordance with the provisions of 31 CFR 208, Management of Federal Agency Disbursements, at §208.4 Waivers, *and*
2. Payments involve national security interests, military operations, or national disasters;
3. Payments are made in furtherance of a law enforcement action;
4. The amount owed is less than \$25;
5. The political, financial, or communications infrastructure of a foreign country does not support payment by a noncash mechanism; or
6. Payments are made in emergencies, or in mission-critical circumstances, that are of such an unusual and compelling urgency that the government would otherwise be seriously injured, unless payment is made by cash.

57.71a - Justification of Imprest Funds

Annual imprest fund waiver justifications must be completed by each unit in the Forest Service with imprest funds. The justifications must be by individual fund and include all of the following:

1. Imprest Fund location (Region, unit, and complete mailing address).
2. OCFO prior year approved balance.
3. Requested new fiscal year balance.
4. Number of sub-cashiers and amount of each.
5. Types of payments made from the fund.
6. Specific Treasury waiver(s) and reasons justifying the imprest fund.

57.71b - Certification of Imprest Funds

Each Forest Service unit with a change making fund must certify at the end of each fiscal year whether the unit's imprest funds were managed and operated in accordance with the Department of the Treasury, Department of Agriculture regulations, and Forest Service guidelines. The

certification must address and include the departmental certification standards and requirements published in DM 3555-001, October 18, 2005. The certification may be all encompassing if all change making imprest funds are in compliance. If there is change making imprest fund which is not in compliance, the certification should identify and itemize the fund not in compliance, the reason(s) for noncompliance, and estimated compliance date. Certification statements include assurance that the following activities are completed with follow up actions as necessary:

1. Certification of full reconciliation of fund balances.
2. The completion of cash verifications and audits.
3. The revocation of agency cashiers that no longer have cashier authority.

57.71c - Informational Report

Units with change making imprest funds must submit semi-annual informational reports for each fiscal year to the Albuquerque Service Center-Budget and Finance (ASC-B&F). The first 6 month report is due on April 15 and the second 6 month report is due October 15. The report includes the following:

1. The number of change making imprest funds.
2. Total balance outstanding.