DEPARTMENT OF THE ARMY
HEADQUARTERS, 266TH FINANCE COMMAND
UNIT 29001
APO AE 09007

REPLY TO
ATTENTION OF

AEUFC-FAPD-FP

12 MAR 2004

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Semi-Annual Request for Authority to Hold Cash at Personal Risk Policy (Finance and Accounting Policy # 04-01 Change #1).

1. REFERENCE: Department of Defense Financial Management Regulation (DoDFMR), Volume 5, Disbursing Policy and Procedures, Chapter 03, dated August 1999.

2. PURPOSE: To standardize the procedures regarding computation and preparation of the semi-annual authority to hold cash at personal risk.

3. SCOPE: The procedures outlined in this memorandum apply to all Finance Battalions required to hold cash at personal risk under the command and control of the Commander, 266th Finance Command.

4. POLICY:

a. The Commander, 266th Finance Command is the approving authority to hold cash at personal risk with further delegation to Director, Finance and Accounting Policy.

b. The semi-annual periods covered are from 1 October through 31 March and 1 April through 30 September of each fiscal year or whenever a review of cash requirements will result in a major change.

c. Each battalion must submit their semi-annual request memorandum in the same format as enclosure 1 of this policy along with each disbursing operation's three-month averaging computations to 266th FINCOM, Disbursing Policy NLT 10 March and 10 September.

d. A disbursing office may not exceed its cash holding authority without prior approval from the 266th Finance Command. Coin and currency received as cash collections may be held for operating cash requirements up to the amount authorized to be held at personal risk. Deposit cash collections that increase cash on hand above the authorized limit immediately. However, there may be infrequent, short-duration occasions when this is neither practical nor feasible.

(1) If cash collections are received too late to deposit in the local depositary on the date of receipt, hold them until the following business day and deposit it when the depositary opens for business. This does not require requesting an increase to or creation of a cash holding authority.

(2) A cash holding authority may be exceeded to support a short, one-time requirement for cash to support a special operation. This excess cash may not be held for more than one business day without approval of the 266th Finance Command.

e. Payroll cash is the cash required to meet mid-month, end-of-month, or special pay requirements. Disbursing Officers can forecast these requirements using historical data and current personnel assigned figures. It should be ordered and withdrawn from the institution or activity providing cash not more than three days prior to payday. Any excess amount drawn that results in the DO exceeding the authorized limit for cash held at personal risk should be deposited no later than the next business day following payday.

f. The 266th Finance Command, Disbursing Policy will review request for authority to hold cash at personal risk to ensure calculated level of authorized cash holdings does not exceed the authorized level per DoDFMR, Volume 5, Chapter 3, and Table 3-1. If a disbursing activity exceeds the authorized level, the 266th Finance Command, Disbursing Policy office will automatically cut back the level to the authorized level.

5. SPECIAL CIRCUMSTANCES/EXCEPTIONS: Request for temporary increase to cash holding authority will be coordinated through 266th Finance Command, Disbursing Policy office, prior to the expected need by memorandum. (See enclosure 2). Circumstance(s) and duration will be detailed in the request per DoDFMR, Chapter 3, paragraph 030105 (B). When the special circumstance is more than 30 days or expected to become permanent, the disbursing office shall re-compute the cash requirement based on the addition or deletion of anticipated services and requirements and submit a new request for approval.

6. CASH HOLDING COMPUTATION PROCEDURES. Use the following instructions to complete the chart in enclosure 1, paragraph 5.

a. Source of Funds Replacement Time (3rd column of the chart): Number of days it takes your office to receive requested funds from time requested until funds are received. This determines if the source of funds is: (**Reasonably Close (not more than 24 hours required to obtain cash); Not Reasonably Close (more than 24 hours required to obtain cash); or Remote** (as per table 3-1, VOL 5, Ch 3)). Bosnia and Kosovo at the battalion levels are considered remote areas for obtaining funding. However, requests for exceptions to exceed table 3-1 will be handled on a case -by-case basis.

b. **Weekly U.S. Cash Requirements**: Cash holding requirements are obtained by considering daily cash disbursements and collections of all deputies, agents, and cashiers of the Disbursing Officer over a representative period of time and average the results. For the purpose of this policy, the results of this average will be acquired by averaging daily business of three preceding months, divided by twelve (to obtain the weekly average). Calculate the average U.S. currency by adding the daily total amounts of cash disbursements; the negotiable instruments cashed; and advances to agents when applicable, then subtracting cash collections; and currency exchanges. Once the weekly requirement is obtained, see table 3-1, VOL 5, Ch 3,

for the period to hold cash to operate (4 Weeks = weekly requirement multiplied by 4; 1 Week = weekly requirement multiplied by 1; and 3 Days = weekly requirement divided by 7 and multiplied by 3). The maximum amount of U.S. funds authorized to hold at personal risk before being refunded is computed as follows:

Information in the chart below represents three months divided by twelve.

a.	+	Cash Disbursements US Dollars outgoing
b.	+	Negotiable Instruments Cashed US Dollars outgoing
c.	+	Agents Advances in US Dollars outgoing
d.	-	Cash Collections US Dollars incoming
e.	-	Currency Exchanges US Dollars incoming
f.	=	Sub Total (a + b + c - d – e / 12) **(Weekly Total)**
g.	x	Number of weeks/days used to hold cash (as per table 3-1, VOL 5, Ch 3)
h.	=	Product of (f)·(g) **(Daily Cash Holding Amount)**

c. **Weekly Foreign Currency Requirements:** Weekly Foreign Currency requirements are obtained basically by using the same procedures as the U.S. currency requirements in paragraph 6 (b) of this policy. Calculate the average Foreign Currency by adding the daily total amounts of cash disbursements; the negotiable instruments cashed; and advance to agents when applicable, then subtracting cash collections and foreign currency reconversions. Once the weekly requirement is obtained, see DoDFMR, Volume 5, Chapter 3, Table 3-1, for the period to hold cash to operate. (4 Weeks = weekly requirement multiplied by 4; 1 Week = weekly requirement multiplied by 1; and 3 Days = weekly requirement divided by 7 and multiplied by 3). The maximum amount of FC funds authorized to hold at personal risk before being refunded is computed as follows:

Information in the chart below represents three months divided by twelve.

a.	+	Foreign Currency Disbursements outgoing
b.	+	Negotiable Instruments Foreign Currency outgoing
c.	+	Advance to Agents Foreign Currency outgoing
d.	-	Cash Collections Foreign Currency incoming
e.	-	Currency Exchange Reconversions incoming
f.	=	Sub Total (a + b + c - d – e / 12) **(Weekly Total)**
g.	x	Number of weeks/days used to hold cash (as per table 3-1, VOL 5, Ch 3)
h.	=	Product of (f)·(g) **(Daily Cash Holding Amount)**

7. POC for this memorandum is 266th FINCOM, FAPD, Disbursing Policy, DSN 379-5169/7609.

KEVIN G. TROLLER
COL, FC
Commanding

2 Encls
1. Example Cash Holding Authority
2. Example Temporary Increase to Cash Holding Authority

DISTRIBUTION:
8TH FB, UNIT 237371, APO AE 09034
8TH FB, BENELUX, UNIT 21420, BOX 3803, APO AE 09705
39TH FB, UNIT 20193, BOX 0026, APO AE 09165
106TH FB, CMR 475, APO AE 09036
208TH FB, UNIT 30041, APO AE 09166
208TH FD, UNIT 31401, BOX 50, APO AE 09630
266TH FINCOM, FWD, TUZLA MAIN, APO AE 09789
266TH FINCOM, FWD, CAMP BONDSTEEL, APO AE 09340

Enclosure 1

DEPARTMENT OF THE ARMY
88TH FINANCE BATTALION
CITY, COUNTRY
APO AE 88888

REPLY TO
ATTENTION OF

OFFICE SYMBOL

Date

MEMORANDUM FOR Commander, 266th FINCOM, ATTN: FAPD-FP, APO AE 09007

SUBJECT: Semi-Annual Request for Authority to Hold Cash at Personal Risk

1. I, **Battalion Commander's Full Name or Account Holder, DSSN: 8888** request approval of our Semi-annual Request for Authority to Hold Cash at Personal Risk for **specify period i.e. 1 April through 30 Sep 2003.**

2. References:

a. Department of Defense Financial Management Regulation (DoDFMR), Volume 5, Disbursing Policy and Procedures, Chapter 03, August 1999.

b. 266th FINCOM, Finance and Accounting Policy # 03-10, Semi-Annual Request for Authority to Hold Cash at Personal Risk Policy.

3. I certify that Quarterly cash verifications are performed by Appointed Cash Verification Team per DoDFMR, Volume 5, Chapter 3, paragraph 030201 and adequate facilities exist to safeguard all cash held at personal risk per DoDFMR, Volume 5, Chapter 3, paragraph 0303.

4. All weekly averages specified represent the total average of three continuous months of disbursements minus collections divided by four.

5. The totals requested are provided per DoDFMR, Volume 5, Chapter 3, Table 3-1.

Vault Name (Name and Title of Accountable Individual):	**Location:**	**Source of Funds Replacement Time:**	**U.S. Currency: Weekly Total Requested Total**		**Foreign Currency: Weekly Total Requested**	
CPT_Brown, DDO Battalion Vault	Bull Run Barracks Sandhausen, Germany	Less than 24 hours	Weekly: Request:	$79,434.21 $79,434.21	Weekly: Daily: Request:	€ 200,000 € 28,571.43 € 85,714.29
SFC White, DA FST-Alpha	Lexington Barracks Hockingheim, Germany	More than 24 hours	Weekly: Request:	$5,249.04 $10,000.00	Weekly: Request:	€ 10,124 € 20,000
SFC Black, DA FST-Bravo	San Juan Hill Kaserne Edingen, Germany	Remote	Weekly: Request:	$15,000.51 $60,000	Weekly: Request:	€ 59,500 € 119,000
SFC Tan, DA FST-Charlie	Alamo Barracks Heidelberg, Germany	Less than 24 hours	Weekly: Request:	$25,225.11 $25,225.11	Weekly: Request:	€ 15,000 € 15,000
Total:				**$174,659.32**		**€ 239,714.29**

6. Local Depository Account (LDA): Name and location of LDA.

7. The point of contact for this memorandum (***Name and Phone number***).

BATTALION COMMANDER
RANK, FC
Commanding

Enclosure 2

DEPARTMENT OF THE ARMY
88TH FINANCE BATTALION
UNIT/CMR
APO AE 88888

REPLY TO
ATTENTION OF

OFFICE SYMBOL DATE

MEMORANDUM FOR Commander, 266th FINCOM, ATTN: FAPD-FP, APO AE 09007

SUBJECT: Request for Temporary Increase to Hold Cash at Personal Risk

1. Requesting unit's name, requests a temporary increase to current cash holding authority from Current Amount to Temporary Amount effective Date Start to Date End.

2. Reason: Example only - OPTEMPO requirement warrants the immediate increase to on hand foreign currency. **Do not state any classified information on request**.

3. Should there be a requirement to extend this temporary increase, written request(s) will be forwarded to the 266th FINCOM, Disbursing Policy office.

4. Point of contact Name, DSN, and Email:

BATTALION COMMANDER
RANK, FC
Commanding