U.S. DEPARTMENT OF JUSTICE
Federal Bureau of Prisons

PROGRAM STATEMENT
Disbursements and Electronic Funds Transfer

Approved by	William K. Marshall III William K. Marshall III Director, Federal Bureau of Prisons
DPI	FPI
Number	8535.01
Date	June 22, 2026

Summary of Changes

Program Statement Rescinded:
- 8532.09 Check Cancellation - FPI (07/17/2017)

Changes:
- Renames and updates to reflect the U.S. Department of the Treasury's elimination of paper checks
- Removes outdated practices
- Adds disbursement requirements as a supplement to payments

1. **PURPOSE AND SCOPE**

To establish policies and procedures for Federal Prison Industries (FPI or trade name UNICOR) to follow when requesting the cancellation of payment and when processing claims for non-receipt. As of October 1, 2025, the U.S. Department of the Treasury has ceased issuing paper checks.

The Bureau of the Fiscal Service, U.S. Department of the Treasury, developed the Treasury Check Information System (TCIS), an electronic information system. This system is accessed at the Central Office level and allows FPI to retrieve information pertaining to payments made by check or electronic funds transfer (EFT). The system can be used to:

- Determine the status of payments.
- Request payment cancellation.
- Initiate and manage claims.
- Retrieve, view, and print digital images of negotiated checks.

FPI must use TCIS to facilitate responses to vendor inquiries and cash management initiatives. In addition, procedures have been established for erroneous payments made to vendors.

a. **Program Objectives.**

- FPI's handling of any paper checks remaining in circulation will be consistent with this program statement.
- The process for canceling payments will be consistent throughout FPI.
- All returned U.S. Department of the Treasury (U.S. Treasury) payments will be recorded and accounted for in accordance with the U.S. Treasury regulations.

b. **Institution Supplement**. None.

2. RESPONSIBILITIES

- The FPI Financial Management Branch (FMB) disbursement officers ensure that the procedures in this program statement are performed properly and efficiently.
- FPI personnel are responsible for notifying disbursement officers of claims for non-receipt of payment.

3. CHECK CANCELLATION

U.S. Treasury checks issued for paying FPI obligations are canceled automatically one year after issuance, if not cashed. However, the U.S. Treasury may cancel checks upon request, after a status determination. A status determination may be requested by submitting an unavailable check action to the U.S. Treasury. In addition, if a check is available and requires cancellation, it must be sent to the U.S. Treasury Regional Finance Center responsible for that disbursement.

4. UNAVAILABLE CHECKS AND INCORRECTLY ISSUED EFT

An unavailable check action must be initiated for checks that are unavailable or not in the possession of FPI or the U.S. Treasury, when one of the following circumstances arises:

- The payee reports a check's non-receipt, mutilation, destruction, loss, or theft.
- It is determined the payee is not entitled to the check's proceeds.

a. **Unavailable Check Action**. The unavailable check action is used to determine the payment status of a check not in FPI's or U.S. Treasury's possession and/or to request a photocopy, if the check has been paid.

FPI personnel must submit a request for an unavailable check action to the disbursement officers. The request must contain adequate information to process it through TCIS, including:

- Vendor number.
- Amount of check.
- Date of payment.
- Reason for cancellation.

If any vendor master information is incorrect or requires updating, FPI personnel will refer the inquiry to the FPI Procurement Branch.

Upon receiving the request, a disbursement officer must process the request via TCIS within two business days. The disbursement officer will notify the requestor after a status determination has been made.

b. **Available Checks**. An available check is one physically in the possession of FPI or a vendor and still negotiable. Upon occasion a vendor may receive a check in which one of the following situations may occur:

- Vendor not entitled to the proceeds.
- Duplicate payment.
- Holder/payee not the same (check issued in the wrong name).

Under any of these circumstances the staff member first notified of the situation must request the vendor return the check immediately to the FMB Central Disbursement Section in Central Office.

All checks returned to the FMB Central Disbursement Section must be defaced with the words:

"Not Negotiable - For Payment and Credit in the U.S. Treasury's Account."

c. **Incorrectly issued EFT.** Errors with EFT payments include the following and must be resolved by the appropriate FPI personnel.

- Vendor not entitled to the proceeds.
- Duplicate payment.
- Incorrect vendor master file information.

5. **ERRONEOUSLY DEPOSITED PAYMENTS**

If it is determined a vendor was not entitled to payment proceeds, reimbursement is required. The vendor must be instructed to reimburse FPI for the full amount of the payment.

Reimbursement must be received by the FMB Central Disbursement Section at the address referenced in Section 4.b. The reimbursement may be in the form of a check or money order made payable to UNICOR or FPI. Cash must never be accepted.

The vendor can also reimburse FPI through Pay.gov by entering "UNICOR" in the search bar and completing the electronic payment.

FPI Central Accounts Receivable is responsible for depositing all checks or money orders received from vendors for reimbursement by completing a deposit ticket in the Over-the-Counter Channel web application (OTCnet).

6. RECONCILIATION AND RE-ISSUANCE

The disbursement officer must prepare a journal voucher after notification from the U.S. Treasury of canceled checks or Automated Clearing House (ACH) payments. The following general ledger accounts are used:

Debit 212000, Disbursements in Transit
Credit 299000, Canceled Checks and EFT

In addition, the central disbursement officer must notify the applicable field location or business group by email of all canceled payments. The FPI Procurement Branch verifies the vendor master data in the System for Award Management (SAM) and corrects it if necessary and notifies the central disbursement officer who subsequently contacts FPI Central Accounts Payable (CAP) to process the payment.

The General Ledger Account 299000, Canceled Checks and EFT, must be processed by debiting the general ledger account the return was posted to and crediting the vendor account.

7. OUTDATED CHECKS

All checks returned to FPI more than one year old and no longer negotiable must be stamped with the word "VOID." When a confirmed receipt of the Limited Payability Cancellation Credit is obtained, the check must be shredded.

8. CLAIMS FOR NON-RECEIPT OF PAYMENT

The payee contacts FPI personnel for non-receipt of payment. FPI personnel send the request to the disbursement officers. The disbursement officers will validate the request and determine if the payment had any errors or was offset by the U.S. Treasury and take the following actions:

- If errors with vendor master, notify the FPI Procurement Branch.

- If U.S. Treasury offset, refer vendor to the Treasury Offset Program (TOP).

9. ELECTRONIC FUNDS TRANSFER

If it is determined the ACH payment in question has been deposited into the wrong account or has been established in a miscellaneous account at the bank, the disbursement officer must initiate an investigation by submitting a claim on TCIS. The disbursement officer will track the status with TCIS until resolved.

REFERENCES

Program Statements
None

ACA Standards
None

Records Retention Requirements
Requirements and retention guidance for records and information applicable to this program are available in the Records and Information Disposition Schedule (RIDS) on the Bureau's intranet site.