

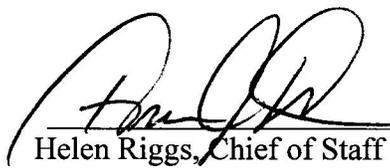
OST DIRECTIVES TRANSMITTAL SHEET

(Modified DI -416)

DOCUMENT IDENTIFICATION NUMBER	SUBJECT	RELEASE NUMBER
503 DS 3	Maintenance of a Penny Adjust Account	14-04
FOR FURTHER INFORMATION		DATE
Office of the Deputy Special Trustee – Trust Services		SEP 02 2014

EXPLANATION OF MATERIAL TRANSMITTED:

This chapter describes use of the Penny Adjust Account and its maintenance by the Office of Trust Funds Management within the Office of the Special Trustee for American Indians.

for  *ACTING*
Helen Riggs, Chief of Staff
Office of the Principal Deputy Special Trustee

FILING INSTRUCTIONS:

Remove & Replace: 923 OM 1

Insert: 503 DS 3

Office of the Special Trustee for American Indians
DIRECTIVES SYSTEM MANUAL

Part 503
Chapter 3

Trust Services
Maintenance of a Penny Adjust Account

Page 1

- 1.1 Purpose.** This chapter describes the use of the Penny Adjust Account (PENNYADJ).
- 1.2 Scope.** This policy is applicable to the processing of funds by Trust Funds Management (TFM) staff in the operations of Trust Systems maintained by the Office of the Special Trustee for American Indians (OST).
- 1.3 Policy.** The PENNYADJ is established to further OST's policy and commitment to maintain accounting systems that are consistent, effective, and efficient.
- 1.4 Authority.**
- A. The American Indian Trust Fund Management Reform Act of 1994,** 25 U.S.C. §4001 et seq., P.L. 103-412, as it relates to trust funds accounting.
 - B. 31 U.S.C. §3512,** sets forth required executive agency accounting and other financial management reports and plans.
- 1.5 Restricted Access.** Only the staff of TFM in the Central Office of OST is authorized to post to the PENNYADJ account.
- 1.6 Access Location.** The PENNYADJ is established and shall be maintained in OST's Trust Funds Accounting System (TFAS).
- 1.7 Standards and Requirements.**
- A. Posting Investment Income (Security or Overnighter).** The account is used for any rounding adjustment of \$0.99 or less resulting from the posting of income to account holders' accounts. When the rounding error is identified, the shortage or overage is posted to the PENNYADJ and a corresponding entry is made to an Investment income suspense or overnight income suspense account for the actual cash received.
 - B. Processing Corrections.** The PENNYADJ is used to process corrections, either overages or shortages, which are \$0.99 or less.
 - C. Exceptions.** Exceptions to this threshold can be made with the approval of the Deputy Special Trustee – Trust Services.
- 1.8 Annual Closure of the PENNYADJ.** On the last business day of September each year, the PENNYADJ shall be cleared to 'zero'. If the balance in the account is positive, the balance will be transferred to the U.S. Treasury as miscellaneous receipts. In the event the PENNYADJ is negative, Trust Funds Management will fund the negative balance through its Administrative Error Funds.