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13 JUN 1961

MEMORANDUM FOR: Comptroller

SUBJECT : Delivery of Treasury Checks
by the Fiscal Division

1. PROBLEM

Do the Fiscal Division's methods of delivering Treasury checks to payees comply with the principle that an individual who certifies vouchers for payment should not have access to checks prepared at his direction?

2. FACTS BEARING ON THE PROBLEM

- a. Pay checks are received from the Assistant Disbursing Officer assigned to the Agency by the Department of the Treasury, by designated employees of the Fiscal Division, Payroll Branch, who are not certifying officers. Such checks are distributed by such designated employees to authorized representatives of various agency components for delivery to individual payees. A receipt for each group of checks is obtained by the designated employees of the Payroll Branch from the designated representative of each office or component to whom checks are delivered.
- b. Checks payable to commercial firms are generally mailed to vendors by the Disbursing Officer with mailing slips provided by the Fiscal Division. A few checks payable to contractors for services or materials provided under classified contracts are sent by the Disbursing Officer to the Fiscal Processing Branch (FPB) for mailing to the payees. Such checks are not handled by Agency certifying officers.
- c. Checks representing inprest funds or reimbursements there-to are either mailed by the Assistant Disbursing Officer to the payees or sent by means of the courier receipt system by FPB, but not handled by certifying officers.
- d. Checks payable to the Treasurer of the United States or to another Federal Agency frequently require special processing procedures, including preparation of reports and hand-carrying of reports and checks to cleared personnel of other organizations. Checks in this category

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include tax withholdings paid to Internal Revenue Service [redacted] deductions for health benefits paid to GEMA; deductions for other health benefits plans, group life insurance, and retirement paid to the Civil Service Commission; and reimbursements to other government agencies. Such checks are sometimes received and processed by the individual who certified the document requesting the check and who also serves as a liaison officer with the other organization.

- e. Checks for travel advances and reimbursement of travel expenses are either mailed directly to the traveler by the Assistant Disbursing Officer or are given to a designated employee of the FFB who is not a certifying officer. After being logged in, such checks are released to personnel of the Travel Branch (who may include a certifying officer) and a receipt obtained by FFB personnel. Travel Branch personnel promptly notify the payees who call for the checks personally or send their agents to pick up their checks, or, if requested, checks are sent to payees through Agency courier mail services. Because of the very limited staff assigned to the Travel Branch (four persons) and the occasional absence on leave or even during a lunch period, checks may be delivered by a certifying officer of the Travel Branch in order to avoid unnecessary delay in delivery of checks to payees.

3. DISCUSSION

- a. The methods for delivering checks described in paragraph 2a, b, and c above comply with the principle stated in paragraph 1. Concerning checks described in paragraph 2d above, payable to the Treasurer of the United States, which in some cases are handled by the individual who certified the payment document, it is believed impracticable and unnecessary to alter the procedures currently being followed since such checks cannot be cashed by the individual and expropriation of the funds represented thereby by the certifying officer would be virtually impossible.
- b. In order to comply with the principle stated in paragraph 1 with respect to checks issued for travel advances and reimbursement of travel expenses, described in paragraph 2e above, the following possible alternatives have been considered:

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- (1) All such checks could be mailed by the Assistant Disbursing Officer to payees' residences and thus eliminate all personal pickup of checks from either the Assistant Disbursing Officer or the Fiscal Division.
 - (2) All such checks could be delivered to the payee or his designee by the Assistant Disbursing Officer or, when requested by the payee, mailed by the Assistant Disbursing Officer to the payee's residence or forwarded to the traveler through the Agency courier service. Receipts could be obtained from the travelers or their agents for personally delivered checks and the courier receipt system could be used if checks were forwarded by Agency mail.
- c. Either one of the alternate procedures outlined in paragraph 3b, above, would eliminate the handling of travel checks by certifying officers in the few cases now handled by them.
 - d. The alternate procedure described in paragraph 3b(1) is not deemed acceptable, however, because in most cases the utilization of overt mails for delivery of checks would not satisfy the timing requirements for prompt delivery of travel advance checks. A traveler unable to locate a check delayed in the mail could be forced by such circumstances to request an emergency duplicate travel advance of cash in order to make his trip. If all checks were to be mailed to the payees' residences, it is believed that travelers soon would be seeking only cash advances.
 - e. The alternate procedure described in paragraph 3b(2) would provide that all travel checks would be distributed by the Assistant Disbursing Officer. At the request of the travelers, all such checks could be either picked up from the Assistant Disbursing Officer by them or their agents, sent by the Assistant Disbursing Officer to them through the Agency courier mail system, or mailed by the Assistant Disbursing Officer directly to the travelers' residences.
 - f. The delivery of checks by Agency courier service should be utilized as a part of any procedures for the delivery of travel checks. It is a practical method for delivery

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of the reimbursement type check and provides for receipts which establish an adequate trail to trace a check which might fail to reach its destination.

- g. The relocation of the majority of Agency personnel in the new building this fall would make it impractical for the Disbursing Office to serve as an exclusive pick up point for travel checks because such Office is destined to remain in the District of Columbia. The cost of the time of payees or their agents to travel to the District in order to obtain such checks would be prohibitive. It will be necessary and desirable to plan for the future distribution not only of travel checks but also of payroll checks.

5. RECOMMENDATIONS

- a. Procedures for the Assistant Disbursing Officer to distribute all checks for travel advances and reimbursement of travel expenses should be adopted as set forth in paragraph 3b(2) above, pending the relocation of Agency personnel in the new building.
- b. Procedures for handling checks other than for travel advances and travel expenses should not be changed since present procedures comply with the objective of the stated policy that certifying officers should not handle checks drawn as a result of their certification except for checks payable to other agencies as discussed in paragraph 2d above, which can only be handled as deposits with the Department of the Treasury.
- c. In anticipation of the move to the new CIA building, procedures should be developed at this time for distributing travel and pay checks to personnel to be located in the new building, if as planned, both the Disbursing Office and the Fiscal Division remain in the District.

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Chief, Technical Accounting Staff


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CONCURRENCES:

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Chief, Fiscal Division

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**Assistant Disbursing Officer,
Department of the Treasury**

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APPROVED:


Comptroller

19 JUN 1961
Date