



DEPARTMENT OF THE NAVY  
PERSONNEL SUPPORT ACTIVITY  
937 NORTH HARBOR DRIVE  
SAN DIEGO, CALIFORNIA 92132-5190

PERSUPPACTSANDIEGOINST 7251.1C  
Code N32/  
5 May 1995

PERSUPPACT SAN DIEGO INSTRUCTION 7251.1C

Subj: CASH VERIFICATION TEAM

Ref: (a) DODFMR Volume 5

Encl: (1) Cash Verification Team Appointment Letter  
(2) Cash Verification Team Information  
(3) Cash Count Form  
(4) Instruction for Completion of Cash Count

1. Purpose. To establish uniform methods and procedures to comply with reference (a) concerning Quarterly Cash Verification Teams.

2. Cancellation. PERSUPPACTSANDIEGOINST 7251.1B

3. Background. DODFMR Volume 5, Chapter 3: Paragraph 030201 states, "The quarterly cash verification is the physical count of the cash, negotiable instruments, and other assets that comprise a Disbursing Officer's total accountability."

4. ACTION.

a. The commanding Officer shall appoint a Cash Verification Team, consisting of a senior and two alternate members using enclosure (1). At least one of the personnel must have either accounting or disbursing experience. All team members will be thoroughly familiar with the provisions contained in enclosure (2).

b. The membership of the Cash Verification Team shall consists of the detachment OIC, all PSA N3 personnel and other personnel appointed by the Commanding Officer.

c. The senior member of the Cash Verification Team (Code N32) will schedule quarterly visits and conduct cash counts using a member of the detachment, at outlying detachments, as a cash count observer, providing reports stating conditions and recommendations to the Commanding Officer with a copy to the detachment Officer in Charge.

d. All Cash Counts will be completed on enclosure (3) as instructed by enclosure (4).

*M. Hayes*  
M. HAYES

PERSUPFACTSANDIEGOINST 7251.1C  
5 May 1995

Distribution:

PERSUPFACTSANDIEGOINST 5216.1H, Lists I and II

PERSUPPACTSANDIEGOINST 7251.1C  
5 May 1995

7000  
Ser N32/

From: Commanding Officer, Personnel Support Activity, San Diego  
To: Officer in Charge, PERSUPPDET, (as appropriate)

Subj: CASH VERIFICATION TEAM APPOINTMENT LETTER

Ref: (a) DODFMR Volume 5  
(b) PERSUPPACTSANDIEGOINST 7251.1C

1. Per reference (a), you are hereby appointed as a member of the Personnel Support Activity, San Diego Cash Verification Team.
2. You are directed to become familiar with the provisions of references (a) and (b) which set forth the procedures utilized in conducting and reporting the verification.

M. HAYES

Copy to:  
PERSUPPACT San Diego (Code N32)

Enclosure (1)

CASH VERIFICATION TEAM INFORMATION

REQUIRED READING FOR ALL PERSONNEL DOING CASH VERIFICATIONS

There are no changes to the following material in the DODFMR Volume 5 (New) dated December 1993.

QUARTERLY CASH VERIFICATION TEAM

VOL 5 Chapter 3 Section 03 0201.A

PURPOSE. The quarterly cash verification is the physical count of the cash, negotiable instruments, and other assets that comprise a disbursing officer's total accountability. It is a management control that along with the other controls can be used to gauge the overall health of a disbursing operation. It is not meant to alleviate management's responsibility to direct and monitor all facets of a disbursing operation.

VOL 5 Chapter 3 Section 03 0201.B

APPOINTING THE CASH VERIFICATION TEAM. The verification will be conducted by a board of disinterested persons appointed by the commanding officer. The appointment will be made in writing and include at least two qualified personnel. At least one of the personnel should have either accounting or disbursing experience. It is a command's best interest to use the most competent personnel available. In the case where the disbursing officer is also the commanding officer, the next higher commander in the administrative chain of command will appoint the board. In extreme instances at small or remote commands, it may be necessary to limit the board to one member or have members appointed and provided from serviced or associated commands.

VOL 5 Chapter 3 Section 03 0201.C

PROCEDURES. The specific procedures for conducting the verifications are contained in Appendix A. The board and the commanding officer are jointly responsible to ensure that the verification is conducted randomly throughout the quarter. Verifications that are continuously held at the end of the quarter are counter productive.

VOL 5 Chapter 3 Section 03 0201.D

REPORT REQUIREMENTS. A written report of the results of each verification will be made to the commanding officer and a copy of the report provided to the disbursing officer. Any shortage or overage in the disbursing officer's accountability will be

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reported immediately to the commanding officer and included in the written report. In addition, when a shortage or overage is found to exist, a copy of the report will be forwarded to the Commander, Defense Finance and Accounting Service, Cleveland Center. This report is in addition to the shortage or overage requirements listed in Appendix C.

VOL 5 Chapter 3 Section 03 0201.E

LIMITATIONS. Each report to the commanding officer will begin with the statement: "The quarterly cash verification is meant only to verify the cash and other assets that the disbursing officer is accountable for and agrees with the total accountability that is recorded on the Daily Statement of Accountability, DD Form 2657. It does not certify the overall health of a disbursing office. Strong management controls exercised by the appropriate members within the chain of command are mandatory to prevent and preclude major loss or fraud."

APPENDIX A

CASH VERIFICATION

CASH VERIFICATION TEAM PROCEDURES

NATURE AND TIME OF VERIFICATION

At least once during each calendar quarter the cash verification team shall conduct a surprise verification of the cash and other assets under the cash accountability of the disbursing officer. The cash verification team shall insure that the disbursing officer and his or her agents are not given advance notification of the intent to conduct the verification either formally or informally. The scheduling of the verifications should be determined in random fashion to insure they do not predictably fall during a particular time period each quarter. If an audit of the disbursing officer's accountability by transfer of accounts, Component investigative, or audit agencies has been conducted during any quarter, the commanding may elect to omit the cash verification for that quarter.

VERIFICATION PROCEDURES

a. General. Immediately upon arrival, the cash verification team shall present a copy of their letter of appointment and assume control over all cash and other assets in the disbursing officer's cash accountability. If access is refused, the verification team leader shall notify the commanding officer immediately. Each custodian of public funds shall prepare a

DD Form 2665 and the disbursing officer shall prepare a DD Form 2657 as for the close of business of that day and turn it over to the cash verification team. At this time no further business may be conducted by any custodian of public funds until the cash verification team has completed the count of that custodian's funds. Normally, the duty cashier's funds are the first to be verified in order to minimize the impact on disbursing operations. It is therefore not practical to conduct the cash verification on days involving high volumes of disbursing transactions.

b. Cash and Other Assets. All vaults, safes, security containers, and cash drawers housing cash or other assets shall be secured and the contents thereof shall be inventoried by actual count in the presence of the person accountable for their safekeeping. If the commanding officer determines that it is not practical to inventory the funds in the possession of some of the disbursing officer's agents because of inaccessibility or geographic separation, the cash verification team shall verify the amounts shown on the custody receipts by telephone with the accountability person; by examination of the permanent file of cash verification and certification held by the disbursing office; or by any other means available in order to complete the cash verification process and make note of the limits to their cash verification in their report. However, if agent cash accountability is not physically verified at the time the disbursing officer's cash accountability is verified, no quarterly verification of agent cash is considered to have been made. Documents representing unvouchered expenditures shall be verified further by determining that checks were issued to the designated payee, or that the signature on cash receipts is authentic. Undeposited checks shall be examined to insure that they are negotiable instruments the disbursing officer has been authorized to exchange for cash; that they are not dated more than 10 days prior to the cash verification date; and that checks received as collections are kept apart from those checks received in accommodation exchange transactions.

c. Imprest Funds and Change Funds. All imprest funds and change funds shall be verified at least once each quarter by members of the cash verification team. Verification of imprest fund cashier and change fund custodian cash may be simplified by appointment of an individual (rather than a team) to do the applicable verification. The verification shall be accomplished by totalling all receipts and counting all cash to prove the total shown on the cash receipt held by the disbursing officer. The verification of change funds shall consist of verifying that the cash drawer contains the amount of the change fund, after deducting any sales proceeds or receipts. Verifications of both

imprest fund cashiers and change fund cashiers shall insure that none of the change fund consist of personal checks from the cashier, any of the cashier's supervisors, or individual charges with accountability for the change fund.

d. Daily Statement of Accountability, DD Form 2657. After proving all the entries for cash and other assets by the preceding verification, the cash verification team shall insert the following statement on (or attach to) the DD Form 2657: "On \_\_\_\_\_(date) at \_\_\_\_\_(time), the undersigned verified by actual count cash in the amount of \$\_\_\_\_\_. Documents held as other assets representing cash in the amount of \$\_\_\_\_\_, were also verified. The cash accountability of the disbursing officer totalling \$\_\_\_\_\_is (or is not) in agreement with the total shown on this DD Form 2657."

e. Safekeeping Deposits. Immediately after the verification of the disbursing officer's cash accountability, the cash verification team shall verify all safekeeping deposits and the postal stamp funds (if applicable) with established procedures contained in Chapter 27 of DODFMR Volume 5.

f. Report of Verification. The cash verification team shall report its findings in writing to their appointing official immediately on completion of verification of both official funds and safekeeping deposits. The report shall be prepared in original and three (3) copies. The original shall be forwarded to the appointing official. If the appointing official is not the commanding officer of the disbursing officer, the report shall be addressed jointly to the appointing official and the commanding officer. The first copy should be forwarded to the disbursing officer, the second copy retained by the cash verification team in a permanent file, and the third copy forwarded to the DDO as retained file. The report shall contain:

- (1) the date of the verification;
- (2) the date of the preceding verification;
- (3) a statement as to whether or not safe combinations have been changed;
- (4) the identify of cash person holding cash under the disbursing officer's cash accountability that was not verified by actual count, the amount of cash held, and the method of contact made;

(5) a statement as to whether or not the verified cash accountability of the disbursing officer agrees with the DD Form 2657 cash and other assets totals;

(6) a list of undeposited checks containing a description of those not handled as prescribed by this Volume;

(7) a statement as to whether or not the disbursing officer is taking timely action to clear debit vouchers, check issue discrepancies, check issue reporting gaps, double payments, forgery recoveries through the banks;

(8) a statement as to whether or not safekeeping deposits verified agrees with the safekeeping deposit records.

The senior member of the cash verification team shall insure that all rough working papers and correspondence pertaining to the cash verification is maintained as a permanent part of the cash verification teams' records.

A. D. O. DEPUTY AGENT NAME:

DETACHMENT: PERSUPPDET

B. DENOMINATION	BULK	ISSUE	TOTAL
BILLS: 100.00	(\$ )	(\$ )	(\$ )
50.00	(\$ )	(\$ )	(\$ )
20.00	(\$ )	(\$ )	(\$ )
10.00	(\$ )	(\$ )	(\$ )
5.00	(\$ )	(\$ )	(\$ )
2.00	(\$ )	(\$ )	(\$ )
1.00	(\$ )	(\$ )	(\$ )
COIN: 1.00	(\$ )	(\$ )	(\$ )
.50	(\$ )	(\$ )	(\$ )
.25	(\$ )	(\$ )	(\$ )
.10	(\$ )	(\$ )	(\$ )
.05	(\$ )	(\$ )	(\$ )
.01	(\$ )	(\$ )	(\$ )
TOTAL BILLS & COINS	(\$ )	(\$ )	(\$ )

C. CASH OTHERWISE HELD		
AGENT	\$	
CHECK AWAITING DEP	\$	
NAVEX CHECKS	\$	
	\$	
TOTAL CASH HELD	\$	\$
EX CASH DISB	\$	

D. COLLECTIONS		
TOTAL	\$	\$

F. OTHER ASSETS		
		\$

E. TOTAL CASH		
IMPRESS FUND	\$	
CHANGE FUND	\$	
INTERMIN PAYMENTS	\$	
	\$	
	\$	
TOTAL OTHER ASSETS	\$	\$

G. TOTAL ACCOUNTABILITY		
		\$

H. I certify that cash, vouchers carried as cash, and other assets in the amount of \$ \_\_\_\_\_ were returned to me this date by \_\_\_\_\_ representing the PERSUPPACT San Diego. My total accountability as of \_\_\_\_\_ was \$ \_\_\_\_\_. Total assets shown reflects a deficiency/excess \$ \_\_\_\_\_.

Cash Count Observer:

D. O. Deputy Agent:

INSTRUCTION FOR COMPLETION OF CASH COUNT

1. Cash Count Guide explained in brief. Read Enclosure (2) prior to doing any cash verifications.
2. Obtain the Balance Sheet of the Deputy Disbursing Officer's previous days operations.
  - a. Fill-in the top general information section.
  - b. Count the cash (Bulk/Issue) held personally by the DDO. List actual monies in spaces provided. Total vertically and horizontally in "TOT BILLS & COIN."
  - c. Check number and dollar value of undeposited checks by use of an adding machine. List undeposited checks under "CASH OTHERWISE HELD" with the number of checks listed also. Check number and dollar value of Payrolls and/or Personal Vouchers (PVs). List each under "CASH OTHERWISE HELD." Total "CASH OTHERWISE HELD" vertically and list horizontally in "TOT CASH HELD" space.
  - d. Check for any corrections received. List such in "COLLECTIONS" line. Total collections vertically and horizontally.
  - e. Total CASH HELD, CASH OTHERWISE HELD, and COLLECTIONS categories vertically.
  - f. Check for monies held by other DDOs or agent cashiers. Count and list same under "OTHER ASSETS." Check to see if the main DDO holds signed receipts from individuals holding cash. Verify same on back of receipt. Check for any Imprest Funds, Collection Funds, Change Funds, or other funds. List each fund by type under "OTHER ASSETS." Verify funds were checked by telephone conversation with holder on back of receipt form. If not verified, so state. Total "TOT OTHER ASSETS" vertically and horizontally.
  - g. Total "TOTAL CASH" AND "TOT OTHER ASSETS" horizontally. List total figure in the "TOT ACCOUNTABILITY" block.
  - h. Certify the bottom statement as follows:
    - list total accountability
    - Name Cash Count Observers
    - List "As of" accountability date
    - Show dollar value of "as of": date
    - Show deficiencies/excesses/none as applicable

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Have senior cash count observer sign form  
Obtain signature of DDO

3. TYPE the following on the BALANCE SHEET and have BOTH cash  
count observers sign the bottom where applicable.

On \_\_\_/\_\_\_/\_\_\_ at \_\_\_\_\_ AM the undersigned  
verified by actual count cash in the amount  
of \$ \_\_\_\_\_ and other assets in the amount  
of \$ \_\_\_\_\_ total \$ \_\_\_\_\_ which is/is not in  
agreement with total balance shown.

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IMMEDIATELY UPON COMPLETION SEND COMPLETED AUDIT TO THE SENIOR  
MEMBER OF THE QUARTERLY CASH VERIFICATION TEAM AT PERSUPPACT SAN  
DIEGO

INSTRUCTION FOR COMPLETION OF CASH COUNT

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2. Obtain the Balance Sheet of the Deputy Disbursing Officer's previous days operations.
  - a. Fill-in the top general information section.
  - b. Count the cash (Bulk/Issue) held personally by the DDO. List actual monies in spaces provided. Total vertically and horizontally in "TOT BILLS & COIN."
  - c. Check number and dollar value of undeposited checks by use of an adding machine. List undeposited checks under "CASH OTHERWISE HELD" with the number of checks listed also. Check number and dollar value of Payrolls and/or Personal Vouchers (PVs). List each under "CASH OTHERWISE HELD." Total "CASH OTHERWISE HELD" vertically and list horizontally in "TOT CASH HELD" space.
  - d. Check for any corrections received. List such in "COLLECTIONS" line. Total collections vertically and horizontally.
  - e. Total CASH HELD, CASH OTHERWISE HELD, and COLLECTIONS categories vertically.
  - f. Check for monies held by other DDOs or agent cashiers. Count and list same under "OTHER ASSETS." Check to see if the main DDO holds signed receipts from individuals holding cash. Verify same on back of receipt. Check for any Imprest Funds, Collection Funds, Change Funds, or other funds. List each fund by type under "OTHER ASSETS." Verify funds were checked by telephone conversation with holder on back of receipt form. If not verified, so state. Total "TOT OTHER ASSETS" vertically and horizontally.
  - g. Total "TOTAL CASH" AND "TOT OTHER ASSETS" horizontally. List total figure in the "TOT ACCOUNTABILITY" block.
  - h. Certify the bottom statement as follows:
    - list total accountability
    - Name Cash Count Observers
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3. TYPE the following on the BALANCE SHEET and have BOTH cash count observers sign the bottom where applicable.

On \_\_\_/\_\_\_/\_\_\_ at \_\_\_\_\_ AM the undersigned  
verified by actual count cash in the amount  
of \$ \_\_\_\_\_ and other assets in the amount  
of \$ \_\_\_\_\_ total \$ \_\_\_\_\_ which is/is not in  
agreement with total balance shown.

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IMMEDIATELY UPON COMPLETION SEND COMPLETED AUDIT TO THE SENIOR  
MEMBER OF THE QUARTERLY CASH VERIFICATION TEAM AT PERSUPPACT SAN  
DIEGO