

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Montana State Office
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In Reply To:

1372 (934.TB) P

April 21, 2003

EMAIL TRANSMISSION – 04/22/03
Instruction Memorandum No. MT-2003-036
Expires: 09/30/04

To: State Management Team
From: Deputy State Director, Division of Support Services
Subject: Collection and Cashier Designations for BLM Employees, Volunteers,
Contract Workers, and Seasonal Employees

Any BLM employee, volunteer, or contract workers who collects, handles, or transports federal funds as a routine part of their job must be designated as a collection officer. Any BLM employee, volunteer, or contract workers who uses a change-making fund for cash sales must be designated as a cashier.

Collection officer designations are made through the State Office. To designate an individual as a collection officer, send a memorandum (Attachment 1) to the Deputy State Director, Division of Support Services, indicating that the individual has been designated and has been properly trained. This memorandum must be signed by the supervisor and the Field Manager, as well as the individual, acknowledging that training has taken place and the individual is willing to accept the responsibilities/liabilities associated with the function. When an individual ceases to perform these duties, send a memorandum to the Deputy State Director, Division of Support Services, revoking the designation (Attachment 2).

Cashier designations must be made by the National Business Center (any individual designated as a cashier must also be designated as a collection officer). Send a memorandum (Attachment 3) to BC621 requesting that the individual be designated as a Class "D" change-making cashier. A memorandum authorizing the designation will be returned to the supervisor to be counter-signed by the individual. By signing, the individual acknowledges he/she is familiar with the duties and responsibilities. If a change-making fund is being transferred from an existing cashier to the new cashier, note this in the memorandum. If the establishment of a new change-making fund is needed, this must be requested in the memorandum as well.

There are additional requirements concerning volunteers, contract workers, and associations when collections are involved:

1. Procedures and responsibilities for federal fees collected by **contract workers and associations** must be detailed in the contract. The contract workers must purchase a bond and show proof of bonding. Contract workers/associations who collect fees must be given a notice of liability, clearly informing them of the risk they assume for federal funds when they assume the duties of collection officers. The notice must be signed by the contract workers/associations and a copy retained in the office. The notice must contain the following clause:

I certify that I have received adequate training on the proper handling and safeguarding of government funds in my possession and understand that I am automatically liable for any loss or shortage of such funds.

2. The designation of a **volunteer** to collect fees will be authorized in the Individual Volunteer Agreement, BLM form 1114-4. Volunteers who collect fees must be given a notice of liability, clearly informing the volunteer of the risk he/she assumes for federal funds when assuming the duties of a collection officer. The notice must be signed by the volunteer and a copy retained in the office. The notice must include the following clause:

I certify that I have received adequate training on the proper handling and safeguarding of government funds in my possession and understand that I am automatically liable for any loss or shortage of such funds. However, I may be relieved of such liability if the loss occurred without fault or negligence on my part and while I was acting in the discharge of my official duties.

Volunteers collecting federal fees are covered by a surety bond (contracted by the Washington Office on a yearly basis). The bond covers a loss of \$10,000 per incident with a \$250 deductible. The BLM may grant relief to volunteer collection officers from nonnegligent loss of funds up to \$750; losses in excess of \$750 must be referred to the Comptroller General for decision. The office to which the volunteer is assigned shall be responsible for providing a funding source for relieved losses. For additional information regarding volunteers refer to BLM Manual 1114.

The Federal Government does not provide surety bond coverage for BLM employees. All BLM employees having collections in their custody are personally liable for irregularities, shortages, or loss of public funds. Managers are responsible for ensuring that procedures are in place, training is provided, and facilities are adequately safeguarded. This places personal liability on managers as well as designated employees. Managers and employees who desire to do so may obtain a personal bond at their own expense; however, there is no requirement for such a bond.

If another agency employee is designated as a collection officer with their own agency, they do not need to be designated as a collection officer with BLM. However, if they are to have a BLM change-making fund, they must be designated as a collection officer and Class "D" change-making cashier with BLM.

Collection duties must be addressed in intra- or interagency agreements. The agreement must include who is designated and who is responsible for collections for each agency. Only BLM employees can make deposits (FAR Subpart 7.503). Volunteers, contract workers, associations, and other agency employees are prohibited from making BLM deposits.

The functions of receipting, depositing, and reviewing must be kept separate and performed by different employees to ensure proper separation of duties. One person may perform no more than two of the three functions. Pending is a memorandum from NBC requiring that a third-party review be conducted by an independent party on a monthly basis. To help ensure proper separation of duty, the Bureauwide Collection and Billings System (CBS) limits the roles any one user can have. Requests for users to be established in CBS must be sent to the National Business Center, CBS Help Desk (Attachment 4). Requests to change the roles in CBS must also be sent to the CBS Help Desk.

No formal introductory training exists for collection officers and cashiers. Training should be provided by the supervisor or collections personnel in the office of jurisdiction. State Office collection personnel are available to assist with training, as needed. Introductory training should include the following:

- how to make change (if applicable)
- receipting
- reconciliation processes
- transmitting funds
- safeguarding funds
- deposit procedures (if applicable)
- credit card processing

If you have any questions regarding collection functions and designations, please contact Teri Bakken at (406) 896-5069.

Signed by: Diane M. Friez, Acting

Authenticated by: Laura Schmier (MT-932)

4 Attachments

- 1-Notice of Designation (1 p)
- 2-Revocation of Collection Officer Designation (1 p)
- 3-Designation of Class "D" Cashier & Establishment of Change-Making Fund (1 p)
- 4-CBS User Certification (2 pp)

Distribution w/attms.

Assistant Field Manager, Glasgow Field Station

Assistant Field Manager, Havre Field Station

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

In Reply Refer To:
1384 ()

Memorandum

To: Deputy State Director, Division of Support Services
Through: (Field Manager or Branch Chief)
From: (Supervisor)
Subject: Notice of Designation

In accordance with the Bureau's recommendation, [name] has been designated as a collection officer effective [date]. A general description of the functions of accountable officers and agents is contained in BLM Manual 1384 and in the Collections Reference Guide dated April 6, 1998. The specific criteria for collection officers are in BLM Manual 1382.

[Name] is familiar with the contents of the BLM Manual concerning the responsibilities/liabilities of their duties. Also, since the Federal Government no longer provides surety bond coverage, the employee is aware that, if found responsible, employees may be held liable for irregularities, shortages, or losses of public funds. Accountable officers and agents who desire to do so may obtain a personal bond at their own expense; however, there is no requirement for such a bond.

Signing this memorandum certifies that the employee has been advised of his/her duties and responsibilities; accepts the responsibilities/liabilities; has been trained in collection procedures; and has been furnished adequate facilities for safeguarding public funds.

Employee

Date

Supervisor

Date

DSD, Division of Support Services Approval

Date

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

In Reply Refer To:
1384 ()

Memorandum

To: Deputy State Director, Division of Support Services
Through: (Field Manager or Branch Chief)
From: (Supervisor)
Subject: Revocation of Collection Officer Designation

Effective [date], please revoke [name] as a collection officer. If you have any questions regarding this request, please contact [name and phone number].

Field Manager's Signature

For State Office use only:

[] Designation Revoked

(DSD, Division of Support Services)

(Date)

Attachment 2

SAMPLE – CASHIER DESIGNATION MEMO

1385 ()

Memorandum

To: Director (BC-621)

From: Field Manager or Deputy State Director, Division of Support Services

Subject: Designation of Class "D" Cashier and Establishment of Change-Making Fund

Effective immediately, please designate [name, title], as a Principle Class "D" change-making cashier. This memorandum also requests the establishment of a change-making fund in the amount of [amount].

Should you have any questions regarding this request, please contact [name and phone number].

CBS USER CERTIFICATION

Date:

Name of CBS User: _____
(Please Print name)

Office Code:

Name of Supervisor: _____
(Please Print name)

Office Code:

Please check roles for CBS User:

MAIL ROOM FUNCTIONS

- Mail Room Entry
- Mail Room Verification

COLLECTIONS FUNCTIONS

- Payment
- AR Quick Pay
- IAC Pending Transactions
- New Transaction
- Update Transaction
- Reprint Receipt
- DDA Update - adding authorized users and applying payments to DDA accounts
- Reconcile - User Daily
- Update Customer
- Bill Search - to edit bills, apply late charges and payments

ACCOUNTING FUNCTIONS

- Demand Letters - for Accounts Receivable Bills
- Collection Transmittal - to forward checks to NBC or other offices (should not be mail room employee)
- Return Remittance - to return checks to the customer (should not be mail room employee)
- Deposit Cash / Check
- Deposit Foreign Check
- Reprint Deposit Ticket
- Deposit Transfer - for offices without deposit authority, to send deposit to a depositing office.
- New Customer
- Fix LR2000 Rejects - One or two employees in each state office, should not be an LR2000 person
- Reconcile - Nonuser Daily
- Reconcile - Office Daily
- Transfer/Reversal - Transfers, Credit Card Credits, IPACs, Debit Vouchers and Refund Processing

Report Data Changes - report additions, deletions or corrections to the CBS database, should be coordinated with state office accounts staff

CD LOC Log - employees with responsibility for tracking Certificates of Deposit and Letters of Credit

Collection Acceptance - transfers responsibility from mail room staff to accounts staff

DDA Create - Declining Deposit Accounts (funds given to BLM to hold until the customer wants a product)

DDA Transfer

Subscriptions - charges against DDA accounts for repetitive mailings (under Systems Management)

Update Office - to update the office address which prints on bills and receipts (under Systems Management)

Delete Mail Room Entry - should not be given to mail room employees

BILLING FUNCTIONS

New Bill - employees responsible for creating bills to be sent to customers

Bill Search - to edit bills, apply late charges and payments

REFUNDS FUNCTIONS

Refund Authorization - specialist who has authority to authorize refunds

SUPERVISORY OVERSIGHT FUNCTIONS

Refund Approval - supervisor of employee processing refunds

Bill Waivers - Delegated to Field Office Manager

Reprint Deposit Ticket

ALL EMPLOYEES

Change Password

Reports

Report Error to CBS Staff

Due diligence should be used when selecting roles to maintain a proper separation of duties. The three main functions of collections are Receiving, Receipting and Depositing. Receiving is taking funds in over the counter or in the mail room. Receipting is entering the funds in CBS and creating a receipt for the customer. Depositing is creating the deposit in CBS and taking or sending the funds to the bank or Federal Reserve. A proper separation allows for one employee to do two of the three functions but not all three. If all three are performed by one employee, a supervisor must do a third party review.

Signature of Supervisor:

Date

Please fax completed form to Business Center at (303) 236-7124, attention CBS Help Desk. Questions about separation of duties may be addressed to Dorothy Butler at (303) 236-6332 or Chris Turner at (303) 236-6316.