NASA Procedural Requirements

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Subject: Cash Management and Improper Payments

Responsible Office: Office of the Chief Financial Officer

Appendix A. Definitions

A.1 **Accelerated Payment**. A payment made prior to the due date.

A.2 **Acceptance**. An acknowledgment by an authorized Government official that goods received and services rendered conform to the contract requirements. Acceptance also applies to partial deliveries.

A.3 **Accountable Officer**. A U.S. Government official or employee who, on behalf of the United States, receives and maintains public funds, certifies vouchers, or maintains or draws checks upon accounts of the United States, including those in depositary banks designated by the Secretary of the Treasury. Accountable Officers are individuals who either certify payments (certifying officers) or have physical custody of government funds. Accountable Officers include Certifying Officials, Disbursing Officers, and Government officials that handle public moneys, authorize disbursements and process collections

A.4 **Administrative Offset**. As defined in 31 U.S.C. 3701(a)(1), means withholding funds payable by the United States (including funds payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim. The payee may be a natural person or persons, profit or non-profit corporation, partnership, association, trust, estate, consortium, or other entity which is capable of owing a debt to the United States Government except that agencies of the United States or of any State or local government shall be excluded.

A.5 **Applicable Interest Rate**. The interest rate established by the Secretary of the Treasury for interest payments under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. S 611) which is in effect on the day after the due date, except where the interest penalty is prescribed by other governmental authority (e.g., utility tariffs). The rate established under the Contract Disputes Act is referred to as the "Renegotiation Board Interest Rate," the "Contract Disputes Act Interest Rate," and the "Prompt Payment Act Interest Rate," and is published semiannually by the Fiscal Service, Department of Treasury, in the Federal Register on or about January 1 and July 1.

A.6 **Approving Official**. An individual who reviews cardholder statement(s), is responsible for authorizing cardholder purchases (for official use only), and ensures that statement is reconciled and submitted to the designated billing office in a timely manner. This term also refers to an official who provides government acceptance of specific goods or services needed for invoice payment.

A.7 **Banking Information**. Information necessary to facilitate an EFT payment, including the vendor's bank account number, and the vendor financial institution's routing number.

A.8 **Cardholder**. The individual Government employee to whom a Government purchase card is issued. The card bears the employee's name and can be used only by that employee for official purchases, in compliance with the agency's policies and procedures and General Services Administration's Government Commercial Credit Card Services contract.

A.9 **Cardholder Statement**. A statement, listing all transactions during the billing period sent to each cardholder.

A.10 **Cash Flow**. Each category of (1) incoming funds, including specific program sources, travel reimbursements,

and collection of overpayments and (2) disbursements, including payroll, vendors, and travel.

A.11 **Cash Management**. Practices and techniques designed to accelerate and control collections, ensure prompt deposit of receipts, improve control over disbursement methods, and eliminate idle cash balances.

A.12 **Cash Management Review**. A comprehensive and ongoing study of an agency's cash-flows and corresponding cash management processes or mechanisms, conducted to identify opportunities for improvement in an agency's cash management practices.

A.13 **Certifying Officer**. An employee of NASA to whom Treasury has granted the authority to approve vouchers on NASA's behalf for payment.

A.14 **Check Custodians**. NASA employees that have authority granted by Treasury to handle Treasury checks and check stock.

A.15 **Collection Agent**. A NASA employee designated to collect all monies due NASA pursuant to properly prepared billing documentation and for the expeditious and proper disposition of all monies received.

A.16 **Collection Mechanism**. A tool or system by which monies are transferred or credited to a Federal Government agency from an outside source or from another Federal Government agency.

A.17 **Cutoff Time**. A time pre-designated by a financial institution beyond which transactions presented or actions requested will be deferred to the next banking day's business.

A.18 **Day**. A calendar day including weekend and holiday, unless otherwise indicated.

A.19 **Debtor**. Any person, organization, or entity, other than another Federal agency that owes an amount of money to NASA.

A.20 **Delegation of Authority**. Authority established with Treasury to request Treasury to appoint officials for disbursing functions. A written delegation issued by responsible agency personnel that establishes authorized cardholder(s), specifying spending and usage limitations unique to that cardholder.

A.21 **Delinquent Debt**. Debt not paid by the date specified in the initial written notification (e.g., 14 CFR Chapter 5 Sec. 1261.407) or applicable contractual agreement, (including a post-delinquency payment agreement) unless other payment arrangements have been made.

A.22 **Delivery Ticket**. A vendor document supplied at the time of delivery which indicates the items delivered. A delivery ticket may serve as a proper invoice if based on contractual agreement.

A.23 **Deposit**. Money presented to a financial institution for credit to NASA at the Treasury General Account in the Federal Reserve System.

A.24 **Depository**. A bank or other financial institution designated by FMS to receive monies for credit to the Treasury. This term refers to the Federal Reserve Banks (FRB's) and general depositaries, where deposits are made for credit to the account of Treasury.

A.25 **Designated Agents**. Individuals who receive and deliver checks drawn on NASA funds due and payable to others.

A.26 **Designated Authority**. Authority established with Treasury which will allow a person to perform the Certification of Vouchers and Payments, process disbursing data into the Treasury for payment.

A.27 **Designating Official**. A NASA employee to whom Treasury has granted authority to designate NASA employees as Certifying Officers, or Data Entry Operators who create payment certifications in the Treasury Secure Payment System.

A.28 **Disbursement Mechanism**. Any tool or system used to make payments.

A.29 **Discount**. An invoice payment reduction offered by the vendor for early payment.

A.30 **Discount Date**. The date by which a specified invoice payment reduction, or a discount, can be taken.

A.31 **Due Date**. The date on which Federal payments should be made.

A.32 **Duplicate Check Losses**. When a payee reports non-receipt of an original check, the government issues another, and both are negotiated.

A.33 **Electronic Commerce**. The integration of electronic-based systems to support common business processes. Electronic Commerce means the end to end electronic exchange of business information using electronic data interchange, electronic mail, electronic bulletin boards, electronic funds transfer, and similar technologies.

A.34 **Electronic Data Interchange**. The computer to computer exchange of routine business information in a standard format. The standard formats are developed and maintained by the Accredited Standards Committee of the

American National Standards Institute.

A.35 **Electronic Funds Transfer (EFT)**. Any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes, but is not limited to, Automated Clearing House and Fedwire transfers, Credit or Debit Card, or FMS' Intragovernmental Payment and Collection (IPAC) system.

A.36 **Emergency Payment**. A payment made under an emergency defined as a hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mud slide, snowstorm, drought, fire, explosion, or other catastrophe which requires Federal emergency assistance to supplement State and local efforts to save lives and property, and ensure public health and safety; and the release or threatened release of hazardous substances.

A.37 **Fast Payment**. A payment procedure under the Federal Acquisition Regulation at Part 13.4 which allows payment under limited conditions to a vendor prior to the Government's verification that supplies have been received and accepted.

A.38 **Fiscal Irregularity**. An irregularity involving a physical loss of funds or an improper payment.

A.39 **Foreign Currency**. Money of a country other than the United States.

A.40 **Foreign Exchange**. The system by which one currency is exchanged for another. This enables international transactions to take place.

A.41 **General Depositaries**. Designated commercial banks which have been specifically authorized by Treasury to maintain a demand account in the name of Treasury entitled "Treasury's General Account" for the purpose of accepting deposits for credit in such account.

A.42 **Government Purchase Card**. Internationally accepted credit card available to all Federal agencies under a single General Services Administration contract for the purpose of making small purchases of up to $25,000, with a minimum of paperwork. These credit card services are available under a contract awarded by GSA for Governmentwide use.

A.43 **Improper Payment**. The term improper payment means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. Improper payment includes any payment to an ineligible recipient, any payment for an ineligible service, any duplicate payment, payments for services not received, and any payment that does not account for credit for applicable discounts. When an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an error.

A.44 **Interim Payment**. Any payment that is not a commercial advance payment or a delivery payment. A commercial interim payment is given to the contractor after some work has been done, whereas a commercial advance payment is given to the contractor when no work has been done.

A.45 **Payment Date**. The date on which a check for payment is dated or the date of an EFT payment (settlement date). Payments by EFT mechanism will be made so as to be received by the contractor's financial institution by the established due date.

A.46 **Physical Loss**. A shortage of public funds in an account resulting from such things as (1) theft (burglary, robbery, embezzlement, etc.), (2) loss in shipment, and (3) destruction by fire, accident or natural disaster. An unexplained shortage (a shortage with no apparent reason or explanation) is also treated as a physical loss.

A.47 **Prevailing Rate of Exchange**. The most favorable rate legally available to the U.S. Government for the acquisition of foreign exchange for U.S. Government official disbursement and accommodation exchange transactions.

A.48 **Rebate**. A monetary incentive offered to the Government by Governmentwide commercial purchase card issuers to pay purchase card invoices early.

A.49 **Receiving Office**. The entity which physically receives the goods or services, and may be separate from the accepting entity.

A.50 **Receiving Report**. Written or electronic evidence of receipt of goods or services by a Government official.

A.51 **Recurring Payments**. Payments for services of a recurring nature, such as rents, building maintenance, transportation services, parking, leases, and maintenance for equipment, pagers and cellular phones, etc., which are performed under agency vendor agreements providing for payments of definite amounts at fixed periodic intervals.

A.52 **Referral for Litigation**. Referral through the NASA Headquarters or Center legal counsel to the Department of Justice (Main Justice or the United States Attorney, as appropriate) for legal proceedings.

A.53 **Systems, Applications and Products (SAP)**. Refers to the centralized agency-wide accounting system NASA uses as a part of the Integrated Enterprise Management Program (IEMP).

A.54 **Secure Payment System (SPS)**. FMS provides the SPS as a mechanism by which government agencies can create payment schedules in a secure fashion, and with a strictly enforced separation of duties using web based technology.

A.55 **Settlement Date**. For payments, the date the receiving financial institution's Federal Reserve account is credited and Treasury's account is debited. For collections, the date the Federal Reserve account of the remitter's financial institution is debited and the Treasury's account is credited.

A.56 **Small Purchase**. An acquisition of supplies, non-personal services or construction in the amount of $25,000 or less.

A.57 **Tokens**. Cryptographic keys or passwords for proving identity or disbursing cash.

A.58 **Taxpayer Identifying Number (TIN)**. The nine digit Employer Identifying Number or Social Security Number as defined in Section 6109 of the Internal Revenue Code of 1986 (26 U.S.C. 6109).

A.59 **Translate**. The act of determining U.S. dollar equivalents of foreign currency amounts.

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