

Issue Date: 03/01/2003

## **COLLECTIONS AND DEPOSITS PROCESSING**

---

### **I. Purpose**

This directive establishes the Department of Homeland Security (DHS) policy for collections and deposits processing.

### **II. Scope**

This directive applies to all DHS organizational elements serviced by the DHS Office of the Chief Financial Officer. All organizational elements that receive financial management support from another Federal agency or that have existing programs, should continue to use those procedures until a DHS-wide system is developed and implemented. Some collections for undercover investigative operations within specific DHS organizational elements are exempt by law.

### **III. Authorities**

This directive is governed by numerous Public Laws and national policy, such as:

- A. Homeland Security Act of 2002, Title IV, Sec.412, Retention of Customs Revenue Functions by Secretary of the Treasury.
- B. Tariff Act of 1930 (19 U.S.C. 1202).
- C. Trade Act of 1974 (19 U.S.C. 2101).
- D. Debt Collection Improvement Act of 1996 (DCIA) (31 U.S.C. 3332).
- E. 19 CFR 24, Customs Financial and Accounting Procedure.
- F. 31 CFR 206, Management of Federal Agency Receipts, Disbursements, and Operation of the Cash Management Improvements Fund.
- G. Treasury Directive 16-31, Collection and Deposit Activities of Federal Agencies, Designation of Depositories, Fiscal Agents and Financial Agents.
- H. Treasury Financial Manual, 1 TFM 5.

## IV. Definitions

A. **Collections**: money received by DHS for payment of a duty, tax, penalty, fine or other assessment.

## V. Responsibilities

A. The **Under Secretary for Management** shall be responsible for all aspects of this directive.

B. The **Chief Financial Officer** shall establish procedures with internal controls to ensure an effective and efficient process for handling deposits.

## VI. Policy & Procedures

A. **Policy**: Collections will be accepted by DHS using any of the following processes:

1. Automated Clearing House (ACH);
2. Electronic funds transfer;
3. Lockbox;
4. Mail;
5. Direct payment to an employee or agent of the Department authorized to receive collection items; and
6. Other means as determined appropriate by the Department of the Treasury.

B. **Procedures**: DHS will maintain a financial management system with internal controls to account for all collection items. Deposits of collection items will be in accordance with the TFM guidelines.

C. **Questions or Concerns Regarding the Process**: Any question or concerns regarding this directive should be addressed to the Office of the Under Secretary for Management.