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3 FEB 1960

MEMORANDUM FOR: Comptroller

SUBJECT : Cash Disbursements from Disbursing Officers - Imprest Fund for and on Behalf of Fiscal Division

REFERENCE : Memorandum to Assistant Disbursing Officer from Chief, Fiscal Division dated 25 January 1960, subject: Report of Reimbursement of Cash on Hand

1. On January 28, 1960, you asked the Technical Accounting Staff to review the procedures relating to cash disbursements made by the Disbursing Officer from her Treasury imprest fund for and on behalf of the Fiscal Division and the recording of such disbursements on the records of the Fiscal Division. The procedures and our recommendations are stated below.

2. Under present procedures when cash advances from vouchered funds are authorized, the original and two copies of SF-1166 are presented to the Disbursing Officer for payment. The Disbursing Officer makes payment and retains the original and one copy and forwards one copy stamped paid to the Accounting Branch. The Accounting Branch uses this copy as the basis for charging advances and crediting Agency cash (although Agency cash will not be disbursed until the Disbursing Officer reimburses her Treasury imprest fund).

3. Periodically, the Disbursing Officer reimburses her Treasury imprest fund. The amount of the reimbursement represents a charge to the Agency's appropriation on Treasury books at the time the reimbursement is made.

4. When the Disbursing Officer has been reimbursed, the original SF-1166's (which are in numerical order) are forwarded to the Accounting Branch along with an adding machine tape listing the amount of each SF-1166 and the total amount of all SF-1166's included in the reimbursement. This tape also bears a date signifying the date of reimbursement.

5. The Accounting Branch, Fiscal Division, upon receipt of original SF-1166's and tape, verifies the amounts on the tape with the amounts of the SF-1166's, then the SF-1166's are detached and sent to files. The tape is then filed for use in reconciling differences between the cash balances as reported by the Treasury and those reflected on the Agency's books. Such reconciliations are necessary because,

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under the procedures just described, the Agency's cash, on the Agency's records, is credited before the Agency's cash is actually disbursed by the Disbursing Officer. This procedure has been followed for the last nine months.

6. The Fiscal Division's reason for requesting the referenced report is to provide better data if called upon to support its reconciliation; at this time the only thing it could produce is an adding machine tape showing the date and amounts reimbursed. The Fiscal Division believes that a memorandum (or simple form) signed by the Disbursing Officer showing the schedule numbers, amount of each schedule, total amount of the reimbursement, and date of reimbursement, should accompany the original schedules to the Fiscal Division. This report would serve as an official notification that the Agency's appropriation has been charged.

7. The Disbursing Officer believes such a report is unnecessary because in her opinion the delivery of the originals of SF-1166's to the Fiscal Division should be sufficient notice that the Agency's appropriation has been charged. The Disbursing Officer has agreed to stamp the date of reimbursement on each original SF-1166 if this is deemed necessary.

8. The Fiscal Division has in turn agreed to a report showing the inclusive schedule numbers instead of a list of each schedule.

9. It is the opinion of this Staff that:

- a. A new credit balance general ledger account should be established to record cash disbursements made by the Disbursing Officer on behalf of the Fiscal Division, pending the actual disbursement of Agency cash by the Disbursing Officer.
- b. The delivery of the original SF-1166's to the Accounting Branch should be considered sufficient notice that reimbursement has been effected and the appropriation charged.
- c. The Disbursing Officer stamp each original of the SF-1166's with the date the Agency's cash was actually disbursed.
- d. The Fiscal Division, upon receipt of the original SF-1166's and the accompanying adding machine tape, indicate on the tape the inclusive numbers of the SF-1166's, and make an entry to clear from the new account (with contra entry to the Agency's cash) the amounts of the originals of the SF-1166's. This will eliminate the need to reconcile the Agency's cash records with the Treasury's record of the

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Agency's cash. It will, however, create the need, in the Fiscal Division, to reconcile the balance of the new account with the total amount of the SF-1166's entered by the Fiscal Division for which the Disbursing Officer has not yet been reimbursed. Any reconciliation schedule required or desired in connection with the new account, should be prepared by the Fiscal Division.

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Acting Chief, Technical Accounting Staff