UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

JUL 31 2003

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (POLICY)
DIRECTORS OF THE DEFENSE AGENCIES
ADMINISTRATOR, COALITION PROVISIONAL AUTHORIT
DIRECTOR, JOINT STAFF
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT & COMPTROLLER
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT & COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT & COMPTROLLER)

SUBJECT: Appendices for Procedures Applicable to Vested and Seized Iraqi Property

I have approved the attached appendices, as required by the "Procedures for Administ ring, Using, and Accounting for Vested and Seized Iraqi Property" that the Secretary approved. 'ou are directed to use these appendices in your management and accounting of vested and seiz d Iraqi property.

Dov S. Zakheim

Attachments:
As stated

cc: Under Secretary of Defense (AT&L)
General Counsel of the Department of Defense

APPENDIX A

SHIPMENT AND DISTRIBUTION OF VESTED FUNDS FOR HUMANITARIAN ASSISTANCE AND RECONSTRUCTION EFFORTS IN IRAQ

A. Applicability. This appendix addresses the duties, responsibilities, and procedures t be followed by the Coalition Provisional Authority (CPA), Office of the Under Secretar of Defense (Comptroller) (OUSD(C)), and the United States Army (USA) when requesting and shipping vested funds to Iraq.

B. Responsibilities. The Administrator, Coalition Provisional Authority (CPA) along /ith OUSD(C) and USA will request, document and arrange for the shipment of vested funds to I: ıq.

C. Procedures.

1. The Administrator, CPA, makes a determination that vested funds are needed to a sist the Iraqi people and to assist in the reconstruction of Iraq.

2. After the determination is made, the CPA Comptroller notifies the Office of the U der Secretary of Defense (Comptroller) (OUSD(C)) to create the necessary funding documents. The CPA Comptroller will also provide OUSD(C) with CPA approved spending plans, suppo ing the distribution of the funds. The CPA Comptroller will identify the amount of money req red along with the quantity of each denomination.

3. OUSD(C) will notify Treasury that cash is needed. When possible, CPA will ;ive Treasury at least a 10-day notice in advance of when the money is needed in country. The Treasury will notify the Federal Reserve Board (the "Board"). The Board will work with the Federal Reserve Bank of New York (FRBNY) to procure the amount of money needed and denominations as requested.

4. The CPA Comptroller in coordination with the 336th Finance Command (FINCOI) is responsible for coordinating the delivery date and location where the money is to be deliver d to allow for a maximum force protection posture keeping in mind customs, requirements and coordination with the Iraqi Ministry of Finance. The Assistant Secretary of the Army (Fina cial Management & Comptroller) (ASA(FM&C)) Financial Operations (FO) will coordinate wit the Military Traffic Management Command (MTMC) to arrange transportation, security and loa ling of aircraft at Andrews Air Force Base (AFB) to meet CPA's desired delivery date.

5. ASA (FM&C) FO will provide the flight number and arrival time in country to 33 th FINCOM and to CPA to ensure security and logistical assets are available to off loac the currency.

6. The Board will notify the contracted armored carrier service to escort the mon / to Andrews AFB. When the shipment arrives at Andrews AFB, the accountable officer will t : an

Army Officer assigned to accompanying the flight to Kuwait or Baghdad International Ai ɔort (BIAP).

7. Once at Andrews AFB, the money is verified, arranged on pallets and shrink-wra ped to prevent loss and ensure accountability during shipment. The money is then loaded ɔnto available military aircraft and escorted by two designated couriers. The accountable office has accountability for the money from Andrews AFB to Camp Arifjan or BIAP.

8. Accountability will transfer from the accountable officer to the 336th FIN(ƆM Disbursing Officer upon verification of funds at Camp Arifjan or BIAP.

APPENDIX B

DUTIES UPON ASSUMING POSSESSION OF SEIZED PROPERTY

A. Applicability. This appendix addresses the duties, responsibilities, and procedures) be followed by Coalition forces, upon discovery, possession, seizure, or receipt of property in raq. This guidance augments existing Military Department regulations for receipt, control, inver ory, and disposition of property.

B. Responsibilities. Responsibility for safeguarding or use of Iraqi property inc ides general responsibilities, and particular responsibilities upon discovery, possession, secu ing, inventorying, and taking custody of property.

1. Command Responsibility. It is the obligation of the Commander, United S ates Central Command (USCENTCOM), and subordinate commanders at all levels, to ensure all raqi regime or private property, cash, or other valuables seized, received, or otherwise taken into possession are properly secured, safeguarded, controlled and accounted for.

2. Individual Responsibility. It is the responsibility and obligation of all Coa tion personnel to: notify superiors in a timely manner of any property, seized or received; :eep records of and account for such property as directed; and properly secure, safeguard, and cc ıtrol the property in their physical possession. If required, assist other assigned or respor ible personnel in the conduct of their duties to secure and safeguard such property or assets.

3. Custodial Responsibility. The responsibility that results from either f(mal assignment, assumed responsibility, or inherent responsibility derived from command aut ırity and responsibility. Custodians shall take all necessary and prudent actions to properly se ure, control, account for, and safeguard property that comes into their physical possession.

4. Accountable Officer. An accountable officer will be appointed by the comm ıder of the Coalition force (detachment, Company, Battalion or equivalent activity) that origi ıally finds, seizes, secures, or otherwise takes possession of Iraqi regime or private property, ca: ı, or valuables. The accountable officer may be a Coalition commissioned or warrant officer or a properly qualified Coalition civilian manager detailed or attached to the activity. The accountable officer will: maintain formal property, inventory, and accounting records that s ıow, on a continuing basis, the identification or description or the items held, the physical cou ıt of cash and face value of currency and securities held by denomination, record of all gains or l sses and on-hand balances, the conditions and locations of all property assigned or in possessior and evidence of the chain of custody maintained from time of first receipt or possession (by ıand receipt or other record).

C. Procedures.

1. Secure the property. Use armed guards or other appropriate forms of cont l as necessary.

2. The ranking military member present when the property is secured automati ally becomes the officer with custodial responsibility.

3 Conduct and document a physical inventory of the property. Establish a cust dial record, using and modifying DLA Form 1311 (Table B-1) as appropriate.

4. Remove the property, using appropriate care and security, to a controlled are and deliver to an accountable officer.

5. The accountable officer will deliver the property in the form of cash, je els, precious metals or other items of value to the nearest finance or disbursing officer. Upon re ipt, the finance or disbursing officer shall become the accountable officer. All other property sl uld be handled through established logistics channels.

6. This accountable officer shall establish the appropriate accounting records.

7. Officers with custodial responsibility and accountable officers shall tak all prudent and necessary steps to accomplish their responsibilities in this area, including obse ing and controlling the actions of subordinates, as needed, to safeguard property in their custody

D. Determination of Public or Private Property Status

1. The location where the property was discovered or obtained must be consider d in determining whether property is public or private. It is important that the officers with cust dial responsibility document the location and circumstances under which property was obtaine In general, property obtained or seized at palaces or government ministry offices or ther government compounds will be assumed to be regime assets. Property discovered in p vate residences or commercial locations or in rural locations will be initially assumed to be p vate assets. If what appears to be stocks or concentrations of looted goods are discovered this property will initially be considered private.

2. Any additional documentation found with or adjacent to property may be us d in the process of making a final determination on the status of the property. This documen tion could include such items as records, invoices, vouchers, inventory lists, letters, or other for s of property identification. The officer initially charged with custodial responsibility wi be required to make the determination as to the relevance of any documentation found with or the vicinity of property recovered or seized. Should the documentation be deemed relevan the officer charged with custodial responsibility will secure and include that documentation long with the property seized.

3. When property is seized from banks or other financial institutions, the cust dial officer will secure and include all available, relevant documentation that will assist in the inal determination of the status of the property. Other sources of information can be used to ass st in these cases, including but not limited to, intelligence information and records obtain l at government ministries describing banking or financial institutions used by the regime as p t of their government financial system. Final determinations of the status of any seized asse s or property will be made in conjunction with U.S. or Coalition Force legal authorities.

Table B-1

EQUIPMENT TRANSFER OR RETURN		DATE (Day, Mo, Yr)	OFFICE PHONE NUMBER
CHECK APPROPRIATE BOX AND COMPLETE RECEIPT NUMBER ☐ EQUIPMENT RETURN FROM HAND RECEIPT NUMBER ☐ EQUIPMENT TRANSFER TO HAND RECEIPT NUMBER			
STOCK NUMBER	SERIAL NUMBER	TAG NUMBER	BARCODE NUMBER
ITEM DESCRIPTION			
ID NUMBER	DIA REGISTRATION NUMBER	MAKE AND MODEL	CO CO ITMA
REMARKS			
POINT OF CONTACT POC NAME	POC PHONE NUMBER	LOCATION OF EQUIPMENT	
SIGNATURE OF EQUIPMENT SPECIALIST	SIGNATURE OF PERSON INITIATING ACTION	SIGNATURE OF PERSON RECEIVING EQUIPMENT	

DIA FORM 1111 .IUL 97 (FC) PREVIOUS EDITION MAY BE USED UNTIL SUPPLY IS EXHAUSTED FORM CLA

APPENDIX C

RESERVED FOR FUTURE USE

APPENDIX D

DEVELOPMENT OF FUNDING REQUIREMENTS FOR VESTED AND SEIZEI IRAQI PROPERTY

A. Applicability. This appendix addresses the duties, responsibilities, and procedures to be followed by the Coalition Provisional Authority (CPA) when working with the Iraqi Ministri s to identify and develop requirements for spending plans in restoring and rebuilding the count y of Iraq for its people. There are multiple funding sources available for the purpose of stabilization, reconstruction and humanitarian assistance for the benefit of the Iraqi people.

B. Responsibilities. It is the responsibility of the ministry officials and coalition commande: to explain the requirements for obtaining Vested and Seized Iraqi property for projects that achi ve the mission of the CPA.

1. Ministry officials and coalition commanders are responsible for requesting fun ling from Vested and Seized Assets to accomplish CPA projects and ministry requirement by submitting the PRB 01 Funding Request Form to the Program Review Board (PRB). The electronic version of the PRB 01 Funding Request Form, along with instructions, is availab : on the CPA intranet website and upon request to the Program Review Board taff (krahams@orha.centcom.mil).

2. The majority of funding requirements for ministries are expected to be includ l in ministry budgets. However, unanticipated or emergency requests by ministries will be acc)ted by the PRB for consideration. CPA ministries and offices shall prepare complete PRB 01 f rms to request funding for requirements not addressed in budget submissions, according t the attached instructions.

C. Procedures.

1. The PRB 01 will be reviewed in accordance with the CPA Process for the Alloc tion of Funds. The Program Review Committee (PRC) will conduct the initial review of all pro ram funding requests and project submissions, categorize them, and make recommendations t the PRB for the allocation of vested and seized funds. The PRB is responsible for preparin and submitting allocation requests to the Administrator for approval. The requests will ide tify, integrate and prioritize requirements for the relief and recovery activities in Iraq. The PRB allocation requests will include proposed allocations of available resources. The specific)les, responsibilities, and membership of the CPA Program Review Board are set forth in CPA Regulation No. 3. For approved projects using Seized and Vested Assets, CPA is the final authority. After CPA approval, the CPA Comptroller will provide the PRB 01 and r ated decision documents to OUSD (Comptroller) and Army Headquarters Budget Office.

2. Once Funding Requests are approved by the Administrator, the requestor must s)mit a completed Form 5000, Iraqi Asset Disbursement Record, along with a Spending Plan) the CPA Comptroller for the disbursement of funds.

APPENDIX E

ALLOCATION AND DISBURSEMENT OF VESTED AND SEIZED IRAQI PROPERTY

A. Applicability. This appendix applies to all parties involved in the receiving, disbursing, accounting for, securing, and reporting of vested and seized Iraqi property. The procedure will ensure accountability and transparency of the use of vested and seized Iraqi property for the benefit of the Iraqi people.

B. Responsibilities.

1. Coalition Provisional Authority (CPA) Responsibility. The CPA is responsible for identifying program requirements, identifying appropriate funding sources for requirements, initiating reprogramming actions when needed, maintaining program accountability, fund certification, certifying receipt of goods, services, and payroll, and certifying disbursement of funds.

2. 3rd Army Responsibility. The 3rd Army is responsible for:

- Providing commitment accounting support via the database Commitment Accounting System (dBCAS),
- making transaction input to the Defense Finance and Accounting Service Rome (DFAS Rome) for Standard Finance System (STANFINS) processing,
- monitoring fund execution, and
- certifying all required financial reports.

3. Disbursing Officer (DO), 336th Finance Command (FINCOM) or Successor Disbursing Officers Responsibility. The Disbursing Officer (DO), 336th FINCOM or successor Disbursing Officers are responsible for:

- Processing Cash Collection Vouchers (DD 1131) for Seized Assets and Debit Vouchers (SF 5515) for Vested Assets to increase cash balances,
- disbursing cash to CPA authorized payees,
- recording disbursements in STANFINS as Transactions for Others (TFOs), and
- emailing scanned SF 1034s (Public Voucher for Purchases and Services Other Than Personal) and SF 44s (Purchase Order-Invoice-Voucher) to DFAS Rome daily.

4. DFAS Rome Responsibility. The DFAS Rome shall maintain the accounting database and prepare, certify, and process SF 1081s moving funds from 21 X 6095 (Collection of Seized Assets) to 21 X 6098 (Disbursement of Seized Assets) based upon receipt of 21 X 6098 Funding Authorization Documents (FADs), post disbursement and obligation transactions processed by the designated government finance activity to STANFINS (FSN 09076), and maintain documentation for future review and audit.

C. Procedures.

1. Program Control Procedures.

a. Cash accountability will be maintained on the DO's Daily Stateme it of Accountability (DD 2657) and monthly Statement of Accountability (SF 1219).

b. Funds will be allocated by the Headquarters, Department of Army (H(DA) through the Program Budget Accounting System (PBAS), via Funding Authorization Docu: ients (FADs), to establish subdivision of funds in accordance with approved spending plans.

c. STANFINS will be used for the book of original entry.

d. Headquarters, Department of the Army (HQDA) shall monitor executic i via the Army Shared Knowledge-Financial Management (ASK-FM) Digital Dashboard.

e. The Administrator, CPA has authority and responsibility for determ ning appropriate uses and payments from account 21 X 2089 (Receipt and Disbursement of V sted Assets), account 21 X 6095 (Collection of Seized Assets), and account 21 X 6098 (Disburse nent of Seized Assets).

2. Funds Management Procedures.

a. HQDA establishes the fiscal coding and management structure, incl ding monthly and annual reporting levels, budget activities, and project codes. The coding stru :ture and budget activities are established per guidance received from the CPA.

b. Vested Assets. Account 21 X 2089 shall be used only for the purpose of cash deposits and disbursements of vested funds used to provide assistance to the Iraqi people a .d to assist in the reconstruction of Iraq.

c. Seized Assets. Account 21 X 6095 (Collection of Seized Assets) shall be used only to record amounts of seized assets after validation by the Federal Reserve Bank of New York (FRBNY). Account 21 X 6098 (Disbursement of Seized Assets) shall be used only fc the purpose of disbursements of seized funds used to provide assistance to the Iraqi people a .d to assist in the reconstruction of Iraq.

d. The CPA Comptroller shall request Account Processing Codes (APCs), th ough Headquarters, Army Central (ARCENT), from DFAS Rome based on fiscal coding and management structure established by HQDA at the direction of CPA.

3. Funds Allocation Procedures.

a. Vested Assets Funds Allocation. CPA notifies OUSD(C) to process a Fu ding Authorization Document (FAD). OUSD(C) issues a FAD to HQDA. HQDA then issue the FAD in PBAS to Forces Command (FORSCOM). Funds will be allocated by budget activi per

CPA guidance. A funding allowance is issued by FORSCOM to ARCENT. ARCENT then issues a Resource Allocation Document (RAD) to CPA Comptroller. The CPA Comptrolle then provides the funding data to the DFAS Rome for posting to STANFINS. HQDA will issu e the FAD citing 21 X 2089 71-2089 S09076. The DFAS Rome will create applicable APCs The FADs reflecting the approved Army Management Structure will be input into STANFIN and will provide general ledger control of obligations, accruals and disbursements.

b. Seized Assets Funds Allocation. The DD 1131 will be the basis for the FAD and will be coordinated between CPA and HQDA prior to loading to PBAS. HQDA will issu e the FAD through the PBAS to Forces Command (FORSCOM). Funds may be "fenced" by b dget activity per CPA guidance. A funding allowance will be issued by FORSCOM t the CFLCC-RM, who will, in turn, provide the funding data to the DFAS Rome for posti g to STANFINS. DFAS Rome will post the FAD to STANFINS using applicable APCs (STAN FINS Ledger Code of 25) established for 21 X 6098 OA 71, ASN 2089, S09076 (Ft Stewart data base) in accordance with guidance from HQDA and, in the same accounting business day, pr pare, certify, and process the SF 1081 charging account 21 X 6095 S12107 and crediting 21 X 6098 S12107 for the amount of the FAD.

4. Disbursing Operations and Cash Accountability Procedures.

a. Vested Assets.

1. The DO will receive an SF 5515 from the FRBNY and record i as a negative deposit on line 4.2A and increase cash on hand, line 6.2A of the daily balance she . To record the increase in the DO's accountability under general ledger control, DFAS Rom will prepare an Official Form 1017-G - Journal Voucher (OF 1017-G, Example E-1) citing accou t 21 X 9999 71 S12107 upon the receipt of the monthly SF 1219 from the DO. The DO will rec cile cash to the accounting records daily.

2. The CPA will provide the 336th DO written requirements for cash The DO will transmit these requirements in spreadsheet format to 3rd Army Atlanta for proc sing commitments into dBCAS and obligations into STANFINS.

3. As CPA certifies funds for payment, the DO will process disburse ents using either an SF/CPA 44 (Purchase Order-Invoice-Voucher) or an SF/CPA 1034 (P blic Voucher for Purchase and Services Other Than Personal) citing 21 X 2089 71-2089 S09076 nd a unique document reference number assigned by the designated government finance activity The disbursements will decrease the DO's accountability. The designated government finance ac ivity shall post paid SF/CPA 44s and SF/CPA 1034s to Kuwait STANFINS (DSSN 855) as Transactions For Others (TFOs). The finance activity will immediately e-mail the sc ned SF/CPA 44s and 1034s to DFAS Rome for input into STANFINS as Transactions by C hers (TBOs), Type Action (TA) 41 citing 21 X 2089 71-2089 S09076 and a unique refe ence document number. When processing the disbursements, DFAS Rome will, if nece sary, simultaneously create an obligation and accrual using TA 21.

b. Seized Assets.

1. The DO will process a cash collection voucher (DD 1131), crediting acco nt 21 X 6095 S12107 based on funds validated as genuine by the FRB. The DD 1131 will be pro ssed in the STANFINS to record the cash collection as a DO deposit transaction citing 21 X 5095 S12107. As the CPA approves funds execution, HQDA will issue the FAD citing 21 X 60 ; 71-2089 S09076. Upon receipt of the allotment of funds, DFAS Rome will prepare, certif and process the SF 1081 (Voucher and Schedule of Withdrawals and Credits) to transfer the app oved amount from the collection account to the disbursement account by debiting 21 X 6095 S: 2107 and crediting 21 X 6098 S12107. The designated government finance activity DO shall de gate to DFAS Rome authority for the express purpose of preparing and certifying the SF 1081 to ove funds from the 21 X 6095 "Collection" account to the 21 X 6098 "Disbursement" account.

2. As the CPA certifies funds for payment, the DO will process disburse ents using either an SF/CPA 44 or an SF/CPA 1034 citing 21 X 6098 S09076 and a unique doc nent reference number assigned by the designated government finance activity. These disburse ents will decrease the DO's accountability. The 336th FINCOM DO shall post paid SF/CPA 44 and SF/CPA 1034s to Kuwait STANFINS (DSSN 8551) as TFOs and immediately e-mail the sc ned SF/CPA 44s and 1034s to DFAS Rome for input into STANFINS as Transactions by ther (TBOs), Type Action (TA 41) citing 21 X 6098 71-2089 S09076 and the unique refe nce document number. When processing the disbursements, DFAS Rome will simultaneously c eate an obligation and accrual using TA 21 if no obligation previously existed.

5. Certification Procedures.

a. The CPA must provide certifying official appointment letters and sign ture cards (DD Form 577) to the DO of the designated government finance activity for all CPA personnel that will certify SF/CPA 44s or SF/CPA 1034s for payments. For contract ac ions executed by the CPA Contracting Activity for an Iraqi Ministry with funding provided thr ugh the National Budget Process, the requesting Iraqi Ministry will furnish the CPA Contra ting Activity a CPA Form CA01 to certify that sufficient funds are available with the Mini ry's budget. For all other contract actions executed by the CPA Contracting Activity, the CPA Comptroller will certify funds availability with a DA Form 3953 and forward the form to the CPA Contracting Activity.

b. Prior to disbursing, the CPA (or its Major Support Command) shall c tain validated, detailed documentation to support payment of payrolls, utilities, and other good and services from the designated Iraqi officials. For accountability purposes, suppc ting documentation from automated Iraqi payment systems should be used if they are determined o be available and adequate. The CPA (or major support command) shall obtain from Iraqi off ials organizational listing(s) of individuals authorized to receive payment at the designated pay ent site(s), and the amount each individual is to be paid. CPA will certify all SF/CPA 44s or SF/ CPA 1034's presented to the DO for payment. The DO and the CPA shall follow customary raqi practices for validation of, and payment for normal and/or recurring utilities and other good and services. CPA ensures adequate controls are in place by utilizing supporting documentation rom Iraqi officials to ensure goods and services were received:

c. The CPA shall prepare and submit a memorandum or CPA Form 5000 (Iraqi Asset Disbursement Record/Emergency Payment or Iraqi Asset Disbursement Record/Goo s and Services) to the DO, 336th FINCOM, including the date, time, location, number of payee , and amount of money to be disbursed at each site. The DO of the designated government f iance activity servicing the CPA may increase the amount required by up to 10 percent to meet unexpected on-site requirements approved by the CPA certifying official. In the event th : DO authorizes additional funds, the DO shall prepare an SF/CPA 44 or SF/CPA 1034, as appli able, in the amount of the additional funds. The designated disbursing agent (DA) or paying age : will provide supporting documentation for the additional funds in accordance with paragrapl 3.c., above.

d. The CPA representative appointed as the certifying official will certi / the payment(s), and will date and sign the SF/CPA 1034 or SF/CPA 44.

6. Delivery of Funds Procedures.

a. A DO or paying agent designated by the CPA designated government fi ance activity will deliver the funds to the designated pay site(s). The designated government fi ance activity cashiers, or designated Iraqi representatives will sign a receipt acknowledging rec ving the funds and make payments at the designated pay site(s). The designated government fi ance activity cashiers will acknowledge receipt from the DA on a DD Form 1081. Designatec Iraqi representatives will verify the amount and date, and then sign as the payee on the SF/CPA 1034 or SF/CPA 44. The Coalition Joint Task Force 7 (CJTF-7) or the CPA will ensure, inso ar as practicable, that designated Iraqi representatives properly secure funds at the designate pay site(s) and/or while transporting funds to remote sites.

b. The designated government finance activity cashiers and/or designated Iraqi representatives shall disburse/distribute funds to designated individuals or service providers.

(1) For payrolls. Individuals must present proper/valid identific tion, and acknowledge receipt of payment by signing the payroll list or other appropriate form.

(2) For payment of utilities and other goods and services. The CPA shall appoint paying agents in accordance with the Department of Defense Financial Manag ment Regulation (DoDFMR) Volume 5, paragraph 020604, Paying Agents and Postal Paying A ents. The DO shall brief all cashiers and paying agents on their responsibilities and pecuniary li ility for funds. Proper supporting documentation (receipt, invoice, etc.) must be presented when disbursing for other than payroll.

c. Designated paying agents at Iraqi payment sites will provide to the CF the supporting documentation for payments to be made at each site based upon the SF/CPA 44 or SF/CPA 1034. Any funds not disbursed will be deducted from the next SF/CPA 44 or SF CPA 1034 payment to the designated Iraqi site. The CPA will conduct weekly reviews of any ba inces on hand at the designated Iraqi payment sites. The CPA shall also review supp rting documentation to validate beginning balances, all disbursements and ending cash balance The

CPA shall verify cash on-hand matches the ending cash balance and that the funds are pr perly secured. Any funds returned from the designated Iraqi payment sites to the CPA will be coi ected into the DO's accountability using a DD 1131 – Cash Collection Voucher.

7. Paying Operations Procedures.

a. Purchasing Officer Appointments. The Coalition Joint Task Force 7 (CJ TF-7) or the CPA Contracting Activity will appoint purchasing officers. Purchasing Office s are appointed to purchase goods and services, and are authorized to make such purchases v a the SF/CPA 44.

b. Paying Agent Appointments. Paying agents will be appointed to pa y for commercial services or supplies in support of purchasing officers.

(1) Requests for paying agents must be made in writing to the DO.

(2) CJTF-7 commanders authorized to appoint paying agents sh ll do so in writing in accordance with the DoDFMR Volume 5 paragraph 020604 - Paying Agent and Postal Paying Agents. The DO will appoint cashiers from the 336th Finance Com mand (FINCOM). The DO shall brief them on the responsibilities and potential pecuniary liabili y for funds.

(3) Paying agent appointments may be for either a specific transa tion or a specified period of time.

(4) Appointed paying agents may not serve concurrently as purch sing officers and may not be charged with the handling or custody of any other funds.

8. Disbursing Procedures

a. The CPA shall prepare a memorandum to the DO, 336th FINCOM that provides the date, time, location, number of paying agents and names of appointed agents and amount of money to be disbursed to each pay agent.

b. The designated government finance activity DO or disbursing ager will advance the funds to the appointed paying agent(s) using DD Form 1081. The paying agent shall sign the DD Form 1081 as a receipt for the funds.

c. The paying agent will disburse funds in accordance with the purch sing officer's authorization. The purchasing officer and the paying agent will use the SF 44 to make purchases and payments. The purchasing officer will sign and certify the SF 44.

d. The SF/CPA 44 must be signed by the paying agent and the indiv dual receiving the funds.

e. The paying agent must keep the original SF/CPA 44 with all signatures. Upon mission completion, the paying agent must return all supporting documentation (e.g., original receipts and SF/CPA 44s) and remaining cash to the 336TH FINCOM DO in order to clear the DD Form 1081.

f. CPA or CJTF-7 will authorize any replenishment of funds. The CPA certifying official must prepare another memorandum to the designated government finance activity requesting additional funds. A new DD Form 1081 will be prepared by the DO.

g. Imprest fund cashiers will not be utilized. Disbursing agents appointed by the CPA-designated government finance activity will be used to make small purchases, as needed.

F. Reconciliation Procedures.

1. The CPA and DFAS Rome shall conduct a joint reconciliation of commitments and obligations in accordance with the Department of Defense Financial Management Regulation (DoDFMR), Volume 3, and DFAS-Indianapolis Regulation 37-1. Additionally, the DO and DFAS Rome will need to follow existing requirements associated with reporting and reconciliation of DO Deposit Fund Accounts.

2. The 336th FINCOM DO and cashiers shall follow standard daily balancing procedures as identified in the DoDFMR, Volume 5. Additionally, quarterly cash verifications will be conducted in accordance with DoDFMR, Volume 5, Appendix A.

3. CPA reports required in Appendix G will require reconciliation of Program Review Board (PRB) approved projects versus disbursements.

Optional Form 1017-G (9-79)
Title 7, GAO Manual
501017-810

JOURNAL VOUCHER

J.V. No. 25
Date 5 May 20XX

REFERENCE	EXPLANATION	DEBIT	CREDIT
DEBIT VOUCHER # 475129	Transfer Vested Funds From FRB ON SF 5515. OF1017G will be used to increase the DO accountability under General Ledger control. The account to be cited is 21 X 9999 71 S12107 DSSN: 8551 DATE OF SF 5515: 5 May 2003		20,000.00
	Total		20,000.00

Prepared By Darrell Johnson (Signature)

Deputy Disbursing Officer (Title)

Approved By Hank Snow (Signature)

Deputy Disbursing Officer (Title)

Example E-1

APPENDIX F

MONTHLY INVENTORY REPORT OF VESTED AND SEIZED PROPERTY

A. Applicability. This appendix addresses the duties, responsibilities and procedures to be followed by the designated government financial activity supporting the Coalition Provision Authority (CPA) in preparing monthly reporting of vested and seized property.

B. Responsibilities.

1. The 336th Finance Command (FINCOM) shall prepare monthly reports descri ing all vested and seized property in the possession of CPA officials. These reports shall disting iish between vested and seized property.

2. The 336th FINCOM shall submit the monthly reports under cover memorandu a to CPA and the Under Secretary of Defense (Comptroller), with copies furnished to the Prin ipal Deputy Under Secretary of Defense (Comptroller), Director, Resources and Assessment US Central Command (USCENTCOM) no later than close of the fifth business day of the m nth following the month being reported.

C. Reporting Procedures.

1. Follow the report format at Attachment 1.

2. Instructions

a. Report Title - enter the name of the month and the year in the title o the report.

b. Line 1.A.1 – enter the beginning balance of the vested cash in posse ion of US government officials. After the first monthly report, the beginning balance will b the ending balance of the previous month (e.g., the beginning balance for June will be the en ing balance from May).

c. Line 1.A.2 – enter the amount of vested cash disbursed during the m nth being reported.

d. Line 1.A.3 – enter the amount of vested cash deposited to fina cial institutions and no longer in the possession of CPA officials.

e. Line 1.A.4 - enter the amount of collections.

f. Line 1.A.4.1 - this line will include the amount of cash collected bacl into the disbursing office.

g. Line 1.A.4.2 - enter the amount of vested cash collected during the m ıth.

h. Line 1.A.5 - enter the total of Line 1.A.1 minus Line 1.A.2 minus ine 1.A.3 plus Line 1.A.4.1 plus Line 1.A.4.2 (Line 1.A.1 – Line 1.A.2 – Line 1.A.3 + Line 1.. .4.1 + Line 1.A.4.2). This is the amount of newly vested cash in the possession of CPA officials.

i. Table 1.B – Non-Cash Assets Vested and Divested – provide, in ıble format, a listing of vested non-cash property by category (e.g., jewelry, arms, equipı ent, artwork, etc.), a brief description and item count for such property in the possession of CPA officials. This table shall include a cumulative listing of all vested non-cash property ii the possession of CPA officials.

(1) Column 1 – enter the category of the non-cash property

(2) Column 2 – enter a brief description of the items withi the category in Column 1.

(3) Column 3 – enter the beginning count of items ir the possession of CPA officials. After the first monthly report, the beginning balance will b the ending balance of the previous month (e.g., the June beginning balance will be the May en ing balance).

(4) Column 4 – enter the entity to whom the CPA ofi cial divested the non-cash property.

(5) Column 5 – enter the count of items divested.

(6) Column 6 – enter the sum of Column 3 minus Colu n 5 (Column 3 – Column 5).

j. Line 2.A.1 – enter the beginning amount of seized cash (US dollars) i the possession of CPA officials. After the first monthly report, the beginning balance will b the ending balance of the previous month (e.g., the beginning balance for June will be the en ing balance from May).

k. Line 2.A.2 – enter the amount of seized cash (US dollars) verifie as authentic currency during the reporting period and available for disbursement.

l. Line 2.A.3 – enter the amount of seized cash verified as counterfeit.

m. Line 2.A.4 – enter the sum of Line 2.A.1 minus Line 2.A.2 minus ine 2.A.3 (Line 2.A.1 – Line 2.A.2 – Line 2.A.3). This amount represents the amount of seized ash

(US dollars) in the possession of CPA officials that has not been verified as authentic currency and available for disbursement.

n. Line 2.A.5 – for the first monthly report enter 0.00 (zero). After the first monthly report, the beginning balance will be the ending balance of the previous month (e.g., the beginning balance for June will be the ending balance from May).

o. Line 2.A.6 – enter the amount of seized cash (US Dollars) verified as authentic currency during the month and available for disbursement.

p. Line 2.A.7 - enter the amount of seized cash (US dollars) disbursed during the month being reported.

q. Line 2.A.8 – enter the amount of seized cash (US dollars) deposited to financial institutions and no longer in the possession of CPA officials.

r. Line 2.A.9 – enter the amount of seized cash (US dollars) collected during the month. This amount will include the amount of cash collected back into the disbursing office.

s. Line 2.A.10 – enter the sum of Line 2.A.5 minus Line 2.A.6 minus Line 2.A.7 plus Line 2.A.8 plus Line 2.A.9 (Line 2.A.5 – Line 2.A.6 – Line 2.A.7 + Line 2.A.8 + Line 2.A.9).

t. Table 2.B – Coin/Currency (Non-US dollars) – enter, in table format, a listing of seized coin/currency (Non-US dollars), by country, monetary unit (franc, pound, Canadian dollar, etc.) and amount, in the possession of CPA officials.

(1) Column 1 – enter the name of the country and monetary unit of seized coin/currency (Non-US dollars) in the possession of CPA officials.

(2) Column 2 – enter the beginning count of items in the possession of CPA officials. After the first monthly report, the beginning balance will be the ending balance of the previous month (e.g., the June beginning balance will be the May ending balance).

(3) Column 3 – enter the entity to whom the CPA official released the coin/currency (Non-US dollars).

(4) Column 4 – enter the amount of the coin/currency (Non US dollars) released.

(5) Column 5 – enter the sum of Column 2 minus Column 4 (Column 2 – Column 4).

u. Table 2.C – Non-Cash Assets – enter, in table format, a listing of seized non-cash property by category (e.g., jewelry, arms, equipment, artwork, etc.), a brief description and item count in the possession of CPA officials.

(1) Column 1 – enter the category of the non-cash assets.

(2) Column 2 – enter a brief description of the items within the category in Column 1.

(3) Column 3 – enter the beginning count of items in the possession of CPA officials. After the first monthly report, the beginning balance will be the ending balance of the previous month (e.g., the June beginning balance will be the May ending balance).

(4) Column 4 – enter the entity to whom the CPA official release the non-cash assets.

(5) Column 5 – enter the count of items released.

(6) Column 6 – enter the sum of Column 3 minus Column 5 (Column 3 – Column 5).

v. The Disbursing Officer, 336th FINCOM, certifies the accuracy of the data on the report by signing and dating the report.

w. Footnote the amount of non-US currency in 336th FINCOM possession but not verified as of the end of the reporting period and verified amount of counterfeit US currency for the reporting period.

Attachm(nt 1

SAMPLE

MONTHLY INVENTORY REPORT OF VESTED AND SEIZED ASSETS
FOR THE MONTH ENDING MAY, 2003

1. VESTED ASSETS

A. CASH

1.	Beginning Balance		$1,700,000,000.00
2.	Less: Disbursements		500,000,000.00
3.	Less: Deposits to Financial Institutions		100,000,000.00
4.	Plus: Collections		100,000,000.00
	4.1 Cash collected back into DO	$70,000,000.00	
	4.2 Newly Vested Cash in possession of CPA Officials	$30,000,000.00	
5.	Ending Balance		$1,200,000,000.00

B. NON-CASH PROPERTY VESTED AND DIVESTED

1. CATEGORY	2. DESCRIPTION	3. BEGINNING COUNT	4. DIVESTED TO	5. COUNT DIVESTED	6. ENDIN(COUN
Jewelry	Gold rings	50			50
Arms	Pistols	5			5
Artwork	Oil Painting	2	Iraqi Museum	2	0

2. SEIZED ASSETS

A. CASH (US DOLLARS)

1.	Beginning Amount Seized (Unverified)	$650,000,000.00
2.	Amount Verified (Available for Disbursement)	50,000,000.00
3.	Amount Verified (Counterfeit)	10,000,000.00
4.	Ending Amount Seized (Unverified)	590,000,000.00

5.	Beginning Amount Verified (Available for Disbursement)	0.00
6.	Plus: Amount Verified This Period	50,000,000.00
7.	Less: Disbursements	25,000,000.00
8.	Less: Deposits to Financial Institutions	0.00
9.	Plus: Collections	0.00
10.	Ending Amount Verified (Available for Disbursement)	$25,000,000.00

B. COIN/CURRENCY (NON-US DOLLARS) SEIZED AND RELEASED

1. COUNTRY AND UNIT	2. BEGINNING AMOUNT	3. RELEASED TO	4. AMOUNT RELEASED	5. ENDING AMOUNT
Italian lira	60			60
Canadian dollar	200			200
Iraqi dinar	1,000	Iraqi Central Bank	1,000	0

C. NON-CASH ASSETS SEIZED AND RELEASED

1. CATEGORY	2. DESCRIPTION	3. BEGINNING COUNT	4. RELEASED TO	5. RELEASED COUNT	6. ENDING COUNT
Jewelry	Gold bracelets	10			10
Equipment	Tanks	1	Coalition Forces	1	0
Equipment	100mm howitzer	4			4

Footnote: Include amount of non-US currency in possession of CPA but not verified as of the end of the reporting period.
Footnote: Include verified amount of counterfeit US currency.

Disbursing Officer, 336th FINCOM DATE

APPENDIX G

MONTHLY DISBURSEMENT REPORT

A. Applicability. This appendix addresses the duties, responsibilities, and procedures to be followed by the Coalition Provisional Authority (CPA) in preparing monthly disbursement reports for vested and seized assets.

B. Responsibilities.

1. The Coalition Provisional Authority (CPA), shall prepare monthly re orts describing the purposes, amounts and recipients of all cash disbursements of vested and s zed assets. This report will include cash disbursements only; non-cash assets, included coin/cur ncy (non-US dollars), either divested or released are reported in the Monthly Inventory Repo t of Vested and Seized Assets (Appendix F). These reports shall distinguish between disbursen nts of vested and seized assets. The report must be reconciled with official accounting records.

2. The CPA shall submit the monthly reports under cover memorandum to the U der Secretary of Defense (Comptroller) with copies furnished to the Principal Deputy Secreta / of Defense (Comptroller), and the Director, Resources and Assessment, US Central Comman . no later than close of the tenth business day of the month following the month being reported.

C. Reporting Procedures.

1. Follow the report format at Attachment 1.

2. Instructions

a. Table 1 – Vested Assets

(1) Column 1 – enter a brief description of the purpose for the ash disbursements. The descriptions should be the same as the descriptions shown on the Spen ling Plans (Appendix D).

(2) Column 2 – enter a brief description of the recipients of the ash disbursements. The detail information regarding the entity receiving the cash disburseme s is required as part of the supporting documentation to the disbursement vouchers as provided f r in the Allocation and Disbursement Procedures for CPA (Appendix E).

(3) Column 3 – enter the dollar amount of the cash disbursem nts. NOTE: the total of Column 3 will be reported on the Monthly Inventory Report of Veste and Seized Assets, Line 1.A.2 (Appendix F).

b. Table 2 – Seized Assets

(1) Column 1 – enter a brief description of the purpose for the ash disbursements. The descriptions should be the same as the descriptions as shown or the Spending Plans (Appendix D).

(2) Column 2 – enter a brief description of the recipients of the ash disbursements. The detail information regarding the individual recipients of the ash disbursements is required as part of the supporting documentation to the disbursement vou ers as provided for in the Allocation and Disbursement Procedures for CPA (Appendix E).

(3) Column 3 – enter the dollar amount of the cash disbursem nts. NOTE: the total of Column 3 will be reported on the Monthly Inventory Report of Vested and Seized Assets, Line 2.A.6 (Appendix F).

Attachm nt 1

SAMPLE

MONTHLY DISBURSEMENT REPORT
FOR THE MONTH ENDING _____, 2003

1. VESTED ASSETS

1. PURPOSE	2. RECIPIENTS	3. AMOUNT
Monthly Payroll	Iraqi Oil Workers	$25,000,000.00
Security Alarms	Iraqi Museum	$50,000,000.00
TOTAL		$75,000,000.00

2. SEIZED ASSETS

1. PURPOSE	2. RECIPIENTS	3. AMOUNT
Monthly Payroll	Iraqi Oil Workers	$25,000,000.00
Security Alarms	Iraqi Museum	$50,000,000.00
TOTAL		$75,000,000.00

Disbursing Officer, CPA DATE

APPENDIX H

REPORTING OF VESTED AND SEIZED ASSETS ON DOD FINANCIAL STATEMI NTS

A. Applicability. This appendix addresses the duties, responsibilities, and procedures to be fo owed by the United States Army (USA) and the Defense Finance and Accounting Service (DF S) in preparing consolidated financial statements in support of the Iraqi vested and seized assets.

B. Responsibilities. The Army and DFAS are responsible for reporting activity of vested and eized assets on the Department of Defense (DoD) consolidated financial statements.

C. Procedures.

1. The Department's fiduciary activity for seized Iraqi assets shall be reported n the Department of Defense (DoD) consolidated financial statements and the Department of the Army financial statements. Fiduciary activities relate to the receipt, management, and disposition c Iraqi cash and negotiable instruments held by the DoD. The DoD consolidated financial statemer s and Army financial statements shall include a "Statement of Custodial Activity" which shall p esent separate lines for Iraqi seized assets. The required format is attached. In the "Balance She t" the portion of the "Fund Balance with Treasury" account representing Iraqi seized assets shall be re orted as "Non-entity Seized Iraqi Cash" on the face of the DoD consolidated and Army balance heets separate from entity assets. The required format is attached. The Notes to the financial stat nents shall contain sufficient disclosure to provide the reader with an understanding of the source of the seized assets, applicable laws and regulations, and how the assets were used.

2. Iraqi vested assets shall be accounted for using the current requirements for Army g neral fund accounting found in the DoD Financial Management Regulation. Iraqi vested assets s all be included in the general fund financial statements of the Army and the DoD consolidated fi ancial statements. Iraqi vested assets will be distinguishable from other Army assets only in the footn tes to the financial statements. Iraqi vested assets shall not be reported on a statement of custodial a tivity. The Notes to the financial statements shall contain sufficient disclosure to provide the reader w ith an understanding of the source of the vested assets, applicable laws and regulations, and how the assets were used.

3. Funds control at the transaction level shall be performed along with appropriate i ternal controls in order to provide management with the visibility and the tools necessary to nsure appropriate use of Iraqi funds. Accounting and funds control is the joint responsibility of C alition Provisional Authority (CPA), the Defense Finance and Accounting Service and the Departmen of the Army.

4. Examples of the United States Standard General Ledger entries required to prod ce the Statements of Custodial Activity for seized assets follow. Other transactions not depicted ma occur and require posting to the general ledger. The Directorate for Accounting and Finance Poli y and

Analysis must approve additional transaction types and their mapping to the Statements of Cus odial Activity.

a. Seized Assets

1. Transaction: The Disbursing Officer processes a cash collection vc ucher (SF 1131) crediting account 21 X 6095 S12107 based on funds validated by the Federal Re serve Bank. The SF 1131 is processed in the STANFINS to record the cash collection as a DO dep sit.

General Ledger Entries

Budgetary Entry:
None

Proprietary Entries
Debit 1010 Fund Balance With Treasury
Credit 5900 Other Revenue

Debit 5990 Collections for Others
Credit 2980 Custodial Liability

2. Transaction: CPA notifies OUSD(C) of need for funds by providin; copies of CPA approved spending plan and the DO prepares a SF 1081 (Voucher and Schedu e of Withdrawals and Credits) to transfer the required amount from the collection account to the disbursement account.

General Ledger Entries

Budgetary Entry:
None

Proprietary Entries:
Debit 2980 Custodial Liability 2980 (For DO account 21 X 6095 S12107)
Credit 1010 Fund Balance With Treasury

Debit 1010 Fund Balance With Treasury (For DO account 21 X 6098 S09076)
Credit 2980 Custodial Liability

3. Transaction: CPA certifies funds for payment and the DO processe disbursements using either an SF44 or an SF 1034 citing DO account 21 X 6098 S09076.

General Ledger Entries

Budgetary Entry:
None

Proprietary Entry:
Debit 2980 Custodial Liability 2980
Credit 1010 Fund Balance With Treasury

The above entries would be reflected on a Statement of Custodial Activity for Seized Assets a follows:

"STATEMENT OF CUSTODIAL ACTIVITY"

SOURCE OF COLLECTIONS	
Seized Iraqi Cash (source USSGL Account 5990 balance)	$10,0 0
Total Custodial Collections	$10,0 0
DISPOSITION OF COLLECTIONS	
Seized Assets Disbursed on behalf of the Iraqi People (Debits to USSGL Account 2980)	$2,0 0
Seized Assets Retained for future support of the Iraqi People (Balance of USSGL Account 2980)	$8,0 0
Total Disposition of Collections	$10,0 0
NET CUSTODIAL COLLECTION ACTIVITY	0

D. The Notes to the Financial Statements must contain an explanation of the cus dial activity. For example, Note 2, "Nonentity and Entity Assets," must include an explanation f r the Iraqi custodial assets that identifies them as nonentity assets. Note 23, "Disclosures Related) the Statement of Custodial Activity," must contain explanations of how the Iraqi assets are eing used. Note 23 must contain a description of the fiduciary relationship, e.g., the applicable egal authority, the objectives of the fiduciary activity, and specify that the assets are held to assi t the Iraqi people and assist in the reconstruction of Iraq. The CPA will provide language for incl sion in Note 23 regarding explanations of how the Iraqi assets are being used.

Department of Defense
Agency Wide (Format also to be used for Army financial statements)
CONSOLIDATED BALANCE SHEET

	2003 Consolidated	2002 Consolidate l
1. ASSETS (Note 2)		
A. Intragovernmental:		
1. Fund Balance with Treasury (Note 3)		
a. Entity	$ 0.00	$ 0
c. Non-Entity Seized Iraqi Cash	0.00	0
d. Non-Entity-Other	0.00	0
2. Investments (Note 4)	0.00	0
3. Accounts Receivable (Note 5)	0.00	0
4. Other Assets (Note 6)	0.00	0
5. Total Intragovernmental Assets	$ 0.00	$ 0
B. Cash and Other Monetary Assets (Note 7)	$ 0.00	$ 0
C. Accounts Receivable (Note 5)	0.00	0
D. Loans Receivable (Note 8)	0.00	0
E. Inventory and Related Property (Note 9)	0.00	0
F. General Property, Plant and Equipment (Note 10)	0.00	0
G. Other Assets (Note 6)	0.00	0
H. Investments (Note 4)	0.00	0
2. TOTAL ASSETS	$ 0.00	$ 0
3. LIABILITIES (Note 11)		
A. Intragovernmental:		
1. Accounts Payable (Note 12)	$ 0.00	$ 0
2. Debt (Note 13)	0.00	0
3. Environmental Liabilities (Note 14)	0.00	0
4. Other Liabilities (Note 15 & Note 16)	0.00	0
5. Total Intragovernmental Liabilities	$ 0.00	$ 0
B. Accounts Payable (Note 12)	$ 0.00	$ 0
C. Military Retirement Benefits and Other Employment-Related Actuarial Liabilities (Note 17)	0.00	0
D. Environmental Liabilities (Note 14)	0.00	0
E. Loan Guarantee Liability (Note 8)	0.00	0
F. Other Liabilities (Note 15 & Note 16)	0.00	0
G. Debt Held by Public (Note 13)	0.00	0
4. TOTAL LIABILITIES	$ 0.00	$ 0
5. NET POSITION		
A. Unexpended Appropriations (Note 18)	$ 0.00	$ 0
B. Cumulative Results of Operations	0.00	0
6. TOTAL NET POSITION	$ 0.00	$ 0
7. TOTAL LIABILITIES AND NET POSITION	$ 0.00	$ 0

Department of Defense
Agency Wide (Format also to be used for Army Financial Statements)
STATEMENT OF CUSTODIAL ACTIVITY

		2003 Combined	2002 Combined
1.SOURCE OF COLLECTIONS			
A. Deposits by Foreign Governments	$	0 $	0
C. Seized Iraqi Cash	$	0 $	0
D. Other Collections	$	0 $	0
E. Total Cash Collections	$	0 $	0
F. Accrual Adjustments (+/-)	$	0 $	0
G. Total Custodial Collections	$	0 $	0
2.DISPOSITION OF COLLECTIONS			
A. Disbursed on Behalf of Foreign Governments and International Organizations	$	0 $	0
		0 $	0
C. Seized Assets Disbursed on behalf of Iraqi People	$	0 $	0
D. Increase (Decrease) in Amounts to be Transferred	$	0 $	0
E. Collections Used for Refunds and Other Payments	$	0 $	0
F. Retained by The Reporting Entity	$	0 $	0
H. Seized Assets Retained for Future Support of the Iraqi People	$	0 $	0
I. Total Disposition of Collections	$	0 $	0
3. NET CUSTODIAL COLLECTION ACTIVITY	$	0 $	0