

PS 8531.10 DEPOSITS

b. Directives Referenced

PS 8000.01 UNICOR Corporate Policies and Procedures
(5/13/81)
PS 8020.02 FPI Satellite Business Office (General
Responsibilities) (11/8/95)
PS 8534.05 Cash Reporting (3/19/99)

Treasury Financial Manual (TFM), Volume 1
TFM Supplement, Cash Management Made Easy

5. STANDARDS REFERENCED

a. American Correctional Association 3rd Edition Standards for Adult Correctional Institutions: 3-4027, 3-4031, and 3-4033

b. American Association 3rd Edition Standards for Adult Local Detention Facilities: 3-ALDF-1B-02, 3-ALDF-1B-04, and 3-ALDF-1B-06

c. American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies: 2-CO-1B-05 and 2-CO-1B-06

6. RECEIVING REMITTANCES. FPI processes remittances from customers, employees, vendors, and other outside sources based upon the remittance instrument and the office of receipt.

C Field locations may not make direct deposits to a Federal Reserve Bank (FRB) or branch.

C Remittances in the form of U.S. Treasury checks must be forwarded to the established FPI lockbox.

Whenever feasible, payers are to be instructed to forward commercial and personal checks directly to the Accounts Receivable Section of the Financial Management Branch (FMB) located at FPI Lexington for deposit at a Federal Reserve depository.

7. U.S. TREASURY CHECKS. The U.S. Treasury Automated Lockbox Network comprises designated financial institutions selected by Treasury's Financial Management Service to provide lockbox remittance services for Federal Government agencies.

C FPI uses the lockbox service to accelerate deposits and conserve limited staff resources.

- C All U.S. Treasury check remittances to FPI are mailed to a unique post office lockbox assigned by the designated commercial bank.

Upon notification of receipt by the commercial bank, staff in the Accounts Receivable Section at FPI Lexington record remittance deposits in **Millennium** and perform any necessary reconciliation, resulting in liquidation of the respective receivable.

FPI staff involved in contract negotiation with customers must include FPI's lockbox address in any contract or purchase order.

a. **Receipt.** FPI Accounts Receivable staff must ensure that invoices (in which the expected method of payment is a U.S. Treasury check) contain the remittance address of the lockbox.

- C The lockbox address assigned by the bank for all FPI remittances is as follows:

UNICOR, Federal Prison Industries
PO Box 371736
Pittsburgh PA 15251-7736

- C Within 24 hours of receipt, FPI locations must forward U.S. Treasury checks via an overnight service (e.g., Federal Express) to the lockbox for deposit at the following address:

Mellon Bank, N.A.
3 Mellon Bank Center
Room 2713
Pittsburgh PA 15259
ATTN: Wholesale Lockbox Supervisor

A memorandum that includes the following statement must be included with the checks:

'Enclosed are ____ checks (envelopes) for deposit that were received at UNICOR, (Insert FPI location). Please process them through our lockbox as any other check received by your facility for Federal Prison Industries. The lockbox address is: UNICOR, Federal Prison Industries, PO Box 371736, Pittsburgh PA.'

FPI business offices may **not** make deposits directly to a FRB or depository.

b. **Bank Responsibilities.** Bank staff will open the remittances; transfer the deposits to the Federal Reserve daily; and mail photocopies of the checks, Deposit Ticket (SF-215), calculator tape of batch(s), and all backup information to the Accounts Receivable Section at FPI Lexington.

c. **Accounts Receivable Section Procedures.** The Deputy Controller over the Accounts Receivable Section, must develop and maintain written procedures for processing deposit information received from the lockbox to ensure that:

C Deposits are reconciled and recorded into the **Millennium** database daily. The actual deposit transaction will be a debit entry to the appropriate cash account and a credit to account 136000 (Unapplied Payments).

In **Millennium**, different cash accounts will be used to record receipts from different sources:

- 111000 will be used for check receipts (both lockbox and non-treasury),
- 111010 will be used for OPAC deposits,
- 111020 will be used for credit card deposits, and
- 111030 will be used for GOALS transactions.

C Payments must be applied to liquidate the appropriate receivable within 48 hours of receiving the deposit information from the lockbox for all identifiable payments.

C The Unapplied Payments(136000) Account is reconciled to the total Unidentifiable Check amount weekly.

C Performance of required services of the lockbox is monitored daily and any performance failures reported to FMB within 24 hours.

C All required Treasury reports (I TFM Part 2) and FPI reports are accomplished as required.

C Unidentifiable checks are resolved within 120 days of receiving the deposit information from the lockbox.

d. **Unidentified Checks.** The Deputy Controller over the Accounts Receivable Section, will maintain a listing of all unidentified checks received via the lockbox and take appropriate action to insure that all checks are identified within 120 days.

e. **Duplicate Payments.** When a duplicate payment is received the Accounts Receivable Section at Lexington must contact the customer to determine the reason for the duplicate payment. If the customer agrees, the duplicate payment is to be applied to other existing open receivables, if not; FMC Lexington will return the payment to the customer.

f. **Inquiries.** The Deputy Controller over the Accounts Receivable Section, (or designee) is to respond to all field or Central Office information requests related to checks received by the Lockbox. The following information should be included (if available) when the request is made:

- < Check Number,
- < Check Amount,
- < Date of Check,
- < Invoice Number,
- < Customer Number, and
- < Name, Telephone and Fax Number of Requesting Location

g. **Liquidating the Receivable.** Upon receiving payments from a customer, the Accounts Receivable Section at FPI Lexington is to record receipt of the payment in **Millennium** by debiting Account 13600, Un-applied Payments, and crediting Account 131000, Accounts Receivable - Government Billings.

This entry will be recorded in **Millennium** within 48 hours of receiving the deposit information from the lockbox for all identifiable payments.

8. **COMMERCIAL AND PERSONAL CHECKS.** On occasion FPI receives checks from the public sector customers and vendors, trucking companies, salvage companies, etc. Additionally, personal checks may be received from employees for travel settlements or from individuals for goods and services (such as law enforcement personnel for uniforms, utility belts, etc).

a. **Receipt.** FPI locations are to instruct payers of commercial or personal checks to forward the checks directly to the Accounts Receivable Section at FPI Lexington at the following address:

UNICOR, Federal Prison Industries
PO Box 13640
ATTN: Accounts Receivable
Lexington KY 40583-3640

Field location staff will advise payers to include a payment

advice with the remittance so that staff in the Accounts Receivable Section can identify the payment and apply the payment to the correct receivable or account. FPI business offices may **not** make deposits directly to a Federal Reserve Bank, branch, or depository.

Any commercial or personal checks received at field locations are to be forwarded to the Accounts Receivable Section.

(1) The Deputy Controller over the Accounts Receivable Section at FPI Lexington is to designate, in writing, a person, not associated with the accounts receivable/billing process, to list all checks received in a 'Checks Received Log.'

No employee involved with accounts receivable may handle the checks until they have been recorded into this log.

(2) The date received, date of the check, remitter's name, check number, and dollar amount must be entered into the log. (Checks that are received after 1:00 PM may be logged the next business day.)

(3) The designated employee (the employee logging the checks) must endorse each check using an endorsement plate or stamp. The plate or stamp must contain:

- the name Federal Prison Industries (or UNICOR),
- the nine digit CASH-LINK Identification Number (CIN),
- the words "For credit to the U.S. Treasury," and
- the date that the check is being endorsed.

The designated employee must give the checks to the designated staff in the Accounts Receivable Section.

(4) Checks that have not been deposited must be placed in a fireproof safe or fireproof locked cabinet until they are deposited.

(5) The Deputy Controller over the Accounts Receivable Section is to ensure that there are written procedures in place to prevent inmate access to personal information contained on employee or personal checks (e.g., bank account numbers, addresses, social security numbers, etc).

b. Depositing Requirements. Accounts Receivable Section staff must adhere to the following requirements when making deposits:

(1) Checks with a cumulative total value of \$5,000 or more must be deposited in the name of the Treasurer of the United States in a Federal Reserve Bank (FRB), branch or depository on the same day received. Checks received too late in the day to meet the deposit cutoff time must be deposited the following business day.

(2) Collections totaling less than \$5,000 may be accumulated and deposited when the total reaches \$5,000. However, deposits must be made by Thursday of each week and by the last business day of the month, regardless of the amount accumulated (I TFM Part 6).

(3) Deposits are limited to one per day.

c. **Deposit Ticket (SF-215).** A staff member in the Accounts Receivable Section is to prepare the SF-215 in accordance with procedures outlined in the Treasury Financial Manual (Vol 1), Part V. The Deposit Ticket will be identified by the preprinted six-digit deposit number, which is used by Treasury's central accounting and reporting systems to generate audit and reconciliation reports for depositors.

This number must not be altered, typed over, or changed in any manner. Although this form is pre-numbered, it is not necessary to account for voided or spoiled forms.

Copies of the SF-215 are to be distributed as follows:

- ! The Original, Depository and Confirmation copies must accompany the checks to the depository.
- ! The Agency copy must be kept in a file with the Register of Remittances Received (FPI Form 36 or other computer generated report approved by the Deputy Controller over the Accounts Receivable Section) along with the check copies and remittance advice as evidence that the deposit was forwarded to the depository.
- ! The Confirmed copy, when received from the depository, is to be kept in a file with the Register of Remittances Received (or other computer generated report approved by the Deputy Controller over the Accounts Receivable Section) along with the check copies and remittance advice, and used to support the Statement of Transactions (SF-224) and the accounting records.

- ! Memorandum copies may either be retained locally or destroyed. They may not be sent to the depository under any circumstances.

Only one SF-215 may be prepared per day unless cash (currency) deposits are involved.

d. **Reviewing the Deposit.** Upon completing the SF-215, the appropriate staff in the Accounts Receivable Section is to record the total of the deposit in **Millennium**, debiting the appropriate Cash Account and crediting Account 136000, Unapplied Payments. Check detail (check number, check date, payer, and check amount) must be included on the Register of Remittances Received.

After recording the checks and posting the amount in **Millennium**, the accounts receivable staff must review and sign the Register of Remittances Received (or computer printout). The employee who recorded the receipt of the checks are then to sign this report, verifying that it reconciles to the Checks Received Log.

The completed Deposit Ticket (SF-215), Register of Remittances Received, Checks Received Log, **Millennium** transaction printout and checks to be deposited must be forwarded to the Deputy Controller or his designee for review. He or she must insure that:

- C The Deposit Ticket amount agrees with the **Millennium** deposit transaction, the total of the checks and the Register of Remittances Received.
- C Both the accountant (or accounting technician) and the employee responsible for logging the checks sign the Register of Remittances Received.
- C The Register of Remittances Received is reconciled to the Checks Received Log.
- C The confirmation date (date that the deposit is taken to the local depository) is recorded on the Agency copy of the Deposit Ticket.
- C The correct Agency Location Code (ALC) or CIN is used.
- C An adding machine tape which totals all checks is included in the deposit.

When the review is complete, the Deputy Controller or his designee is to sign the Register of Remittances Received and the Checks Received Log. The checks will then be given to an accounts receivable staff responsible for depositing the checks.

The accountant must file the original Register of Remittances Received in a numerical file with the Agency copy of the SF-215 attached along with any supporting documentation (i.e., advice of remittance, etc).

e. **Liquidating the Receivable.** Staff in the Accounts Receivable Section must reconcile deposits and record them into the **Millennium** database daily. The actual deposit transaction will be a debit to the appropriate cash account and a credit to account 136000 (Unapplied Payments).

Under **Millennium**, different cash accounts will be used to record receipts from different sources:

- < General Ledger Account, 111000 (Cash Operating) will be used for check receipts (both lockbox and non-treasury),
- < General Ledger Account, 111010 (Cash Receipts) will be used for OPAC deposits,
- < General Ledger Account, 111020 (Cash Receipts Credit Card) will be used for credit card deposits, and
- < General Ledger Account, 111030 (Cash GOALS) will be used for GOALS transactions.

The Accounts Receivable Section must liquidate the open receivable by debiting account 136000 (Unapplied Payments), and crediting account 131000 (Accounts Receivable).

Commercial and personal checks are to be included on the unidentified checks listing referred to in Section 8.d.

9. **CHECKS THAT DO NOT CLEAR.** When a deposited check does not clear, the depository involved will prepare a Treasury Form 5515, Debit Voucher, in accord with the instructions in TFM Part 5.

- < Once the Debit Voucher is prepared the depository retains one copy, forwards the original plus explanation to the U.S. Treasury, and forwards the memorandum and confirmed copies to the depositor (Lexington Accounts Receivable Section).

- < When a Debit Voucher is received from the U.S. Treasury, the confirmed copy must be filed in the Accounts Receivable Section. The accountant is to use the memorandum copy as the support documentation to establish or reestablish the accounts receivable related to the uncleared check. The appropriate cash account is to be credited.

- < The Accounts Receivable Section must adhere to collection procedures outlined in TFM VOL 1 part 6, Section 8000, and TFM Supplement, "Cash Management Made Easy." This may include assessing interest and administrative charges.

10. **RECORDING GOVERNMENT ON-LINE ACCOUNTING LINK (GOALS) RECEIPTS.** Staff in the Accounts Receivable Section at FPI Lexington are to extract the OPAC collection listing daily from the Government On-Line Accounting Link System (GOALS).

Depending upon the purpose of the remittance, the accountant must debit the appropriate Cash account and credit the appropriate Accounts Receivable account.

11. **RECORDING RECEIPTS COLLECTED ON THE TREASURY 224 (STATEMENT OF TRANSACTIONS).** Staff in the Accounts Receivable Section at FPI Lexington collect Advance Payments or Military Interdepartmental Purchase Requests (MIPR) through the use of the Treasury 224 (Statement of Transactions report). Staff in the Accounts Receivable Section are to record these deposits in the **Millennium** database daily.

The actual deposit transaction will be a debit to the appropriate cash account and a credit to account 231000 (Advances Payable).

/s/
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Director