



**DEPARTMENT OF THE ARMY**  
HEADQUARTERS, 266<sup>th</sup> FINANCE COMMAND  
UNIT 29001  
APO AE 09007

AEUFC-FAPD

1 4 AUG 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: USAREUR Paying Agent Policy (Finance & Accounting Policy #03-03)

1. **REFERENCES.**

a. Department of Defense Financial Management Regulation (DODFMR) 7000.14-R, Volume 5, June 2003.

b. DFAS-IN Regulation 37-1, Finance and Accounting Policy Implementation, Chapter 9, January 2000.

c. USAREUR Pamphlet 715-4, Manual for Ordering Officers, March 2001.

d. Financial Management Operations, FM 14-100, Appendix C, May 1997.

2. **PURPOSE.** The purpose of this policy is to provide specific instructions relating to the scope and performance of Paying Agents within USAREUR.

3. **SCOPE.** This policy is applicable to all finance battalions and Paying Agents appointed by external units within USAREUR.

4. **GENERAL INSTRUCTIONS.**

a. Appointment of Paying Agent.

(1) Commissioned, Warrant, Noncommissioned Officers, or civilian employees may be appointed as Paying Agents.

(2) A Paying agent is appointed in writing (see encl 1) by his/her commander. The appointment order will contain the Paying Agent's name, rank, SSN, Duty station along with the Name, Rank, Disbursing Station Symbol Number (DSSN) and station of the Disbursing Officer (DO) for whom the agent will represent.

(3) The Paying Agent must acknowledge acceptance of responsibility and complete the memorandum of understanding (see encl 2). A copy of both the appointment order and memorandum of understanding must be forwarded to the Disbursing Officer (DO) to which the

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paying agent is appointed. The Deputy Disbursing Officer (DDO) or Disbursing Agent (DA) will maintain a copy of all documentation until the order expires or is revoked. Paying Agents may not serve concurrently in any other position during the procurement process or for any other DSSN.

(4) Appointment as a Paying Agent requires proper performance, high integrity, and attention to detail. Paying Agents can be subject to criminal prosecution and held personally liable for any irregularities in their account.

b. Duties.

(1) Paying Agents are only authorized to receive and disburse cash for official business in accordance with the provisions of your appointment orders, this memorandum, and the references cited in paragraph #1. You are pecuniary liable for any cash, negotiable instruments, and/or paid vouchers entrusted to you during the appointment.

(2) It is imperative that paying agents become familiar with these instructions. If they fail to abide by applicable regulations, memorandum of instructions (MOI), and policies they may be held liable for any losses of funds or may be subject to administrative actions or criminal prosecution.

c. Requesting Funds. In order to receive funding from any USAREUR Finance Office, the paying agent must present the following to the DDO/DA:

(1) Original appointment orders.

(2) Valid US Armed Forces Identification Card.

(3) Purchase Request and Commitment (DA Form 3953) (see encl 10) or Invitational Travel Orders (ITO).

(4) Field Ordering Officer's (FOO) appointment orders signed by the appropriate authority at the contracting office.

(5) Signature Card (DD Form 577) signed by the appropriate commander.

(6) A government vehicle for the transportation of funds.

(7) Temporary lockable suitcase or equivalent.

d. Training. Immediately upon appointment, the Paying Agent will familiarize him/herself with the references listed in paragraph 1. Prior to signing for any funds, all Paying Agents must

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complete the Paying Agent training and receive a briefing by a DDO/DA detailing the performance of their duties and the concept of pecuniary liability statement. The Paying Agent will receive a briefing, a practical exercise (see encl 5), and sign a pecuniary liability statement (see encl 3). The Paying Agent must sign the attached pecuniary liability statement in the presence of the DO/DA. Paying Agents will not receive funding until they have submitted all required documents and have completed all necessary training.

e. Funding. The Paying Agent will be advanced all funds on one DD Form 1081. The Agent will verify the amount of funds advanced by ensuring the amount received matches the amount specified on the DD Form 1081. Any discrepancies between the amount advanced and the amount on the DD Form 1081 must be resolved prior to leaving the Disbursing Office. Once the Paying Agent leaves the Disbursing Office, the Paying Agent assumes all liability for discrepancies. Paying Agents will acknowledge receipt of funds by signing and dating the DD Form 1081 in the block entitled "On Advance." Two copies will be kept by the CCO and the Paying Agent will retain one copy. The DD Form 1081 is a legal document; the Paying Agent therefore may not white out or cross out any information.

f. Storing and Safeguarding Public Funds. Paying Agents are pecuniary liable to the DO from whom the funds were drawn for the full amount of funds drawn. The Paying Agent must provide security and transportation of funds as specified in the DODFMR, Volume 5, Chapter 3.

(1) Storage of funds. The Paying Agent must be the only person to have access to the funds. The Paying Agent is not authorized to delegate responsibility for the funds to anyone else. If funds are not in the physical possession of the Paying Agent, they must be secured in a combination, 3-tumbler lock, and fire resistant safe to which the Paying Agent has the only combination. The Paying Agent must also place copy of the combination in a sealed SF 700 and store with his S-2 or equivalent for emergencies. The Paying Agent must not conduct transactions while under duress. He/she may not commingle official funds with other funds, and may not loan, invest, or gamble official funds.

(2) Transport of funds. The responsibility for providing security rests with the commander of the activity who requested such funds be made available. In this regard, the decision whether to have an armed escort, how many, or the type of transportation to be used is all part of the command's responsibility. The command should consider such things as amount of funds to be protected, the distance and terrain to be covered, type of transportation available, and local military police which may be called upon.

g. Obtaining Foreign Currency or US Dollars. The paying Agent is not authorized to exchange monies for different currencies with anyone but the DDO/DA who originally advanced the funds. It is imperative that the paying agent requests the proper type of currency during the initial funding. The Paying Agent is fully liable for any loss incurred due to an exchange of foreign currency.

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**5. Specific Instructions.**

a. Purchasing Goods for \$2,500.00 or Less: You are only authorized to make purchases approved by the FOO. A Paying Agent may make payments for more than one FOO at a time provided the orders and DD Form 577 for the additional FOO(s) is given to finance. If the FOO does not have competent orders or a DD Form 577 signature card on file at the finance office, the purchase receipts will be rejected.

(1) All purchases must be made on the SF 44 Purchase Order-Invoice-Voucher (see encl 6) which may be obtained from the Contracting Command. General instructions for the use of the SF 44 Purchase Order-Invoice-Voucher are as follows:

(a) The individual or cumulative amount on any single SF 44 Purchase-Order-Invoice-Voucher will not exceed \$2,500.00. Splitting a single purchase over two SF 44s is prohibited.

(b) Goods or services must be immediately available and must be reflected on the SF 44.

(c) Only one delivery and payment allowed per SF 44.

(d) Sign the SF 44 Purchase-Order-Invoice-Voucher as the purchasing agent in the block that specifies, "I certify that this account is correct and proper for payment in the amount of \_\_\_\_." Signature of this block documents only that the specified goods or services were received in exchange for the amount specified as paid on the SF 44 and does not require a Certifying Officer Order.

(e) The SF 44 must be prepared by the FOO according to USAREUR Pamphlet 715-4, Instructions for Ordering Officers and this policy.

(2) Distribution of the SF 44. The SF 44 is a 5 part carbon interleaved form and is distributed as follows:

(a) The Paying Agent will keep the original copy to support his/her payment. The Paying Agent must make 4 additional copies of the original copy, which will be used to clear the Paying Agent's account at the finance office.

(b) The vendor gets copy 2 at the time of the sale as a record of the purchase.

(c) When supplies are received, complete the receiving report section of the SF 44 and provide copy 3 to the disbursing officer or Paying Agent. When the vendor will deliver supplies or services, send copy 3 to the receiving activity. When delivery is made, the receiving activity will complete the receiving report section and forward copy 3 to the disbursing officer or Paying Agent.

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(d) Copy 4 stays with FOO in the SF 44 book.

(e) Copy 5 is submitted to the Resource Management Office (RMO) to ensure obligation of funds.

b. Paying Agents are responsible for:

(1) Adhering to the general instructions of this policy.

(2) Ensuring the SF 44 is correct and proper for payment.

(3) Maintaining the cash register (see encl 7) which shows beginning balance of funds drawn from finance and each SF 44, by number.

(4) Ensuring that the SF 44s on hand and cash on hand add up to the amount of the original advance. (Balance at a minimum of once a day.)

(5) Reporting any irregularities to the finance office immediately upon discovery.

c. Authorized and Unauthorized Purchases During Contingency Operations, Humanitarian Assistance Operations, Peacekeeping Operations, and Exercises are covered in USAREUR 715-4, Appendix D. These restrictions are further covered in the FOO brief and are his or her responsibility.

d. Purchases Exceeding \$2,500.00:

(1) The FOO is not authorized to approve single purchases that exceed \$2,500.00.

(2) Contact United States Army Contracting Command Europe (USACCE) in order to receive specific instructions regarding single purchases that exceed \$2,500.00. The POC is USACCE Acquisitions Officer at DSN 336-2159. Southern European Task Force (SETAF) personnel should contact the SETAF Regional Contracting Office, DSN 634-8276.

e. Invitational Travel Orders (ITO). You are authorized to draw travel advances and make purchases for individuals traveling on an ITO. You must adhere to the following guidelines:

(1) In addition to the required items listed in paragraph 4c, the Paying Agent must provide one set of each ITO to the DDO/DA.

(2) Prior to making an appointment to draw funds, the Paying Agent must make an appointment with the Finance Office Travel Section (this must be completed through the DDO/DA who will advance the funds). The Travel Section will need a copy of each ITO to

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calculate the maximum amount of per diem for each dignitary. The invited dignitaries' maximum per diem amounts must be added together to determine the maximum amount of the advance.

(3) The Paying Agent must coordinate with his/her RMO for specific guidance relating to purchases for invited dignitaries.

(4) Ensure you receive a receipt for each payment; especially lodging and meals. In order to clear the finance office, the agent must provide the finance office with one signed DD Form 1351-2 for each dignitary.

(5) The Paying Agent will maintain a cash register (see encl 7) showing the beginning balance drawn from finance and a deduction for each M&IE payment and lodging payment. A separate cash register will be maintained for each type of currency used.

f. Accommodation Exchanges.

(1) Due to the sufficient infrastructure for accommodation exchanges, Paying Agents will not conduct such transactions in USAREUR. Exceptions to this policy will be approved only by the DDO/DA on a case-by-case basis.

(2) If approved, use DD Form 2664, Record of Individual Exchange Transactions, to record all accommodation exchanges for each day.

(3) The DDO/DA will provide the Paying Agent copies of the USAREUR Check Cashing policy and a current dishonored check list, as well as stamps reading "For Deposit Only to Official Account DSSN \_\_\_\_," "Finance Officer, DSSN \_\_\_\_," and "I consent to full and immediate collection from my pay if this check is returned for insufficient funds." The Paying Agent will be held pecuniary liable for any loss resulting from improper procedures.

(4) For foreign currency exchanges, the Paying Agent will convert at the rate at which he or she received the funds from the DDO/DA.

## **6. General Instructions.**

a. Irregularities. When balancing daily, if you notice any overages or shortages, cease all paying activities and contact the DDO/DA from whom you were advanced funds. Specific guidance will be given at that time. In the event you cannot reach the DDO/DA, follow these guidelines:

(1) Organize all receipts and check them off as you review your cash register.

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(2) Count your money several times to verify that the total of all receipts and monies equal the beginning balances. If not in balance, move to next step.

(3) Prepare a memorandum for record, indicating the date and balance as of the last time you were in balance. In addition, list all purchases made after the last time you were in balance. If you suspect that anyone else may have had access to your funds, list the name, date and time of the possible access, and any circumstances surrounding possible unauthorized access.

(4) Record an adjustment in your cash register to bring you back into balance (indicate amount of discrepancy on your cash register).

(5) Do not under any circumstances try to make up for the difference out of your personal funds. The DO will make a determination as to whether or not you will be held liable based on the circumstances.

b. Clearing Your Account. As soon as the mission permits, but not later than the expiration date of your Paying Agent Orders, make an appointment to clear with the DDO/DA at the finance office in which you received your funds. You must clear your DD Form 1081 at least 60 days prior to your PCS/TCS/TDY/DEROS date. The following will make clearing easier:

(1) Ensure you have original and 4 copies of all vouchers and supporting documentation.

(2) Ensure that your totals are correct and that your cash has been completed properly.

(3) Plan on spending 2 hours at the finance office to clear, and make your appointment accordingly.

(4) Ensure the DD Form 1081 is signed in the "on return" block by you and the DDO/DA and keep one copy for your records for a period of 6 years, three months (DODFMR Vol. 5, paragraph 210101).

(5) Most importantly, maintain your cash, vouchers, and accurately post your cash register!

(6) Refer to the Advance/Return Checklist (see encl 8 and 9) for more specific guidance.

c. Extraordinary Occurrences. If you have any situation that arises and is not covered by this policy or the other cited regulations, stop and call your finance-disbursing agent. Do not make assumptions as to how to handle the situation as it may cause you to become liable.

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7. Point of contact is Disbursing-FAPD, DSN 379-5169.

10 Encls

1. Paying Agent Orders
2. Statement of Understanding
3. Pecuniary Liability Statement
4. Example of Paying Agent Brief
5. Example of Paying Agent Practical Exercise
6. Example Standard Form 44
7. Example Cash Register
8. Paying Agent Advance Checklist
9. Paying Agent Return Checklist
10. Example of DA Form 3953



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