

**CHAPTER 1**

**GENERAL OVERVIEW**

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**CHAPTER 1****GENERAL OVERVIEW**0101 GENERAL

This volume establishes cash management policies and procedures for the National Aeronautics and Space Administration (NASA). The provisions of this chapter are designed to supplement existing regulations bearing on the subjects covered herein and are intended to complement Office of Management and Budget (OMB), Government Accountability Office (GAO), Treasury and other regulations as cited in the Authorities and Reference section.

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0102 AUTHORITY AND REFERENCES

The content of this volume is developed consistent with the following authorities and references. More detail citations are included in the chapters of this volume for ease of reference.

010201. Laws.

A. The Chief Financial Officers (CFO) Act of 1990 (Public Law 101-576).

<http://www.woirm.nih.gov/itmra/cfoact.html>

B. The Debt Collection Improvement Act of 1996, (Debt Collection Improvement Act of 1996 is Public Law 104-134, Section 31001, 110 Stat. 1321-358).

<http://www.fms.treas.gov/debt/regulations.html>

C. 31 USC Money and Finance. (See citations in each chapter).

<http://www4.law.cornell.edu/uscode/html/uscode31/>

D. 44 USC 3504. Authority and Functions of the Director. This reference includes goals for implementation of the Government Paperwork Elimination Act.

[http://straylight.law.cornell.edu/uscode/html/uscode44/usc\\_sec\\_44\\_00003504----000-.html](http://straylight.law.cornell.edu/uscode/html/uscode44/usc_sec_44_00003504----000-.html)

010202. Executive Agency Regulations and Directives

A. 4 CFR 101 – 105 Federal Claims and Collection Standards (Government Accountability Office – Department of Justice).

[http://www.access.gpo.gov/nara/cfr/waisidx\\_00/4cfrv1\\_00.html#101](http://www.access.gpo.gov/nara/cfr/waisidx_00/4cfrv1_00.html#101)

B. Prompt Payment, 5 CFR Part 1315.

[http://www.access.gpo.gov/nara/cfr/waisidx\\_04/5cfr1315\\_04.html](http://www.access.gpo.gov/nara/cfr/waisidx_04/5cfr1315_04.html)

C. 31 CFR Money and Finance: Treasury. Subtitle B Regulations Relating to Money and Finance, Chapter II Fiscal Service, Department of the Treasury.

<http://straylight.law.cornell.edu/cfr/cfr.php?title=31>

D. Federal Acquisition Regulation: Electronic Funds Transfer Regulation, 48 CFR Parts 13, 15, and 32. (FAR EFT Final Rule).

<http://www.fms.treas.gov/eft/regulations/fareft.txt>

E. Government Losses in Shipping, 40 CFR Chapter 15.

[http://www.access.gpo.gov/uscode/title40/chapter15\\_.html](http://www.access.gpo.gov/uscode/title40/chapter15_.html)

G. Grants and Cooperative Agreements with State and Local Governments, OMB Circular A-102.

<http://www.whitehouse.gov/omb/circulars/index-ffm.html>

H. Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations, OMB Circular A-110.

<http://www.whitehouse.gov/omb/circulars/index-ffm.html>

I. Management Accountability and Control, OMB Circular A-123.

<http://www.whitehouse.gov/omb/circulars/index-ffm.html>

J. Policies and Standards for Financial Management Systems, OMB Circular A-127.

<http://www.whitehouse.gov/omb/circulars/index-ffm.html>

K. Managing Federal Credit Programs, OMB Circular A-129.

<http://www.whitehouse.gov/omb/circulars/index-ffm.html>

L. OMB Circular A-129, Section IV and V of Appendix A.

<http://www.whitehouse.gov/omb/circulars/index-ffm.html>

010203. Treasury Publications and Guidance.

A. Treasury Financial Manual, Volume I Federal Agencies.

<http://www.fms.treas.gov/tfm/vol1/index.html>

B. Cash Management Made Easy Guidebook.

<http://fms.treas.gov/eft/regulations/cashmanagementmadeeasy.html>

C. Cross Servicing Implementation Guide Revised May 2005, Treasury Management Services, Debt Management Services, Cross Servings Division.

<http://www.fms.treas.gov/debt/crosserv.html>

010204. GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7 Fiscal Guidance, Chapter 8 Settlement of Accounts and Relief of Accountable Officers. Though this Manual is no longer being updated the procedures in Title 7 still pertain.

<http://www.gao.gov/decisions/ppm7.pdf>

## 0103 ROLES AND RESPONSIBILITIES

010301. NASA Agency Deputy Chief Financial Officer (Agency DCFO) shall:

A. Coordinate and monitor the policies, processes and systems used to process, record and report NASA's cash activities for collection, deposit, and disbursement.

B. Review and if appropriate approve requests for waivers to specific provisions of these requirements.

C. Establish and monitor policy on foreign cash transactions of the Centers.

D Evaluate and approve requests for international agreements requiring cash payments.

E Provide guidance as to the detail to be included on reports to GAO on improper payments and requests for relief of improper payments.

F Designate a person responsible to handle the reporting to GAO on improper payments and requests for relief for improper payments.

010302. The Quality Assurance Office Shall.

A Assure internal reviews of payments performance and systems accuracy have been conducted as required by the Chief Financial Officers (CFO) Act requirements.

010303. Center Chief Financial Officer shall:

A Be responsible for incorporating the policies in this volume into their billing and collection, accounting, and disbursing activities. To ensure effective cash management, the job elements of Center personnel responsible for receipts and disbursements should include cash management as a critical performance measurement.

B Be responsible for monitoring the efficiency, effectiveness, and economy of the Center's cash management practices.

C Be responsible to conduct annual reviews in accordance with Volume 15 Chapter 10 Cash Management Reviews that will:

1. Determine if the Center is collecting and disbursing funds by Electronic Funds Transfer (EFT) to the maximum extent possible.

2. Determine if the Center is billing, collecting, and depositing in a timely manner.

3. Determine if the Center is making disbursements according to 5 CFR 1315, Prompt Payment.

[http://www.access.gpo.gov/nara/cfr/waisidx\\_04/5cfr1315\\_04.html](http://www.access.gpo.gov/nara/cfr/waisidx_04/5cfr1315_04.html)

4. Determine if opportunities exist to implement new mechanisms or processes or to upgrade existing mechanisms or processes.

5. Ensure adequate internal controls are in place.

D Make documentation available to the Agency DCFO summarizing reviews of Center cash management practices. Required reports will be retained and made available for examination through the Quality Assurance process.

E. Submit requests for waivers to specific provisions of these requirements to the Agency DCFO for consideration. Such requests should identify; the specific requirement, state the reason for the request, the period of time to be covered by the waiver, and any documentation in support of the request.

F. Abide by other such regulations that may be in place for which the requirements in this volume are subordinate. The provisions of this chapter are designed to supplement existing regulations bearing on the subjects covered herein and do not relieve Center CFOs from compliance with OMB, GAO, Treasury and other regulations.

G. Be responsible for ensuring that payments are processed timely, accurately and properly documented. As such they shall:

1. Keep disbursement and accounting records accurate and in balance from contract execution through closeout, and monitor the causes of late payments and interest penalties incurred and take follow up action to ensure timely payments as needed.

2. Assure cash management and payment performance are efficient and accurate.

3. Employ controls that limit access to data that are electronically transmitted, including appropriate separation of duties. Such controls shall provide reasonable assurance that deliberate or inadvertent manipulation, modification, or loss of data during transmission is detected.

H. Ensure compliance with 5 CFR 1315, the Codification of the Prompt Payment Act by adopting internal procedures that include provisions for monitoring the causes of late payments and any interest penalties incurred, taking necessary corrective action, and handling inquiries.

I Review for compliance with NASA Financial Management Requirement (FMR), Volume 9 Internal Management Controls.

J. Conduct internal reviews of payments performance and systems accuracy, consistent with the Chief Financial Officers (CFO) Act requirements. Internal reviews if done by another party that are consistent with this requirement may be relied upon if otherwise appropriate.

K. Process Center disbursements through EFT to the maximum extent possible.

L. Forward request for foreign international agreements to the Agency DCFO for approval.

M. Assist their Center in making arrangement with the State Department for use of Kansas City Regional Financial Center (KFC), for foreign payments, as it is the Treasury's designated center for this purpose.

N. Be responsible for providing Certifying Officers with assistance needed to be satisfied a payment is proper. This may include demonstration, documentation, or providing audit reports and evaluations that validate that systems, controls, and other methods used to process transactions and verify payments can be relied upon.

O. Be responsible for establishing with the Treasury Financial Management Services (FMS) the necessary accounts and providing the information at the transaction level to allow Treasury to maintain accounts for NASA.

0104 DEFINITIONS

010401. Accelerated Payment. A payment made prior to the due date.

010402. Acceptance. An acknowledgment by an authorized Government official that goods received and services rendered conform to the contract requirements. Acceptance also applies to partial deliveries.

010403. Accountable Officer. A U.S. Government official or employee who, on behalf of the United States, receives and maintains public funds, certifies vouchers, or maintains or draws checks upon accounts of the United States, including those in depository banks designated by the Secretary of the Treasury. Accountable Officers are individuals who either certify payments (certifying officers) or have physical custody of government funds.

010404. Administrative offset (as defined in 31 U.S.C. 3701(a)(1)), means withholding funds payable by the United States (including funds payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim. The payee may be a natural person or persons, profit or non-profit corporation, partnership, association, trust, estate, consortium, or other entity which is capable of owing a debt to the United States Government except that agencies of the United States, or of any State or local government shall be excluded.

010405. Applicable interest rate. The interest rate established by the Secretary of the Treasury for interest payments under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) which is in effect on the day after the due date, except where the interest penalty is prescribed by other governmental authority (e.g., utility tariffs). The rate established under the Contract Disputes Act is referred to as the "Renegotiation Board Interest Rate," the "Contract Disputes Act Interest Rate," and the "Prompt Payment Act Interest Rate," and is published semiannually by the Fiscal Service, Department of Treasury, in the Federal Register on or about January 1 and July 1.

010406. Approving Official. An individual who reviews cardholder statement(s), is responsible for authorizing cardholder purchases (for official use only), and ensures that statement is reconciled and submitted to the designated billing office in a timely manner. This term also refers to an official who provides government acceptance of specific goods or services needed for invoice payment.

010407. Banking Information. Information necessary to facilitate an EFT payment, including the vendor's bank account number, and the vendor financial institution's routing number.

010408. Cardholder. The individual Government employee to whom a Government purchase card is issued. The card bears the employee's name and can be used only by that employee for official purchases, in compliance with the agency's policies and procedures and General Services Administration's (GSA) Government Commercial Credit Card Services contract.

010409. Cardholder Statement. A statement, listing all transactions during the billing period sent to each cardholder.

010410. Cash Flow. Each category of (1) incoming funds, including specific program sources, travel reimbursements, and collection of overpayments and (2) disbursements, including payroll, vendors, and travel.

010411. Cash Management. Practices and techniques designed to accelerate and control collections, ensure prompt deposit of receipts, improve control over disbursement methods, and eliminate idle cash balances.

010412. Cash Management Review. A comprehensive and ongoing study of an agency's cash-flows and corresponding cash management processes or mechanisms, conducted to identify opportunities for improvement in an agency's cash management practices.

010413. Certifying Officer. An employee of NASA to whom Treasury has granted the authority to approve vouchers on NASA's behalf for payment.

010414. Check Custodians. NASA employees that have authority granted by Treasury to handle Treasury checks and check stock.

010415. Collection Agent. A NASA employee designated by Center CFOs to collect all monies due Centers pursuant to properly prepared billing documentation and for the expeditious and proper disposition of all monies received.

010416. Collection Mechanism. A tool or system by which monies are transferred or credited to a Federal Government agency from an outside source or from another Federal Government agency.

010417. Cutoff Time. A time pre-designated by a financial institution beyond which transactions presented or actions requested will be deferred to the next banking day's business.

010418. Day. A calendar day including weekend and holiday, unless otherwise indicated.

010419. Debtor. Any person, organization, or entity, other than another Federal agency that owes an amount of money to NASA.

010420. Delegation of Authority. Authority established with Treasury to request Treasury to appoint officials for disbursing functions. A written delegation issued by responsible agency personnel that establishes authorized cardholder(s), specifying spending and usage limitations unique to that cardholder.

010421. Delinquent debt. Debt not paid by the date specified in the initial written notification (e.g., 14 CFR Chapter 5 Sec. 1261.407) or applicable contractual agreement, (including a post-delinquency payment agreement) unless other payment arrangements have been made.

010422. Delivery Ticket. A vendor document supplied at the time of delivery which indicates the items delivered. A delivery ticket may serve as a proper invoice if based on contractual agreement.

010423. Deposit. Money presented for credit to the U.S. Treasury. Such transfers can be made by agencies or directly by the remitter. All such transfers are affected through a Federal Reserve Bank (FRB) or other financial institution. Deposit (Same Day) is a deposit made before the cutoff time on the day on which the funds were received by the agency. For example, if an agency receives funds for deposit at 10 a.m. on Monday and transmits the deposit to the bank by 2 p.m. on Monday (the depository's cutoff time) then same-day-deposit requirements are met.

010424. Depository. A bank or other financial institution designated by FMS to receive monies for credit to the U.S. Treasury. This term refers to the FRB's and general depositories, where deposits are made for credit to the account of Treasury.

010425. Designated Agents. Individuals whom Treasury has approved to receive and deliver checks drawn on NASA funds.

010426. Designated Authority. Authority established with Treasury which will allow a person to perform the Certification of Vouchers and Payments, process disbursing data into the Treasury Electronic Certification System (ECS), or act as a Security Administrator for ECS.

010427. Designating Official. A NASA employee to whom Treasury has granted authority to designate other NASA employees to perform disbursing related functions.

010428. Disbursement Mechanism. Any tool or system by which Federal monies are transferred to an outside recipient or to another Federal agency.

010429. Discount. An invoice payment reduction offered by the vendor for early payment.

010430. Discount date. The date by which a specified invoice payment reduction, or a discount, can be taken.

010431. Due date. The date on which Federal payment should be made.

010432. Duplicate check losses. When a payee reports non-receipt of an original check, the government issues another, and both are negotiated.

010433. ECS Data Entry Operator. An employee of NASA to whom Treasury has granted the authority to enter data on behalf of NASA into the Treasury Electronic Certification System.

010434. ECS Security Administrator. An employee of NASA to whom Treasury has granted the authority to perform security functions for the Treasury Electronic Certification System.

010435. Electronic Commerce. The integration of electronic-based systems to support common business processes. For example, the purchase card contractor will provide invoices electronically to Federal agency designated billing offices and accept payments electronically from Federal Government payment centers, and will provide electronic access to account data and reports. Electronic Commerce means the end to end electronic exchange of business information using electronic data interchange, electronic mail, electronic bulletin boards, electronic funds transfer (EFT), and similar technologies.

010436. Electronic Data Interchange. The computer to computer exchange of routine business information in a standard format. The standard formats are developed and maintained by the Accredited Standards Committee of the American National Standards Institute.

010437. Electronic Funds Transfer (EFT). Any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes, but is not limited to, Automated Clearing House and Fedwire transfers, Credit or Debit Card, or FMS' Intra-Governmental Payment and Collection (IPAC) system.

010438. Emergency Payment. A payment made under an emergency defined as a hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mud slide, snowstorm, drought, fire, explosion, or other catastrophe which requires Federal emergency assistance to supplement State and local efforts to save lives and property, and ensure public health and safety; and the release or threatened release of hazardous substances.

010439. Encryption Officers. NASA employees approved by Treasury to ensure the security of payment data process through the FMS Wide Area Network, or use other telecommunication facilities to transmit payment request files to Treasury Regional Financial Centers.

010440. Fast Payment. A payment procedure under the Federal Acquisition Regulation at Part 13.4 which allows payment under limited conditions to a vendor prior to the Government's verification that supplies have been received and accepted.

010441. Financial Official. An employee of the Grantee organization to whom Treasury has granted authority to approve (certify) ASAP Payment Requestor Bank Information has been delegated.

010442. Fiscal Irregularity. An irregularity involving a physical loss of funds or an improper payment.

010443. Foreign Currency. Money of a country other than the United States.

010444. Foreign Exchange. The system by which one currency is exchanged for another. This enables international transactions to take place.

010445. General Depositories. Designated commercial banks which have been specifically authorized by Treasury to maintain a demand account in the name of Treasury entitled "Treasury's General Account" for the purpose of accepting deposits for credit in such account.

010446. Government Purchase Card. Internationally accepted credit card available to all Federal agencies under a single General Services Administration contract for the purpose of making small purchases of up to \$25,000, with a minimum of paperwork. These credit card services are available under a contract awarded by GSA for Government-wide use.

010447. Improper payment. A disbursement of funds that is found by an appropriate federal authority to be illegal, improper or incorrect. Improper payments result from fraud, forgery, alteration of vouchers, improper certifications, and human and/or mechanical error.

010448. Interim payment. Any payment that is not a commercial advance payment or a delivery payment. A commercial interim payment is given to the contractor after some work has been done, whereas a commercial advance payment is given to the contractor when no work has been done. Interim payments are usually for cost reimbursement contracts and are not subject to interest penalty provisions of the Prompt Payment Act.

010449. Payment Date. The date on which a check for payment is dated or the date of an EFT payment (settlement date). Payments by EFT mechanism will be made so as to be received by the contractor's financial institution by the established due date.

010450. Physical loss. A shortage of public funds in an account resulting from such things as (1) theft (burglary, robbery, embezzlement, etc.), (2) loss in shipment, and (3) destruction by fire, accident or natural disaster. An unexplained shortage (a shortage with no apparent reason or explanation) is also treated as a physical loss.

100451. Prevailing Rate of Exchange. The most favorable rate legally available to the US Government for the acquisition of foreign exchange for US Government official disbursement and accommodation exchange transactions.

010452. Rebate. A monetary incentive offered to the Government by Government-wide commercial purchase card issuers to pay purchase card invoices early.

010453. Receiving Office. The entity which physically receives the goods or services, and may be separate from the accepting entity.

010454. Receiving Report. Written or electronic evidence of receipt of goods or services by a Government official.

010455. Recurring Payments. Payments for services of a recurring nature, such as rents, building maintenance, transportation services, parking, leases, and maintenance for equipment, pagers and cellular phones, etc., which are performed under agency vendor agreements providing for payments of definite amounts at fixed periodic intervals.

010456. Referral for litigation. Referral through the NASA Headquarters or Center legal counsel to the Department of Justice (Main Justice or the United States Attorney, as appropriate) for legal proceedings.

010457. SAP stands for "Systems, Applications and Products". It refers to the centralized agency wide accounting system NASA uses as a part of the Integrated Financial Management Program (IFMP).

010458. Secure Payment System (SPS). FMS provides the SPS as a mechanism by which government agencies can create payment schedules in a secure

fashion, and with a strictly enforced separation of duties using web based technology. This system will allow personnel at NASA locations to submit schedules to FMS over a browser/web interface.

010459. Settlement Date. For payments, the date the receiving financial institution's Federal Reserve account is credited and Treasury's account is debited. For collections, the date the Federal Reserve account of the remitter's financial institution is debited and the Treasury's account is credited.

010460. Small Purchase. An acquisition of supplies, non-personal services or construction in the amount of \$25,000 or less.

010461. Tokens. Cryptographic keys or passwords for proving identity, For example tokens are assigned to NASA employees to grant access to the Treasury Electronic Certification System for disbursing cash.

010462. Taxpayer Identifying Number (TIN). The nine digit Employer Identifying Number or Social Security Number as defined in Section 6109 of the Internal Revenue Code of 1986 (26 U.S.C. 6109).

010463. Translate. The act of determining U.S. dollar equivalents of foreign currency amounts. Designated by the Treasury.