

CASH MANAGEMENT POLICIES AND PROCEDURES HANDBOOK

APPENDIX B. TRAVELER CHECKS

Section 1.0 General

The general policy regarding traveler checks is to minimize, but not prohibit, their use. Travelers are encouraged to use travel credit cards to pay for travel expenses to the maximum extent possible. If a traveler receives a travel advance in excess of \$100 from an imprest fund, the advance should be made in the form of a traveler check if the imprest fund has them available. Imprest funds may, but are not required to, maintain a supply of traveler checks. When a traveler receives a travel advance in cash, the traveler may use the advance to purchase traveler checks from commercial sources if desired. The traveler check issue fee may be claimed on the traveler Travel Voucher. In those instances where operational necessity or convenience require that organizational units maintain physical stocks of traveler checks, such traveler checks shall only be stored in, and be issued by, approved imprest funds.

Section 2.0 Background

The Department of Commerce has contracted with Citibank for the issuance of traveler checks to employees on official travel. The checks are to be used by Departmental employees to cover subsistence and other allowable travel and minor transportation expenses while on official travel when such expenses cannot be paid by a travel card.

Section 3.0 Policy

The following policies apply to imprest funds maintaining and issuing traveler checks and to employees serviced by those imprest funds:

- The imprest fund cashier must obtain approval from the organization unit's finance officer to implement the traveler check program.
- Travel advances in the form of traveler checks will be issued at no cost to the employee.
- Imprest fund custodians may maintain traveler checks in denominations as required, with a minimum denomination amount of \$50.
- Such traveler checks shall be protected and controlled in the same manner as currency.
- Employee requests for authorized travel advances should only be sent to the servicing finance office when the employee requires the travel advance in the form of a Treasury check or direct deposit.

- Obtaining a travel advance in the form of traveler checks does not affect the established limits on the total amount that can be advanced to an individual or the amount that can be advanced for each day of travel. These limits are prescribed in the DOC Travel Handbook.
- The imprest fund's operating pertaining to traveler checks will consist of issuing checks only. Cashiers will not process denomination exchanges; issue refunds for lost, stolen, or damaged checks; issue refunds or reduce a traveler advance liability for unused checks; nor otherwise deal with the traveler checks once they have been issued to the traveler or the traveler agents (an employee designated by the traveler to pick up the advance).
- Traveler checks may not be used to provide advances to interviewees.

Section 4.0 Liability

.01 Cashier

The Comptroller General has ruled (B-208604, dated April 9, 1985) that blank traveler checks issued to an imprest cashier, or any other accountable officer, constitute official Government funds. Accountable officers are automatically and strictly liable for Government funds entrusted to them. Therefore, the traveler checks must be received, stored, safeguarded, issued, replenished, and accounted for by the cashier with the same care, consideration, and liability as other official Government funds.

.02 Traveler

Travelers receiving traveler checks as all or part of a travel advance are personally accountable for the funds advanced (DOC Travel Handbook, 301-10.1(d)). However, under the terms of Citibank's Traveler Checks Purchase Agreements, travelers who receive their travel advances in the form of traveler checks may be reimbursed by Citibank for traveler checks lost or stolen, if the applicable provisions of the purchase agreement are followed. Travel advances obtained from an imprest fund in the form of traveler checks must be repaid or accounted for in the same manner as if the travel advance were issued in cash. To repay a travel advance, a personal check or money order must be sent to the voucher processing center with the travel voucher or an explanatory memorandum if the trip was canceled. For the traveler financial safety, traveler checks are not to be sent to the travel payment centers or returned to an imprest fund cashier. Whether the employee completes the scheduled business trip, or cancels the trip for whatever reason, the employee should cash the issued traveler checks and voucher for the advance/trip as would normally be the case if an advance were obtained in the form of cash or Treasury check.

Section 5.0 General Procedures and Responsibilities

.01 Resource Materials

- (a). [General Services Administration, Travel Card Program Website](#).
- (b). [Volume 41, Code of Federal Regulations, Part 301-73.100 Subpart B](#) “*Travel Service and Travel Management Service*”, and Subpart D, “*Travel Payment System*.”
- (c). Department of Commerce/ Citibank Trust Agreement.
- (d). Citibank - Traveler Checks - Sales and Operating Procedures Manual.

.02 Procedures to Implement Program

For detailed procedures on how to implement the traveler checks program at any particular imprest fund location see Department of Commerce, Cash Management Appendix B, **Exhibit B-1**, “*Citibank Traveler Check Program Implementation Procedures*”.

.03 Responsibilities for Issuing Traveler Checks

a. Traveler/Agent Signs:

- The [CD-369, Travel Advance](#), verifying the transaction and indicating the receipt of the travel advance;
- An imprest fund transaction register; and
- The traveler check purchase agreement.

b. Cashier Issues:

- Traveler checks in the maximum advance amount available;
- Cash, if necessary, to equal the total amount of the travel advance authorized;
- Purchaser's copy of the purchase agreement;
- A wallet for the traveler checks; and
- A reminder insert listing traveler responsibilities concerning protection of the traveler checks (see below).

c. Traveler Responsibilities:

- Immediately sign each traveler check in the upper left hand corner and keep the checks in a safe place;
- Read carefully the conditions on the reverse side of the purchase agreement;
- Keep the purchase agreement(s) in a safe place but separate from the checks themselves. The purchase agreement is needed to obtain a pre-authorized refund in case the checks are lost or stolen; and
- Countersign each check only at the time of use and only in the presence of the person accepting it.

d. Cashier Responsibilities:

- Verify the shipment contents against the trust receipt agreement which identifies the serial numbers of the checks, denominations, and dollar amount. Immediately notify Citibank by telephone and follow-up in writing, of any discrepancies or sign and date the agreement and return the original to Citibank. Maintain appropriate copies;
- Log the receipt of the shipment, by denomination, and dollar amounts, in the Traveler Check Register provided by Citibank;
- Store the traveler checks in a secure safe;
- Maintain an inventory record, using the Citibank Traveler Check Register, to account for new shipments received, advances to alternates and sub-cashiers, daily issuances, and checks returned to Citibank for destruction;
- Issue checks from the inventory on a first-in, first-out basis to facilitate reconciliations with physical inventories;
- Maintain in a file the following documents or copies of documents:
 - o Trust Receipt Agreements;
 - o Paid CD-369, Travel Advance;
 - o Purchase agreement;
 - o Citibank Traveler Checks Remittance Summary;

- o Replenishment orders;
 - o Letters transmitting spoiled or damaged checks for destruction;
 - o Citibank's monthly computer printout of traveler check inventory;
 - o Paid unadvised inquiry letters and responses; and
 - o Reconciliation statements of the physical inventory to the check register and the monthly computer printout of Citibank traveler checks.
- Issue, as necessary, advances of traveler checks to alternates/sub-cashiers and obtain a signed receipt. The advances to alternates/sub-cashiers are to be recorded in the traveler check register. Accounting for traveler checks issued will be accomplished daily by turning over all processed [CD-369, Travel Advance](#) forms; and reconcile, at least monthly, the physical inventory of the traveler checks on-hand, by denomination and pack size, to the Citibank Traveler Check Register, and the monthly inventory computer print-out provided by Citicorp. This monthly reconciliation must be verified by the cashier's immediate supervisor each month.

Section 6.0 Internal Controls

Organization unit finance officers should establish the following minimum internal controls and procedures:

- (a). Provide approval only to established imprest fund sites where it is found to be cost-effective and desirable to begin implementation of the traveler check program.
- (b). Establish a ceiling on the dollar value of traveler checks a cashier can order and maintain. Consideration should be given to travel advance activity, traveler check inventory turnover, and physical safeguards at the imprest fund site.
- (c). Prohibit the issuance of traveler checks for a use other than as a travel advance. Emergency situations which arise should be resolved with the BankCard, convenience checks, and, when implemented, third-party drafts.
- (d). Allow sufficient lead time to place replenishment orders so as to maintain a minimum inventory of at least a two-weeks supply.

(e). Prohibit the payment of traveler checks to Citibank, by any means other than through the agency's payment system.

(f). Designate an ordering official, outside of the imprest fund organization, who is responsible for reviewing the dollar value of the replenishment order and the frequency of each replenishment order. The review will ensure that the maximum dollar value of traveler checks maintained by the imprest fund cashier is not exceeded. The ordering official is responsible for forwarding the replenishment order to Citibank.

(g). Investigate and take appropriate action to follow-up on the circumstances surrounding the issuance, by Citibank of a "Paid Unadvised Inquiry." This inquiry letter documents the use of traveler checks for which Citibank has not received a corresponding purchase agreement and/or payment. The Paid Unadvised Inquiry is sent by Citibank directly to the cashier/agent for assistance in resolving the problem. A copy of the inquiry letter is also provided to a central point within the Department, and will be forwarded to the organization unit finance officer immediately upon receipt for appropriate follow-up action.

(h). Ensure that the cash verification process, required during the quarterly reviews, includes a reconciliation of the traveler check portion of the fund. Reconciliations must include a verification of the physical inventory of traveler checks, against the Citibank inventory control. All discrepancies must be resolved. Paid Unadvised Inquiries, furnished by Citibank, must be verified to determine whether or not any traveler checks have been cashed outside of the system.

(i). All traveler checks should be issued directly to the responsible cashier. Cashiers issuing checks to sub-cashiers should be minimized.

Appendix B
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CITIBANK TRAVELER CHECK PROGRAM IMPLEMENTATION PROCEDURES

1. The organization unit finance officer will prepare a letter to Ms. Ina Schlobohm, Citibank, 750 Washington Boulevard, 7th Floor, Stamford, CT 06901, (203) 975-6248. The letter should indicate the organization unit's intent to enter the traveler check program under GSA contract number GS-23F98-006, as modified for the Department of Commerce. The letter must contain the following information:

- Name of the individual designated as the selling agent (imprest fund cashier);
- The individual's specific street address, including room number;
- The individual's telephone number;
- Estimated annual dollar volume of traveler checks to be issued; and
- Dollar amount of initial shipment of checks expressed as a one (1) - or two (2)-month supply.

Send a copy of the letter to the Office of Financial Management, Room HCHB 6827, Washington, D.C. 20230.

2. Citibank Services will provide:

- Information for the establishment of the account; and
- The supplies and materials necessary to issue and account for the checks.

3. Prior to the issuance of any traveler checks, the servicing finance office must be provided with the following information: cashier's name, cashier's social security number, imprest fund code number, and Citibank agent number. A copy of this memorandum should also be forwarded to the Office of Financial Management at the above address.