



# Department of Veterans Affairs

## **Financial Policy**

### **Volume II**

#### **Appropriations, Funds, and Related Information**

### **Chapter 2J**

#### **Unclaimed Moneys**

**Approved:**

---

**Jon J. Rychalski**  
**Assistant Secretary for Management**  
**and Chief Financial Officer**

<b>0201 Overview.....</b>	<b>2</b>
<b>0202 Revisions.....</b>	<b>2</b>
<b>0203 Definitions .....</b>	<b>2</b>
<b>0204 Roles and Responsibilities .....</b>	<b>3</b>
<b>0205 Policies .....</b>	<b>3</b>
<b>020501 General Policies .....</b>	<b>3</b>
<b>020502 Identification of Unclaimed Moneys .....</b>	<b>3</b>
<b>020503 Disposition of Unclaimed Moneys .....</b>	<b>4</b>
<b>020504 Disposition Requirements .....</b>	<b>5</b>
<b>020505 Refunds .....</b>	<b>5</b>
<b>020506 Reporting Requirements.....</b>	<b>6</b>
<b>020507 Documentation Requirements.....</b>	<b>6</b>
<b>0206 Authorities and References .....</b>	<b>7</b>
<b>0207 Rescissions.....</b>	<b>7</b>
<b>0208 Questions .....</b>	<b>7</b>

## 0201 Overview

This chapter establishes the Department of Veterans Affairs (VA) financial policies regarding unclaimed moneys. Unclaimed moneys are funds belonging to individuals, businesses, or other entities that cannot be returned because the whereabouts of their rightful owners are unknown.

VA will comply with Treasury Financial Manual (TFM) Volume I, Part 6, Chapter 3000, Payments of Unclaimed Moneys and Refund of Moneys Erroneously Received and Covered, when processing unclaimed moneys. Refer to Volume VIII, Chapter 3, Agent Cashier Accountability Policy, for policy pertaining to funds lost and found on VA premises.

Key points covered in this chapter:

- Unclaimed moneys do not affect VA's budgetary resources;
- Unclaimed moneys cannot be used to pay obligations and expenditures;
- VA will investigate unclaimed moneys; and
- Funds that remain unclaimed for at least 12 months will be transferred to either Treasury's account, Payment of Unclaimed Moneys (020X6133), or VA's account, Forfeitures of Unclaimed Money and Property (036X1060).

## 0202 Revisions

Section	Revision	Office	Reason for Change	Effective Date
All	New Chapter	OFP (047G)	Provide policy on Unclaimed Moneys and related payments	March 2019

## 0203 Definitions

**Clearing (Suspense) Account** - An account established to temporarily hold funds that are later refunded or transferred once an administrative or final determination as to the proper disposition is made.

**Deposit Fund** - An account established by Treasury's Bureau of Fiscal Service (BFS) to record moneys that do not belong to the Federal Government.

**Forfeitures of Unclaimed Money and Property** - Unclaimed money and proceeds from the sale of abandoned or confiscated property. Account 036X1060 has been established to account for these funds.

**Revolving Fund** - A fund established by Congress to finance a cycle of business-like operations through amounts received by the fund. A revolving fund charges for the sale of products or services and uses the proceeds to finance its spending, usually on a self-sustaining basis. A revolving fund is a form of permanent appropriation.

**Uninvested Trust Fund** – Trust funds not invested in stocks, bonds, or other income-producing assets.

## **0204 Roles and Responsibilities**

**Administration and Staff Office Chief Financial Officers and Local Fiscal Staff** are responsible for appropriately researching, documenting, recording, and reporting of unclaimed moneys in a timely manner.

**Financial Services Center (FSC)** is responsible for providing support for the accounting and reporting of VA's unclaimed moneys, including posting, reconciling, and recording transactions related to unclaimed moneys, as requested.

## **0205 Policies**

### **020501 General Policies**

- A. Unclaimed moneys may include unclaimed funds of Veterans under the Armed Forces Leave Act, excess proceeds of withheld Veterans Administration foreign checks, unclaimed funds of patients and residents of VA hospitals, uncashed payroll checks, unidentified State and Local withheld taxes, customer overpayments, etc.
- B. VA will manage unclaimed moneys according to the provisions of 31 U.S.C. § 1322, Payments of unclaimed trust fund amounts and refund of amounts erroneously deposited, and the procedures issued by Treasury (TFM Volume 1, Part 6, Chapter 3000).

### **020502 Identification of Unclaimed Moneys**

VA finance staff that receive unidentified remittances, collections, and credits, shall research transactions and documentation to determine the proper

accounting treatment of these funds. VA staff will appropriately deposit moneys into an uninvested trust, revolving, deposit, or suspense fund account.

1. Finance staff at VA stations will continue researching unidentified funds to determine whether they should be transferred to appropriation based accounts or returned to the depositor or rightful owner.
2. If the money should be returned but can't because its rightful owner's whereabouts are unknown, VA will record the funds as unclaimed moneys.

### **020503 Disposition of Unclaimed Moneys**

- A. Each quarter, finance staff at VA stations will analyze the unclaimed moneys held in uninvested trust, revolving, and deposit fund accounts for more than one year. VA stations and FSC will also analyze moneys that remain in suspense accounts for more than 30 days.
- B. If all reasonable efforts have been exhausted in order to locate the rightful owners of the unclaimed moneys, finance staff at the stations will transfer the moneys to account Payment of Unclaimed Moneys (020X6133) or account Forfeitures of Unclaimed Money and Property (036X1060) based on the criteria stated in Section 020503 C and D.
- C. Funds recorded in account Payment of Unclaimed Moneys (020X6133) represent only moneys received by Government agencies from sources outside the Government that have been determined to be returnable. This account, as established, is to hold such moneys in trust for rightful owners. Accordingly, items transferred from VAs uninvested trust, revolving, or deposit fund accounts for transfer to account Payment of Unclaimed Moneys (020X6133) must meet ALL four of the following criteria:
  - Amount of \$25 or more;
  - A refund, upon claim, would be absolutely justified;
  - There is no doubt as to legal ownership of the funds; and
  - A named individual, business, or other entity can be identified as the rightful owner.

These items will constitute the active records of the agencies' subsidiary ledger for account Payment of Unclaimed Moneys (020X6133).

- D. VA will transfer those items not meeting the criteria to be recorded in account Payment of Unclaimed Moneys (020X6133) to account Forfeitures of Unclaimed Money and Property (036X1060). Account Forfeitures of

Unclaimed Money and Property (036X1060) is one of VA's miscellaneous receipt accounts.

#### **020504 Disposition Requirements**

- A. VA will accomplish the transfer of unclaimed moneys from VA's uninvested trust, revolving, deposit, and suspense fund accounts to account Payment of Unclaimed Moneys (020X6133) and account Forfeitures of Unclaimed Money and Property (036X1060) on Form 1017-G: Journal Voucher, or other comparable internal form without check issuance.
- B. The document transferring unclaimed balances to account Payment of Unclaimed Moneys (020X6133) must bear the notation "Unclaimed Balances." When clearing balances, VA must note on the basic supporting documents that it transferred funds for the individual items to account 020X6133.
- C. The document transferring unclaimed balances to account Forfeitures of Unclaimed Money and Property (036X1060) must list individually each amount of \$25 or more. VA must annotate amounts under \$25 being cleared with the notation "Unclaimed balances of less than \$25," and need only show the total amount.

#### **020505 Refunds**

If claims are received after the unclaimed moneys are transferred to account Payment of Unclaimed Moneys (020X6133) or account Forfeitures of Unclaimed Money and Property (036X1060), and the facts justify the return of funds, VA will return the moneys to the rightful owners.

- A. VA will process payments from account Payment of Unclaimed Moneys (020X6133) through VA's accounting system. Payments will be sent to Treasury via the normal payment files and later certified in Secure Payment System (SPS).
- B. FSC will report disbursements made from account Payment of Unclaimed Moneys (020X6133) in Central Accounting Reporting System (CARS).
- C. VA will pay the claims for items transferred to account Forfeitures of Unclaimed Money and Property (036X1060) from account Refunds of Moneys Erroneously Received and Covered (020X1807). Payments will be sent to Treasury via the normal payment files and later certified in Secure Payment System (SPS). Refer to Volume II, Chapter 7G, Refunds Issued by VA, for

policy pertaining to withdraws from account Refunds of Moneys Erroneously Received and Covered (020X1807).

### **020506 Reporting Requirements**

- A. VA will maintain its subsidiary ledgers and supporting documentation to ensure an accurate balance for account Payment of Unclaimed Moneys (020X6133) and account Forfeitures of Unclaimed Money and Property (036X1060).
- B. VA will respond to Treasury's requests and provide reports on transactions and/or balances pertaining to account Payment of Unclaimed Moneys (020X6133). On a quarterly basis, Treasury BFS will post the balance by agency to the BFS web page address:  
<https://www.treasurydirect.gov/govt/reports/tma/unclaimed.htm>. Treasury will assume the amounts recorded are correct if not receiving VA's correspondence within 60 days after the initial notification.
- C. If VA disputes Treasury's recorded amount, VA must provide supporting documentation so that Treasury can make necessary adjustments.

### **020507 Documentation Requirements**

- A. VA will comply with National Archives and Records Administration (NARA) to maintain financial management and reporting records for six years.
- B. VA will comply with Treasury's requirements to maintain adequate records in support of moneys being held for rightful owners. VA will:
  - Maintain memorandum accounts for Payment of Unclaimed Moneys (020X6133);
  - Maintain individual records of all items transferred to the miscellaneous receipt account Forfeitures of Unclaimed Money and Property (036X1060);
  - Maintain a file of paid disbursement voucher forms with supporting documents for payments made from accounts Payment of Unclaimed Moneys (020X6133) and Refunds of Moneys Erroneously Received and Covered (020X1807); and,
  - Make records available to internal auditors and auditors conducting onsite audits for Government Accountability Office (GAO).

## 0206 Authorities and References

Treasury Financial Manual (TFM), Volume 1, Part 6 — Chapter 3000, Payments of Unclaimed Moneys and Refund of Moneys Erroneously Received and Covered, Transmittal Letter 594

31 U.S.C. 1322, Payments of unclaimed trust fund amounts and refund of amounts erroneously deposited

Federal Accounts Symbols and Titles: The FAST Book, January 2019

A Glossary of Terms Used in the Federal Budget Process, September 2005

TFM, Volume 1, Part 2, Chapter 1500, Description of Accounts Relating to Financial Operations

TFM, Volume 1, Part 2, Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government

Statement of Federal Financial Accounting Standards 7: Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting

## 0207 Rescissions

None

## 0208 Questions

Questions concerning these policies and procedures should be directed as shown below:

VHA	VHA 10A3A Accounting Policy (Outlook)
VHA	VAFSC Nationwide Accounting (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
VBA	VAVBAWAS/CO/OPERATIONS (Outlook)
NCA	NCA Financial Policy Group (Outlook)
All Others	OFP Accounting Policy (Outlook)