

CHAPTER 2. POLICIES AND STANDARDS

- 2-1. INTERNAL CONTROL REQUIREMENTS. Internal control requirements applicable throughout HUD are detailed in Handbook 1911.1 REV-4 (see Foreword). They are covered under the topics: (1) directing remittances to proper payee and receiving points; (2) prompt deposits; (3) prompt reporting of deposits; (4) separation of remittance processing and accounting duties; and (5) full view of mail opening. Exceptions to internal control standards may be made by the Director of the Office of Finance and Accounting (OFA) and the Regional Accounting Director (RAD), all exceptions shall be in writing.
- 2-2. PROMPT DEPOSITING REQUIREMENTS. Collections must be deposited within 24 hours of being received, except for bid deposits, compromises, and other collections that are required to be held for review. The prompt depositing of collections is mandatory under the Federal Statutes, the procedures of the Comptroller General of the United States, and the requirements of the Treasury Department.
- a. The Federal Statutes provide, in part, under 31 USC 484, as follows:
- "The gross amount of all monies received from whatever source for the use of the United States ... shall be paid by the office or agent receiving the same into the Treasury, at as early a day as practicable, without any abatement or deduction on account of salaries, fees, costs, charges, expenses, or claim of any description whatever ... "
- b. The requirements of the Comptroller General of the United States, in 7 GAO 3030.10, are as follows:
- "The interest of the United States can be best served by requiring, insofar as practicable, that all agencies and all accountable officers deposit daily the total amount of collections received by them."
- c. The wording "at as early a day as practicable" in the Federal Statutes, and "insofar as practicable" in the GAO requirements are qualifications intended to cover the obvious exceptions involving collections received

after bank closing hours, practicable on business days preceding Saturdays and holidays, which, by necessity, must be carried over to the next business day.

- 2-3. SAFEGUARDING REQUIREMENTS. The security provisions established by each Field Office will depend on local conditions, e.g., volume of collections and physical layout. See Reference (1) of the Foreword.
- a. Limit Employee Handling. It is the policy of HUD to limit the handling of funds and other valuables to as few employees as necessary to accomplish efficient and effective operations.
 - b. Limit Receiving and Depositing Points. In the Field, each location should maintain a single deposit activity. In addition, each location may have one or more remittance processing activities that receives, records, controls and transfers collections for deposit or processing by another organizational unit.
 - c. Minimum Security. The minimum physical security requirements are locking file cabinets (bar locks) where checks and other remittances are stored, and locking access doors of work areas where checks may be enclosed in unopened mail. See Chapter 10, Safeguarding Funds and Other Valuables.