



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON 25

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The Honorable,

The Secretary of the Treasury.

My dear Mr. Secretary:

There has been received from the Fiscal Assistant Secretary of the Treasury, a letter dated August 6, 1946, supplementing his letter of February 7, 1946, with respect to certain changes in the present procedure for disbursement of funds by designated officers and employees of the Foreign Service, Department of State.

The revised procedures, which have the approval of this office, are the result of several conferences attended by representatives of the Department of State, the General Accounting Office and the Fiscal Service of the Treasury Department, and are as follows:

1. The Division of Disbursement of the Treasury Department will delegate the exercise of its disbursing function in foreign countries to officers and employees of the Department of State who have been specifically designated to perform such function, pursuant to and in accordance with Executive Order No. 6166, dated June 10, 1933, establishing the Division of Disbursement, Treasury Department.

2. Except for certain collections in foreign currency, with respect to which special procedures will be provided, all such officers and employees, hereinafter referred to as "foreign service

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disbursing officers", will receive their disbursing funds by transfer from the Chief Disbursing Officer, Division of Disbursement, Treasury Department, to whom advances under the several appropriations for the Department of State and other departments, etc., will be made on accountable warrant, and they will render in their own names distinct accounts of the application thereof, according to the appropriations, etc., under which the same have been furnished to them, as provided in section 3623, Revised Statutes, as amended by the act of April 25, 1940, 54 Stat. 163 (5 U.S.C. 170). Such transfers by the said Chief Disbursing Officer will be made from time to time pursuant to (a) requests for credit to their official checking accounts established with the Treasurer of the United States, and (b) official drafts issued on the "Chief Disbursing Officer, Treasury Department, via the Secretary of State" by those foreign service disbursing officers who do not have appropriate official checking accounts with the Treasurer of the United States.

3. Whenever a department, independent establishment, or agency of the Government of the United States of America, hereinafter referred to as an "agency", wishes to avail itself of the foreign service disbursing facilities of the Department of State, and the Department concurs, the agency to be serviced should make the following arrangements:

(a) Whenever possible designate a bonded employee of the agency having knowledge of the obligation to be paid, as an authorized certifying officer. Where such an employee of the agency is not available locally for designation as authorized certifying officer,

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the head of the agency whose appropriations, etc., are to be charged will authorize a designated certifying officer of the Department of State to certify specified classes of vouchers on behalf of the agency. See act of December 29, 1941, 55 Stat. 875 (31 U.S.C. 82).

(b) Advance to the Chief Disbursing Officer, Division of Disbursement, on accountable warrant or otherwise sufficient appropriated funds and/or special deposit moneys legally available for the disbursements to be made abroad, unless he (the Chief Disbursing Officer) has sufficient balances thereof in his official checking accounts.

4. Officers and employees in the foreign service of the Department of State who have been designated as foreign service disbursing officers by the Division of Disbursement of the Treasury Department, and who maintain official checking accounts with the Treasurer of the United States for Department of State funds, may be assigned additional official checking accounts for making disbursements of appropriations and funds of other agencies where the service to be rendered is of a continuing or recurring nature. Where the foreign service disbursing officer has not been furnished appropriate official checking accounts he will obtain the necessary disbursing funds for the agency by drawing drafts.

5. Where an official checking account is assigned by the Treasury in the name of the foreign service disbursing officer for use in disbursing funds of an agency other than the Department of State, funds for such agency will be transferred by the Chief Disbursing Officer, Division of Disbursement, Treasury Department, to the appropriate official checking account of the said foreign service disbursing officer upon the basis of written request from the agency, in the same manner as for transfers to regional (assistant)

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disbursing officers in the United States, and the said Chief Disbursing Officer will advise each such agency whose appropriations and funds have been so transferred by supplying a copy of the certificate of deposit, Treasury Department Form No. 6599-Revised. A schedule of transfers, Treasury Department Form 1699, listing each such transfer will be submitted with the Chief Disbursing Officer's accounts in support of the transfers therein.

6. In instances where the foreign service disbursing officer does not have an official checking account with the Treasurer of the United States for the agency concerned, the necessary transfer of funds will be accomplished by official draft drawn by the proper foreign service disbursing officer against the designated appropriation(s) of the agency to be served. Such drafts will be prepared and processed as follows:

(a) Each draft will show the applicable appropriation(s) of the agency concerned, as indicated on vouchers presented for payment, and will be signed by a bonded disbursing officer whose signature will be known to the Division of Finance of the Department of State and to the Chief Disbursing Officer, Division of Disbursement, Treasury Department.

(b) When the drafts are presented in Washington, D. C., they will be registered in the Department of State and scheduled to the said Chief Disbursing Officer on Form 321 for payment.

(c) Upon receipt of the schedule and drafts in the Division of Disbursement, Treasury Department, they will be immediately examined and checks drawn in favor of the presentors in the aggregate amount thereof, and, the transactions will be reflected in the accounts of the Chief Disbursing Officer as transfers under the specified appropriations, etc.

(d) The Chief Disbursing Officer will furnish a copy of schedule Form 321 after payment, to the agency under whose appropriations amounts have been transferred. The original schedule, together

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with the paid drafts, will be submitted with his accounts in support of the transfers reflected therein.

7. Each foreign service disbursing officer receiving funds in his official capacity, by transfer from the Chief Disbursing Officer, Division of Disbursement, Treasury Department, or otherwise, will render an individual (separate) monthly account current for each department or establishment of the Government having administrative jurisdiction over the funds which he has disbursed and/or collected during the period, showing with respect to each appropriation, fund, and receipt account the symbol and title thereof. On the individual accounts current the officer will charge himself with the amounts transferred to him by deposits to his official checking accounts with the Treasurer of the United States and/or by drafts negotiated during the month, and also will charge himself with the amount of collections received, taking credit for the amounts disbursed as evidenced by duly certified paid vouchers and for the amounts transmitted for deposit into the Treasury of the United States and for the return of unexpended balances. Where a foreign service disbursing officer is accountable for funds of an agency in addition to those of the Department of State, a separate summary account current will also be prepared showing the totals of transactions according to all such departments, etc.

8. The monthly accounts current in triplicate, together with the schedules and supporting vouchers, will be forwarded not later than the 10th of the month following the month to which the accounts relate, to the Secretary of State where, upon receipt thereof, the



account current, schedules, and vouchers pertaining to the funds of the Department of State will be administratively examined and approved and the originals sent to the General Accounting Office, Reconciliation and Clearance Division, Washington, D. C. The separate accounts current (originals and duplicates), schedules, and vouchers pertaining to each of the other agencies will be sent to them for similar examination and approval after which the originals will be sent to the General Accounting Office. Likewise, the summary account current, original and duplicate, together with the triplicate copies of the accounts current pertaining to the Department of State and other agencies will be sent to the Chief Disbursing Officer, Division of Disbursement, Treasury Department, for examination and reconciliation of items in transit, after which the original summary account current will be sent to the General Accounting Office.

9. In order that the United States Government may avail itself to the fullest extent with respect to foreign currencies held or deposited in foreign countries for the use of the United States Government, the purchase from commercial banks of foreign currency by means of disbursing officers' checks on the Treasurer of the United States and by drafts drawn on the "Chief Disbursing Officer, Treasury Department, via the Secretary of State" will be resorted to only when no such foreign currencies are available. Where such currencies are in the custody of the U.S. Government, the following procedures should govern:

(a) Disbursing officers in the foreign service of the Department of State who have official checking accounts established with the Treasurer, U.S.:

(1) If the said disbursing officer has knowledge that any other of the United States Government disbursing officers have available local (foreign) currency in excess of their needs, the foreign service disbursing officers should secure such currency from the other disbursing officers having such excess, effecting payment therefor by issuing to the cashing officer his official check drawn on the Treasurer, U. S., stated in U. S. dollar equivalent at the rate of exchange applicable on the date the currency was received from the other disbursing officer.

(2) Where the "other" disbursing officers do not have excess local (foreign) currency available but it is known that the Treasurer of the United States maintains an account in such (foreign) currency with a bank in the foreign country, the foreign service disbursing officer should transmit his request to the Department of State for such amounts as he may require.

The Department of State will make appropriate arrangements with the Treasury Department to authorize the depository bank to honor the disbursing officer's receipt for the amount of currency to be furnished to such disbursing officer. Upon receiving the currency and furnishing the bank a receipt therefor, the said disbursing officer will promptly advise the Department of State, specifying the disbursing symbol which will be charged for the amount withdrawn, and the rate of exchange applicable on the date the currency was received from the bank, i.e., the rate that would be available to the Government of the United States for the acquisition of foreign currency for its official disbursements. The Department of State will immediately notify the Bureau of Accounts, Treasury Department, which will take such action as may be necessary to have the said disbursing officer's account with the Treasurer of the United States charged for the U. S. dollar equivalent of the foreign currency furnished to him by the bank. The disbursing officer should reduce his check book balance accordingly. However, in the event the disbursing officer's check book balance is not sufficient to cover the amount charged for such currency, he should so advise the Department of State, and the U.S. dollar equivalent of the foreign currency furnished will be advanced to him as a transfer of funds.

(b) Disbursing officers in the foreign service of the Department of State who procure necessary disbursing funds by means of drafts issued on the Chief Disbursing Officer, Treasury Department, via the Secretary of State.

(1) If the said disbursing officer has knowledge that any other of the United States Government disbursing officers have available local (foreign) currency in excess of their needs, the foreign service disbursing officer should secure such currency from the other disbursing officers having such excess, effecting payment

therefor by issuing a draft payable to the Treasurer of the United States for the account of (name of disbursing officer furnishing the funds) and stated in U. S. dollar equivalent at the rate of exchange applicable on the date the currency was received from the other disbursing officer who will transmit such draft through the usual channels for credit to his official checking account with the Treasurer, U. S.

(2) Where no foreign currencies are available under paragraph (1) above, but it is known that the Treasurer of the United States maintains an amount in the foreign currency required with a bank in the foreign country, the disbursing officer for the Department of State will make request, by cable if necessary, through the Department of State, that the Treasury authorize the specified bank to furnish him with the required amount of local (foreign) currency upon the issuance of an appropriate receipt by the said officer. Thereupon, the said disbursing officer will transmit his draft (drawn in favor of "the Treasurer of the United States (attention Fiscal Assistant Secretary)" stated in the U. S. dollar equivalent of the foreign currency received at the rate of exchange that would be available to the Government of the United States for the acquisition of the foreign currency for its official disbursement at that time) to the Secretary of State. The Secretary of State will transmit the draft to the Chief Disbursing Officer, Division of Disbursement, Treasury Department, who will issue his check and make appropriate entries transferring the amounts to the accountability of the said disbursing officer of the foreign service of the Department of State.

10. In view of the very limited space available on account current Form No. 222-Revised (prescribed by the Comptroller General February 17, 1941 (A-44014) for use by the accountable officers of the Foreign Service) for reporting additional transactions pertaining to other agencies, it is suggested that consideration be given to the adoption of a different form of account current, copies of which are enclosed, which will permit of reporting transactions pertaining to a number of different appropriation and receipt accounts, as well as for "special deposits" and other funds which are authorized to be stated in the foreign currency in which received. The revised form also provides in the analysis of balance for reporting the amounts in U. S. dollars and foreign currency equivalents



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deposited by the officer in his official checking account with designated foreign depository banks, as well as balances in official checking accounts with the Treasurer of the United States, cash on hand, etc. After consideration of the features which should be incorporated in the revision of the account current so as to adequately reflect the transactions for which the foreign service disbursing officers are required to account, it should be submitted to this office to be formally prescribed pursuant to the provisions of section 309 of the Budget and Accounting Act, 1921.

11. It is also suggested that consideration be given to the adoption of a daily summary for postings to the disbursing officer's ledger accounts, somewhat along the lines of General Accounting Office Form No. 166 which has been used to advantage in posting to the accounts from which the accounts current are prepared. This form provides for recording the amounts of the various classes of documents which are to be taken into the designated accounts either as debits or credits, and at the end thereof a trial balance of the accounts after the postings for the day have been made. A copy of the said Form 166 is enclosed.

Respectfully,

(Signed) Lindsay G. Warren

Comptroller General  
of the United States.

Enclosures.