

**Summary Report for Individual Task  
805A-36B-3505  
Process Irregularities  
Status: Approved**

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DISTRIBUTION RESTRICTION: Approved for public release; distribution is unlimited.

DESTRUCTION NOTICE: None

**Condition:** You are the NCOIC of the disbursing section, an Irregularity in funds exists and you have access to: 1. DoD Financial Management Regulation 7000.14-R, Volume 5, Disbursing Policy and Procedures, Chapter 6. 2. A blank DD Form 2667, Subsidiary Accountability Record. 3. The current business day's DD Form 2657, Daily Statement of Accountability. 4. The DD Form 2665, Daily Agent Accountability Summary supporting the DD Form 2657. 5. Blank DD Form 2657, Daily Statement of Accountability. 6. Blank DD Form 2665, Daily Agent Accountability Summary. 7. Verified DD Form 2657, Daily Statement of Accountability from the previous business day. 8. Verified DD Form 2665, Daily Agent Accountability Summary from the previous business day. 9. Completed SF 1219, Statement of Accountability from the previous month. 10. Completed FMS Form 5206, Advice of Check Issue Discrepancy. 11. Completed OF 1017-G, Journal Voucher. 12. Disbursement and Collection vouchers. 13. Completed SF 215, Deposit Ticket. 14. Completed SF 5515, Debit Voucher. 15. Completed DD Form 1081, Statement of Agent Officer's Account. 16. Completed DD Form 1131, Cash Collection Voucher. 17. U.S. Currency Vault Ledger. 18. Foreign Currency Vault Ledger. 19. Check Register. 20. Calculator. This task should not be trained in MOPP 4.

**Standard:** Identify an irregularity in funds exists and document the irregularities without error by doing the following: 1. Identify an irregularity exists in the Disbursing Officers (DO) Accounts. 2. Ensure the accountable individual takes appropriate action upon discovery of an irregularity. 3. Ensure the Disbursing Officer (DO) takes appropriate action upon discovery of an irregularity. 4. Ensure the Commander takes appropriate action upon discovery of an irregularity. 5. Record a major physical loss of funds. 6. Record a minor physical loss of funds. 7. Record an illegal, incorrect, or improper payment. 8. Record an overage in public funds.

**Special Condition:** None

**Safety Level:** Low

**MOPP:** Never

**Task Statements**

**Cue:** None

**DANGER**

None

**WARNING**

None

**CAUTION**

None

**Remarks:** None

**Notes:** None

### Performance Steps

1. Identify an irregularity exists in the Disbursing Officer's (DO) account. An irregularity in the DO account is categorized as the following:

a. A physical loss of funds, currency or negotiable instrument.

(1) A major physical loss of funds is:

(a) Any physical loss of \$750.00 or more; or,

(b) Any physical loss where there is evidence of fraud, regardless of the dollar amount.

(2) A minor physical loss of funds is any loss of less than \$750.00 without any evidence of fraud.

b. An illegal, incorrect, or improper payment is the result of any of the following actions:

(1) An overpayment to a payee.

(2) Two or more payments to the same payee for the same entitlement.

(3) Payment to the wrong payee.

(4) U.S. Treasury checks issue overdrafts (i.e., an overpayment to a payee).

(5) Negotiation of both an original and a substitute U.S. Treasury check (i.e., two payments to the same payee for the same entitlement)

(6) Negotiation of both an original and a recertified U.S. Treasury check.

(7) Any payment based on fraudulent, forged, or altered documents prepared or presented by individuals who do not work in the disbursing office.

(8) Any payment in violation of DoDFMR 7000.14-R, Volume 5.

c. An overage of public funds.

(1) Overages are funds held in an amount greater than the amount shown to be on hand by the daily accountability records of the DO.

(2) Recording Overages of Funds. Unless they obviously relate (and the relationship can be documented), do not offset an overage of funds against a physical loss of funds.

(3) Do not offset apparently related overages against shortages if the shortage and overage occur on different business days.

(4) Track overages by recording each occurrence on a separate DD Form 2667 maintained specifically for overages.

2. Ensure the accountable individual takes the proper action upon discovery of an irregularity.

a. Immediately cease operations.

b. Immediately prepare a Daily Agent Accountability Summary (DD Form 2665) posting all transactions since the last balancing.

c. Immediately verify, by actual count, that the total of all cash and accountable documents held agree with the amounts shown as on hand on the DD Form 2665.

d. If the irregularity is not resolved, report it to the immediate commander and the DO requesting an immediate audit of all disbursing assets.

3. Ensure the DO takes the proper action upon discovery of an irregularity.

a. Immediately verify that all transactions have been properly posted to the Daily Statement of Accountability (DD Form 2657) and/or each deputy's, agent's, or cashier's Daily Agent Accountability Summary (DD Form 2665) since the last balancing.

b. Immediately verify the accuracy of all totals on the DD Form 2657 and/or each deputy's, agent's, or cashier's DD Form 2665 since the last balancing.

c. Immediately verify, by actual count, that the total of all cash and accountable documents held by the DO and all deputies, agents, and cashiers agree with the amounts shown as on hand on the respective DD Form 2657 and DD Forms 2665.

d. If the irregularity is not resolved within 24 hours of discovery, the DO must report it (in writing) to the commander and request an immediate audit of all disbursing assets by a cash verification team.

(1) If the cash verification team resolves the irregularity report the finding (in writing) to the commander. No further action is required.

(2) If the cash verification team cannot resolve the irregularity, report the finding (in writing) to the commander and take action to process the irregularity.

4. Ensure the commander takes the proper action upon discovery of an irregularity..

a. Immediately report all major physical losses of funds and all payments based on fraudulent, forged, or altered documents prepared or presented by individuals who do not work in the disbursing office through the chain of command to the servicing Defense Finance and Accounting Service (DFAS) center. Include:

(1) The specific type of loss.

(2) All known circumstances surrounding the loss.

(3) The dollar amount of the loss.

(4) The identity of all the accountable individuals; to include name, rank, and position.

(5) The type of investigation that has been or will be done.

(6) The estimated date of completion of the investigation.

(7) The status of any recovery action in progress or contemplated.

b. All minor physical losses of funds are reported to DFAS quarterly to request relief of liability.

c. All erroneous payments not involving fraud are turned over to DFAS for collection action if recoupment cannot be made within 90 days of continuous aggressive collection action.

d. Report an overage of funds to DFAS only if there is an indication that fraud was involved.

5. Record a major physical loss of funds.

a. The accountable individual must record the loss on the DD Form 2665 prepared for the day's business.

b. The accountable individual makes a turn-in using the Statement of Agent Officer's Account (DD Form 1081) to turn-in the loss.

c. Prepare the Subsidiary Accountability Record (DD Form 2667).

(1) A cumulative record of losses for every day that there is a loss of funds.

(2) The DD Form 2667 is kept on file with the DD Form 2657 as a subsidiary record.

(3) Complete the form as follows:

(a) For Item 1, DSSN, enter the Disbursing Station Symbol Number (DSSN).

(b) For Item 2, Purpose of Record, enter "Cumulative Losses of Funds."

(c) For Item 3, Name of Disbursing Officer, enter the DO's name and rank.

(d) For Item 4, Address, enter the DO's organization and address.

(e) For Item 5, Date, for each loss of funds enter the date the loss was picked up in the DO's accountability.

(f) For Item 6, Reference or Explanation, for each loss enter a brief description of the loss together with identification of the person responsible for the loss (if known).

(g) For Item 7, Increase, for each loss enter the amount of the loss.

(h) For Item 8, Decrease, enter the amount of any physical loss recovered or recouped. It is also used to record relief of liability for losses, if granted.

(i) For Item 9, Balance, enter the cumulative total of the losses shown in the record. This balance must be in agreement with DD Form 2657, line 7.3, Losses of Funds at all times.

d. Record the loss on the DD Form 2657.

(1) If no fraud was perpetrated by someone in the disbursing office:

(a) Increase line 7.3, Loss of Funds (or line 9.3, Loss of Funds, if the loss is from the predecessor's accountability).

(b) Decrease the appropriate cash on hand line (lines 6.1 through 6.9).

(2) If fraud was perpetrated by someone in the disbursing office:

(a) Prepare a collection voucher to transfer the amount of the fraudulent payment back into the appropriation from which it was disbursed.

(b) Increase line 7.3, Loss of Funds (or line 9.3, Loss of Funds, if the loss is from the predecessor's accountability).

(c) Increase line 4.1B, Refunds.

e. Record the loss on the Statement of Accountability (SF 1219).

(1) Prepare the SF 1219 following normal procedures.

(2) Line 7.3, Losses of Funds, will be increased.

(3) Line 4.1, Net Disbursements, will be increased if fraud was involved.

(4) The appropriate cash line (lines 6.1 through 6.9) will be decreased if no fraud was involved.

f. Investigate the loss of funds.

(1) The commander requests appointment of an investigating officer (IO) through the chain of command.

(2) The IO conducts an investigation into the circumstances surrounding the loss.

(3) The IO prepares a Report of Investigation (ROI) making appropriate findings and recommendations, including whether or not relief of liability should be granted.

(4) The ROI is forwarded to the commander for review.

(5) The commander reviews the ROI and makes any additional findings and recommendations deemed pertinent, including whether or not relief of liability should be granted.

(6) The ROI is forwarded to the servicing DFAS center through the chain of command.

(7) DFAS makes the final decision concerning relief of liability.

g. Process a relief of liability.

(1) The servicing DFAS center will provide the instructions for removal of the loss from the DD Form 2657 and SF 1219.

(2) If the loss has already been recovered from the accountable individual, instructions for the refund will be included.

h. Process a denial of relief of liability.

(1) The servicing DFAS center will direct the commander to initiate collection action against the accountable individual.

(2) If the loss has already been recovered from the accountable individual, the individual will be notified of the denial.

i. The case is closed when the actions directed by DFAS are completed.

6. Record a minor physical loss of funds.

a. The accountable individual must record the loss on the DD Form 2665 prepared for the day's business.

b. The accountable individual makes a turn-in using the Statement of Agent Officer's Account (DD Form 1081) to turn-in the loss.

c. Prepare the Subsidiary Accountability Record (DD Form 2667) as a cumulative record of losses for every day there is a loss of funds using the procedures described above.

d. Prepare a separate DD Form 2667 maintained specifically for minor losses of funds.

(1) Record only minor losses that have not been recovered during the current calendar quarter.

(2) Use the same procedures as described in performance step 5.c.(3), except:

(a) For Item 2, Purpose of Record, enter "Minor Loss of Funds Report" and the calendar quarter.

(b) Item 8 is not used.

e. Record the loss on the DD Form 2657.

(1) Increase line 7.3, Loss of Funds (or line 9.3, Loss of Funds, if the loss is from the predecessor's accountability).

(2) Decrease the appropriate cash on hand line (lines 6.1 through 6.9).

f. Record the loss on the Statement of Accountability (SF 1219).

(1) Prepare the SF 1219 following normal procedures.

(2) Line 7.3, Losses of Funds, will be increased.

(3) The appropriate cash line (lines 6.1 through 6.9) will be decreased.

g. Investigate the loss of funds.

(1) If the loss is greater than \$300.00, someone outside the disbursing office must conduct an informal investigation.

(a) The commander appoints the IO.

(b) A written investigatory report must be completed IAW DoDFMR 7000.14-R, Volume 5, paragraph 060402C2.

(c) The IO must recommend whether or not relief from pecuniary liability be granted.

(d) A certification signed by the DO must be included stating that the accountable individual has been counseled regarding appropriate corrective measures to prevent a recurrence of a loss.

(2) If the loss is \$300.00 or less, an informal investigation must be performed by the DO.

(a) If the loss is attributable to the DO, the primary deputy DO must conduct the investigation.

(b) A written investigatory report must be completed IAW DoDFMR 7000.14-R, Volume 5, paragraph 060402C1.

(c) The IO must recommend whether or not relief from pecuniary liability be granted.

(d) A certification signed by the DO must be included stating that the accountable individual has been counseled regarding appropriate corrective measures to prevent a recurrence of a loss.

(3) The investigatory reports are submitted with a Quarterly Minor Loss Report.

h. Submit a Quarterly Minor Loss Report to the servicing DFAS center.

(1) Prepare the report in triplicate. The report must include:

(a) A covering transmittal letter.

(b) The DD Form 2667 itemizing each minor loss for the quarter.

(c) The written investigatory report for each loss arranged in the same order as the losses appear on the DD Form 2667.

(2) Submit by the 5th workday following the end of the quarter.

(3) The original is mailed to DFAS.

(4) One copy is provided to the commander.

(5) One copy is retained.

i. The servicing DFAS center reviews the Quarterly Minor Loss Report for completeness.

j. The Quarterly Minor Loss Report is forwarded to the DFAS General Counsel for review.

k. The General Counsel recommends to the DFAS Director if relief of liability should be granted.

l. The Director denies or grants relief of liability for each separate minor loss.

m. Process a relief of liability.

(1) The servicing DFAS center will either provide the instructions for removal of the loss from the DD Form 2657 and SF 1219 or forward a check for the amount of relief granted.

(2) If the loss has already been recovered from the accountable individual, instructions for the refund will be included.

n. Process a denial of relief of liability.

(1) The servicing DFAS center will direct the commander to initiate collection action against the accountable individual.

(2) If the loss has already been recovered from the accountable individual, the individual will be notified of the denial.

o. The case is closed when the actions directed by DFAS are completed.

7. Record an illegal, incorrect, or improper payment.

a. No separate accounting on the DD Forms 2657 and 2667, and the SF 1219 is needed as the erroneous payment has been charged to a valid appropriation and the payment already made.

b. Take aggressive action to recoup the erroneous payment from the payee.

(1) If recouped, credit the monies to the appropriation from which disbursed.

(2) If recoupment cannot be made within 90 days of continuous aggressive collection action, turn over to DFAS for collection action.

c. Investigate the loss.

(1) If fraud is suspected, investigate the loss as a major loss of funds.

(2) If no fraud is involved, an informal investigation similar to a minor loss of funds over \$25.00 must be conducted. The report must include:

(a) The facts concerning the payment.

(b) The reason no formal investigation is being conducted.

(c) Whether or not relief of liability is recommended.

(d) Whether or not a request for relief of liability is being submitted.

(3) The commander may request a formal investigation whether or not fraud is suspected.

d. A request for relief of liability from the servicing DFAS Center may be made. The request must:

(1) Reference the date the case was forwarded to DFAS for further collection action.

(2) Include the ROI or investigatory comments.

(3) Be submitted through the commander.

8. Record an overage in public funds.

a. Do not offset an overage of funds against a loss of funds.

(1) Offset an overage against a loss if it can be documented that they relate to each other.

(2) Never offset an overage against a loss if they occurred on different business days.

b. Ensure a Cash Collection Voucher (CCV) is prepared to collect the funds into Deposit Fund Account \*\*X3875.

(1) Process the CCV in the same manner as any other CCV.

(2) Transfer the funds to the correct account if a determination is made as to where the overage properly belongs(e.g., make an accounting input only).

(3) Transfer the funds to Treasury Receipt Account Forfeiture of Unclaimed Money and Property \*\*R1060 if no proper location can be determined (e.g., make an accounting input only).

c. Track (as the DO) overages by recording each occurrence on a separate DD Form 2667 maintained specifically for overages. Preparation of DD Form 2667 as a Record of Overages of Funds. List each overage occurring during each day on the DD Form 2667.

(1) Item 1: DSSN. Enter the DSSN.

(2) Item 2: Purpose of Record. Enter "Overage of Funds."

(3) Item 3: Name of Disbursing Officer. Enter the DO's name and rank/grade.

(4) Item 4: Address. Enter the DO's organization and address.

(5) Item 5: Date. For each overage of funds, enter the date the overage was collected into a deposit fund account or miscellaneous receipt account, as appropriate.

(6) Item 6: Reference or Explanation. For each overage, enter a brief description of the overage together with identification of the person responsible for the overage (if known); when disposition is determined, give a brief description.

(7) Item 7: Increase. For each overage, enter the amount of the overage.

(8) Item 8: Decrease. This item is not used on the DD Form 2667 maintained for overages.

(9) Item 9: Balance. Enter the cumulative total of the overages shown in the record.

d. Ensure (as the DO) the overage is investigated.

(1) Overages of funds that are \$750 or more must be reported to the Commander. An investigation is optional if there is no indication of fraud or other criminal activities.

(2) Ensure the investigation is completed in the same manner as a loss of funds.

e. Submit (as the DO) a Quarterly Overage Report to the servicing DFAS center.

(1) Prepare the report in triplicate, to include:

(a) A transmittal letter

(b) The Overage of Funds Report (DD Form 2667) itemizing each overage for the quarter.

(c) The ROI for each overage arranged in the same order as the overages appear on the DD Form 2667, if an investigation was complete.

(2) Submit the report by the 5th workday following the end of the quarter.

(3) Mail the original to DFAS.

(4) Provide a copy to the commander.

(5) Retain a copy. A copy of the DD 2667 shall be retained with the original voucher transferring the funds to the \*\*R1060 account.

(Asterisks indicates a leader performance step.)

**Evaluation Guidance:** None

**Evaluation Preparation:** None

PERFORMANCE MEASURES	GO	NO-GO	N/A
1. Identified an irregularity existed in the Disbursing Officer's (DO) account.			
2. Ensured the accountable individual took the proper action upon discovery of an irregularity.			
3. Ensured the DO took the proper action upon discovery of an irregularity.			
4. Ensured the commander took the proper action upon discovery of an irregularity.			
5. Recorded a major physical loss of funds.			
6. Recorded a minor physical loss of funds.			
7. Recorded an illegal, incorrect, or improper payment.			
8. Recorded an overage in public funds.			

**Supporting Reference(s):**

Step Number	Reference ID	Reference Name	Required	Primary
1.	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	Yes	No
2.	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	Yes	No
3.	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	Yes	No
4.	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	Yes	No
5.	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	Yes	No
6.	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	Yes	No
7.	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	Yes	No

**Environment:** Environmental protection is not just the law but the right thing to do. It is a continual process and starts with deliberate planning. Always be alert to ways to protect our environment during training and missions. In doing so, you will contribute to the sustainment of our training resources while protecting people and the environment from harmful effects. Refer to FM 3-34.5 Environmental Considerations and GTA 05-08-002 ENVIRONMENTAL-RELATED RISK ASSESSMENT. Environmental protection is not just the law but the right thing to do. It is a continual process and starts with deliberate planning. Always be alert of ways to protect our environment during training and missions. In doing so you will contribute to the sustainment of our training resources while protecting people and the environment from harmful effects.

**Safety:** In a training environment, leaders must perform a risk assessment in accordance with FM 5-19, Risk Management. Leaders will complete a DA Form 7566 COMPOSITE RISK MANAGEMENT WORKSHEET during the planning and completion of each task and sub-task by assessing mission, enemy, terrain and weather, troops and support available-time available and civil considerations, (METT-TC). Note: During MOPP training, leaders must ensure personnel

are monitored for potential heat injury. Local policies and procedures must be followed during times of increased heat category in order to avoid heat related injury. Consider the MOPP work/rest cycles and water replacement guidelines IAW FM 3-11.4, Multiservice Tactics, Techniques, and Procedures for Nuclear, Biological, and Chemical (NBC) Protection, FM 3-11.5, Multiservice Tactics, Techniques, and Procedures for Chemical, Biological, Radiological, and Nuclear Decontamination. Everyone is responsible for safety. A thorough risk assessment must be completed prior to every mission or operation.

**Prerequisite Individual Tasks :** None

**Supporting Individual Tasks :**

<b>Task Number</b>	<b>Title</b>	<b>Proponent</b>	<b>Status</b>
805A-DOP-8104	Prepare the Daily Agent Accountability Summary (DD Form 2665)	805A - Financial Management (Individual)	Delete
805A-DOP-8102	Prepare a Statement of Agent Officer's Account (DD Form 1081)	805A - Financial Management (Individual)	Delete
805A-DOP-8106	Prepare the Statement of Accountability (SF 1219)	805A - Financial Management (Individual)	Delete
805A-36B-3503	Prepare a Daily Statement of Accountability (DD Form 2657)	805A - Financial Management (Individual)	Obsolete

**Supported Individual Tasks :** None

**Supported Collective Tasks :** None