

Treasury Forfeiture Fund

**Guide for Basic Accounting and Reporting  
Treasury Forfeiture Fund  
Effective Date: Fiscal Year 2013**

**UNITED STATES STANDARD GENERAL LEDGER DIVISION  
ACCOUNTING SYSTEMS AND STANDARDS DIRECTORATE  
GOVERNMENTWIDE ACCOUNTING  
FINANCIAL MANAGEMENT SERVICE  
U.S. DEPARTMENT OF TREASURY**

## Treasury Forfeiture Fund

<b>Version Number</b>	<b>Date</b>	<b>Description of Change</b>	<b>Effective USSGL TFM</b>	<b>Effective Date</b>
1.0	May 3, 2012	Initial Version	S2-12-03	FY 2013

# Treasury Forfeiture Fund

## **Background:**

Treasury Forfeiture Fund (TFF) is special fund expenditure account (20X5697) that receives non-tax forfeited assets as a result of law enforcement activities. The Treasury Forfeiture fund supports Federal State and Local law enforcement's use of asset forfeiture as a tool to deter criminal activity. Nontax forfeiture made by participating bureaus of Department of Treasury and Department of Homeland Security are deposited into the available receipt account (20-5697.001) associated with the fund expenditure account and automatically become part of the fund balance of the expenditure account. The revenue is available to pay or reimburse certain costs and expenses related to seizure and forfeitures that occur pursuant to laws enforced by the bureaus and other expenses authorized by 31 USC 9703. The TFF fund can provide money to other federal entities toward the accomplishment of specific objectives for which the recipient bureaus are authorized to spend money and for other authorized expenses.

The TFF continues to work with multi-Departmental bureaus in the interest of law enforcements which are components of Department of Treasury and Department of Homeland Security. The member bureau includes Internal Revenue Service's Criminal Investigation, the US Secret Service, Immigration and Customs Enforcement (ICE), and Customs and Border Protection (CBP) and Coast Guard.

In this guidance, two types of TFF disbursements are illustrated. One is the mandatory payment which is to reimburse costs associated with law enforcement investigations. The other is the super surplus distributions, which is made if there is any remaining unobligated balance at the end of the fiscal year after an amount is reserved for Fund operations for the next fiscal year. Super Surplus can be used for any federal law enforcement related purpose.

The TFF made a payment policy determination and made it known to multi-Departmental bureaus that

- 1) The mandatory payments to the bureaus from TFF will be reported as "Exchange" transaction
- 2) The Super Surplus payments will be reported as "Nonexchange" transaction. For the recipient accounts that receive expenditure transfers, the spending authority from offsetting collections should be coded as follows:
  - If the recipient account is classified as discretionary, then the spending authority from offsetting collections should be classified as discretionary. If the recipient account is classified as mandatory, then the spending authority from offsetting collections should be classified as mandatory except for administrative expenses, which are classified as discretionary.

## **Purpose:**

This guidance illustrates TFF disbursements and how it should be recorded by the recipient entities.

## Treasury Forfeiture Fund

### **Changes to Existing USSGL Accounts**

**Account Title:** Expenditure Transfers Receivable

**Account Number:** 1335

**Normal Balance:** Debit

**Definition:** The amount of financing sources receivable from a trust fund or a Federal fund (as defined by the Office of Management and Budget) resulting from a nonexchange transaction. This account does not close a yearend.

**Justification:** To be consistent with the USSGL account 5750 and 5760 definitions.

**Account Title:** Expenditure Transfers Payable

**Account Number:** 2155

**Normal Balance:** Credit

**Definition:** The amount of financing sources payable to a trust fund or a Federal fund (as defined by the Office of Management and Budget) that occurs as a result of a nonexchange transaction. This account does not close at yearend.

**Justification:** To be consistent with the USSGL account 5750 and 5760 definitions.

**Account Title:** Anticipated Expenditure Transfers from Trust Funds

**Account Number:** 4215

**Normal Balance:** Debit

**Definition:** The amount of anticipated appropriation expenditure transfers from a trust fund to a general fund during the fiscal year. In exceptional cases, this includes anticipated expenditure transfers to trust fund accounts, (for example, where the recipient account is a Limitation on Administrative Expenses trust fund) and anticipated expenditure transfers from a special fund (for example where the paying account is the Treasury Forfeiture Fund).

**Justification:** Treasury Forfeiture Fund is a special fund which makes expenditure transfers to various entities for seizure related activities and payments for law enforcement activity. The definition was expanded to include the Treasury Forfeiture Fund's activity.

## Treasury Forfeiture Fund

**Account Title:** Expenditure Transfers from Trust Funds – Receivable

**Account Number:** 4225

**Normal Balance:** Debit

**Definition:** The amount of expenditure transfers from a trust fund to a general fund, authorized by law but not yet collected. In exceptional cases, this includes expenditure transfers receivable in trust fund accounts (for example, where the recipient account is a Limitation on Administrative Expenses trust fund) and expenditure transfers receivable from a special fund (for example, where the paying account is the Treasury Forfeiture Fund). This account does not close at yearend.

**Justification:** Treasury Forfeiture Fund is a special fund which makes expenditure transfers to various entities for seizure related activities and payments for law enforcement activity. The definition was expanded to include the Treasury Forfeiture Fund's activity.

**Account Title:** Expenditure Transfers from Trust Funds – Collected

**Account Number:** 4255

**Normal Balance:** Debit

**Definition:** The amount of expenditure transfers collected by a general fund from a trust fund during the fiscal year. In exceptional cases, this includes expenditure transfers to trust fund accounts (for example, where the recipient account is a Limitation on Administrative Expenses trust fund) and expenditure transfers from a special fund (e.g. where the paying account is the Treasury Forfeiture Fund).

**Justification:** Treasury Forfeiture Fund is a special fund which makes expenditure transfers to various entities for seizure related activities and payments for law enforcement activity. The definition was expanded to include the Treasury Forfeiture Fund's activity.

## Treasury Forfeiture Fund

**The changes to the USSGL accounts in this guide do not impact USSGL Account Attribute table.**

**The changes to the USSGL accounts in this guide do not impact Crosswalks.**

## Treasury Forfeiture Fund

### Listing of USSGL Accounts Used In This Scenario

Account Number	Account Name
<b>Budgetary</b>	
4114	Appropriated Trust or Special Fund Receipts
4210	Anticipated Reimbursements and Other Income
4215	Anticipated Expenditure Transfers from Trust Funds
4221	Unfilled Customer Orders Without Advance
4225	Expenditure Transfers from Trust Funds – Receivable
4251	Reimbursements and Other Income Earned - Receivable
4252	Reimbursements and Other Income Earned - Collected
4255	Expenditure Transfers from Trust Funds – Collected
4450	Unapportioned Authority
4510	Apportionments
4610	Allotments – Realized Resources
4901	Delivered Orders – Obligations, Unpaid
4902	Delivered Orders – Obligations Pd
<b>Proprietary</b>	
1010	Fund Balance with Treasury
1335	Expenditure Transfers Receivable
1532	Seized Cash Deposited
2110	Accounts Payable
2155	Expenditure Transfers Payable
2400	Liability for Nonfiduciary Deposit Funds and Undeposited Collections
5200	Revenue From Services Provided
5311	Interest Income - Investments
5640	Forfeiture Revenue - Cash and Cash Equivalents
5750	Expenditure Financing Sources - Transfers-In
5760	Expenditure Financing Sources - Transfers-Out
6100	Operating Expenses/Program Costs

## Treasury Forfeiture Fund

### Beginning Trial Balance

Treasury Forfeiture Fund 20 5697			DHS 70 0540		
Budgetary	DR	CR	Budgetary	DR	CR
4201 Total Actual Resource Realized - Collection	200,000				
4450 Unapportioned Authority		200,000			
<b>Totals</b>	<b>200,000</b>	<b>200,000</b>			
Proprietary			Proprietary		
1010 Fund Balance with Treasury	200,000				
3310 Cumulative Results of Operations		200,000			
<b>TOTALS</b>	<b>200,000</b>	<b>200,000</b>			

**Assumption:**

- 1) To simplify the Treasury Forfeiture Fund illustration, this guidance will not have any other activity recorded except TFF collection and disbursement related to forfeiture activities.
- 2) Treasury Forfeiture Fund is a mandatory program
- 3) Treasury Forfeiture Fund is an Earmarked Fund.
- 4) For the purpose of this guidance, assume DHS account is classified as mandatory.

## Treasury Forfeiture Fund

1. To record apportionment and allotment of unobligated balance carried forward from the prior year.

<b>Deposit fund 20x6511.6</b>	<b>Treasury Forfeiture Fund 20x5697</b>		<b>DHS Immigration and Customs Enforcement (ICE) 70 0540</b>	
<b>Budgetary</b> None	<b>Budgetary</b> 4450 Unapportioned Authority      200,000 4510 Apportionments                      200,000	<b>A116</b>	<b>Budgetary</b> None	
<b>Proprietary</b> None	4510 Apportionments                      200,000 4610 Allotments – Realized Resources      200,000	<b>A120</b>	<b>Proprietary</b> None	
	<b>Proprietary</b> None			

2. To record anticipated mandatory reimbursements from Treasury Forfeiture Fund. Assume it is apportioned.

<b>Deposit fund 20x6511.6</b>	<b>Treasury Forfeiture Fund 20x5697</b>		<b>DHS Immigration and Customs Enforcement (ICE) 70 0540</b>	
<b>Budgetary</b> None	<b>Budgetary</b> None		<b>Budgetary</b> 4210 Anticipated Reimbursements and Other Income                      30,000	<b>A702</b>
<b>Proprietary</b> None	<b>Proprietary</b> None		4450 Unapportioned Authority                      30,000 4450 Unapportioned Authority                      30,000 4590 Apportionment- Anticipated Resources    30,000	<b>A118</b>
			<b>Proprietary</b> None	



## Treasury Forfeiture Fund

### Mandatory Payments from TFF (Exchange Transaction)

5. Treasury Forfeiture Fund records a payable to DHS for the costs related to seizures and forfeitures.

Deposit fund 20x6511	Treasury Forfeiture Fund 20x5697		DHS Immigration and Customs Enforcement (ICE) 70 0540	
<b>Budgetary</b> None  <b>Proprietary</b> None	<b>Budgetary</b> 4801 Allotment 30,000 4901 Delivered Orders – Oblig, unpd 30,000  <b>Proprietary</b> 6100(F070) Operating Expense 30,000 2110(F070) Accounts Payable 30,000	<b>B402</b>	<b>Budgetary</b> 4251 Reimbursement and other Income Earned – Rec 30,000 4221 Unfilled Customer Order without advance 30,000  <b>Proprietary</b> 1310(F020) Accounts Receivable 30,000 5200(F020) Revenue from Services Provided 30,000	<b>A714</b>

6. Treasury Forfeiture Fund makes a payment to DHS.

Deposit fund 20x6511	Treasury Forfeiture Fund 20x5697		DHS Immigration and Customs Enforcement (ICE) 70 0540	
<b>Budgetary</b> None  <b>Proprietary</b> None	<b>Budgetary</b> 4901 Delivered Orders – Oblig, unpd 30,000 4902 Delivered Orders – Oblig, pd 30,000  <b>Proprietary</b> 2110(F070) Accounts Payable 30,000 1010(G099) FBWT 30,000	<b>B110</b>	<b>Budgetary</b> 4252 Reimbursement and Other Income Earned - Collected 30,000 4251 Reimbursement and other Income Earned – Receivable 30,000  <b>Proprietary</b> 1010 FBWT 30,000 131000(F20) Accounts Receivable 30,000	<b>C186</b>



## Treasury Forfeiture Fund

### Super Surplus payments<sup>1</sup> (Nonexchange Transactions).

8. DHS anticipates super surplus payments from Treasury Forfeiture Fund.

Deposit fund 20x6511	Treasury Forfeiture Fund 20x5697	DHS Immigration and Customs Enforcement <sup>2</sup> (ICE) 70 0540	
<b>Budgetary</b> None	<b>Budgetary</b> None	<b>Budgetary</b> 4215 Anticipated Expenditure Transfers from Trust Funds 20,000	<b>A114</b>
<b>Proprietary</b> None	<b>Proprietary</b> None	4450 Unapportioned Authority 20,000 4450 Unapportioned Authority 20,000 4590 Apportionments- Anticipated Resources 20,000	<b>A188</b>
		<b>Proprietary</b> None	

<sup>1</sup> Title 31 section 9703.1 4(B)

(B) After reserving any amount authorized by paragraph (3)(C) and after transferring any amount authorized by paragraph (3)(A), any unobligated balances remaining in the Fund on September 30, 1994, and on September 30 of each fiscal year thereafter, shall be available to the Secretary, without fiscal year limitation, for transfers pursuant to subparagraph (A)(ii) <sup>[7]</sup> and for obligation or expenditure in connection with the law enforcement activities of any Federal agency or of a Department of the Treasury law enforcement organization.

<sup>2</sup> For the recipient accounts that receive expenditure transfers, the spending authority from offsetting collections should be coded as follows:

- If the recipient account is classified as discretionary, then the spending authority from offsetting collections should be classified as discretionary.
- If the recipient account is classified as mandatory, then the spending authority from offsetting collections should be classified as mandatory, except for administrative expenses, which are classified as discretionary..

In addition, the recipient account that receives super surplus payments from TFF should classify the payment as “direct” regardless of whether the recipient account is mandatory or discretionary.





## Treasury Forfeiture Fund

### YEAR 1: Preclosing Adjusted Trial Balance

USSGL Account	TFF		DHS	
	Debit	Credit	Debit	Credit
<u>Budgetary</u>				
4201 Total Actual Resource Realized - Collection	200,000		0	
4210 Anticipated Reimbursements and Other Income			0	
4215 Anticipated Expenditure Transfers from Trust Funds			0	
4225 Expenditure Transfers from Trust Funds – Receivable			0	
4252 Reimbursements and Other Income Earned – Collected			30,000	
4255 Expenditure Transfers from Trust Funds – Collected			20,000	
4610 Allotments – Realized Resources		150,000		0
4902 Delivered Orders – Obligations Paid		50,000		50,000
<b>Total</b>	<b>200,000</b>	<b>200,000</b>	<b>50,000</b>	<b>50,000</b>
<u>Proprietary</u>				
1010 Fund Balance With Treasury	150,000		0	
3310 Cumulative Results of Operation		200,000		0
5200 Revenue From Services Provided				30,000
5750 Expenditure Financing Sources - Transfer In				20,000
5760 Expenditure Financing Sources - Transfer Out	20,000			
6100 Operating Expenses/Program Costs	30,000		50,000	
<b>Total</b>	<b>200,000</b>	<b>200,000</b>	<b>50,000</b>	<b>50,000</b>

## Treasury Forfeiture Fund

### YEAR 1: Closing Entries

1. To record the consolidation of actual net-funded resources.							
TFF	DR	CR	TC	DHS	DR	CR	TC
<u><b>Budgetary Entry</b></u> None  <u><b>Proprietary Entry</b></u> None				<u><b>Budgetary Entry</b></u> 4201 Total Actual Resources – Collected 4252 Reimbursements and Other Income Earned – Collected 4255 Expenditure Transfers from Trust Funds – Collected  <u><b>Proprietary Entry</b></u> None	50,000	30,000  20,000	F302

2. To record the closing of unobligated balances to unapportioned authority for unexpired status in a no-year fund.							
TFF	DR	CR	TC	DHS	DR	CR	TC
<u><b>Budgetary Entry</b></u> 4610 Allotments - Realized Resources 4450 Unapportioned Authority  <u><b>Proprietary Entry</b></u> None	150,000	150,000	F308	<u><b>Budgetary Entry</b></u> None  <u><b>Proprietary Entry</b></u> None			

3. To record the closing of paid delivered orders to total actual resources.							
TFF	DR	CR	TC	DHS	DR	CR	TC
<u><b>Budgetary Entry</b></u> 4902 Delivered Orders – Obligations, Paid 4201 Total Actual Resources – Collected  <u><b>Proprietary Entry</b></u> None	50,000	50,000	F314	<u><b>Budgetary Entry</b></u> 4902 Delivered Orders – Obligations, Paid 4201 Total Actual Resources – Collected  <u><b>Proprietary Entry</b></u> None	50,000	50,000	F314

## Treasury Forfeiture Fund

4. To record the closing of revenues and expenses to cumulative results of operations.							
<b>TFF</b>	<b>DR</b>	<b>CR</b>	<b>TC</b>	<b>DHS</b>	<b>DR</b>	<b>CR</b>	<b>TC</b>
<b><u>Budgetary Entry</u></b> None				<b><u>Budgetary Entry</u></b> None			
<b><u>Proprietary Entry</u></b> 3310 Cumulative Results of Operations	50,000		F336	<b><u>Proprietary Entry</u></b> 5200(F020) Revenue From Services Provided	30,000		F336
5760(F070) Expenditure Financing Sources – Transfer Out		20,000		5750(F020) Expenditure Financing Sources – Transfer In	20,000		
6100(F070) Operating Expenses/Program Costs		30,000		3310 Cumulative Results of Operations		0	
				6100N Operating Expenses/Program Costs		50,000	

## Treasury Forfeiture Fund

### YEAR 1: Post-closing Trial Balance

USSGL Account	TFF		DHS	
	Debit	Credit	Debit	Credit
<u>Budgetary</u>				
4201 Total Actual Resources – Collected	150,000		0	
4450 Unapportioned Authority		150,000		0
<b>Total</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>	<b>0</b>
<u>Proprietary</u>				
1010 Fund Balance With Treasury	150,000		0	
3310 Cumulative Results of Operations		150,000		0
<b>Total</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>	<b>0</b>

### YEAR 1: FMS 2108 YEAREND CLOSING STATEMENT

	TFF	DHS
Column 2. Preclosing Unexpended Balance – Treasury Supplied		
Column 5. Postclosing Unexpended Balance (1010E)	150,000	0
Column 6. Other Authorizations		
Column 7. Reimbursements Earned and Refunds		
Column 8. Unfilled Customer Orders		
Column 9. Undelivered Orders and Contracts		
Column 10. Accounts Payable and Other Liabilities		
Column 11. Unobligated Balance (4450 + 4610E)	150,000	0

## Treasury Forfeiture Fund

### BALANCE SHEET

<b>Assets:</b>	<b>TFF</b>	<b>DHS</b>
<b>Intragovernmental:</b>		
1. Fund Balance With Treasury (1010E)	150,000	0
6. Total Intragovernmental	150,000	0
15. Total Assets	150,000	0
<b>Liabilities:</b>		
19. Other (2310E)	0	
28. Total Liabilities	0	
<b>Net Position:</b>		
31. Unexpended Appropriation	0	0
32. Cumulative Results of Operations – Earmarked Funds	150,000	0
33. Cumulative Results of Operations – Other Funds	0	0
34. Total Net Position	150,000	0
35. Total Liabilities and Net Position	<u>150,000</u>	<u>0</u>

### STATEMENT OF NET COST

<b>Program Costs:</b>	<b>TFF</b>	<b>DHS</b>
1. Gross costs (6100E)	30,000	50,000
2. Less: Earned Revenue (5200E)	0	(30,000)
3. Net Program Costs	0	
4. Costs not assigned to programs	0	
5. Less: Earned revenues not attributed to programs	0	
6. Net Cost of Operations	<u>30,000</u>	<u>20,000</u>

## Treasury Forfeiture Fund

### STATEMENT OF CHANGES IN NET POSITION

	<u>Earmarked</u>	<u>Other</u>
<b>Cumulative Results of Operations:</b>	<b>TFF</b>	<b>DHS</b>
1. Beginning Balances	200,000	0
3. Beginning Balances, as Adjusted	200,000	0
 <b>Budgetary Financing Sources:</b>		
5. Appropriations Used (570000)		0
7. Donation and Forfeitures of Cash and Cash Eq	0	0
8. Transfers-In/Out Without Reimbursements (5750/5760)	(20,000)	20,000
14. Total Financing Sources	(20,000)	20,000
15. Net Cost of Operations	(30,000)	(20,000)
16. Net Change	(50,000)	0
17. Cumulative Results of Operations	150,000	0
 <b>Unexpended Appropriations:</b>		
18. Beginning Balances	0	0
20. Beginning Balances, as Adjusted	0	0
 <b>Budgetary Financing Sources:</b>		
21. Appropriations Received	0	0
25. Total Budgetary Financing Sources	0	0
26. Total Unexpended Appropriations	0	0
27. Net Position	<u>150,000</u>	<u>0</u>

# Treasury Forfeiture Fund

## STATEMENT OF BUDGETARY RESOURCES

	TFF	DHS
<b>BUDGETARY RESOURCES</b>		
1000 Unobligated balance brought forward, October (4201B)	200,000	0
1290 Appropriations (4114E)	0	0
1890 Spending Authority for Offsetting Collection (4252E, 4255E)	0	50,000
1910 Total Budgetary Resources (sum of SBR lines 1000, 1020, 1021, 1043, 1290, 1490, 1690, and 1890.)	<b>200,000</b>	<b>50,000</b>
<b>STATUS OF BUDGETARY RESOURCES</b>		
2190 Obligations Incurred (4902E)	50,000	50,000
2204 Apportioned (4610E)	150,000	0
2490 Unobligated balance brought forward, end of year (sum of SBR lines 2204, 2304, and 2404.)	150,000	0
2500 Total Budgetary Resources (sum of SBR lines 2190 and 2490)	<b>200,000</b>	<b>50,000</b>

## Treasury Forfeiture Fund

### SF 133 STATEMENT OF BUDGETARY EXECUTION AND BUDGETARY RESOURCES and PROGRAM AND FINANCING (P&F) SCHEDULE

BUDGETARY RESOURCES	TFF		DHS <sup>3</sup>	
	133 Line	P&F Line	133 Line	P&F Line
0900 Total New Obligations		50,000		50,000
<b>Unobligated balance:</b>				
1000 Unobligated balance brought forward, October 1(4201E)	200,000	200,000	0	
<b>Budget Authority:</b>				
<b>Appropriations:</b>				
<b>Mandatory:</b>				
1200 Appropriation				
1201 Appropriation (special fund) (4114)	0	0	0	0
1202 Appropriation (trust fund)				
1203 Appropriation (previously unavailable)				
1204 Reappropriation				
<b>Spending authority from offsetting collections:</b>				
<b>Mandatory:</b>				
1800 Collected (4252, 4255)	0	0	50,000	50,000
1801 Change in uncollected customer payments from Federal Sources (+ or -)				
1802 Offsetting collections (previously unavailable)				
1900 Total Budgetary Resource (Discretionary and Mandatory) This line is calculated. Equals the sum of combined total of mandatory and discretionary budget authority [Lines 1100 through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1622, 1700 through 1728, and 1800 through 1827].	N/A	200,000	N/A	50,000
1910 Total budgetary resources available. This line is calculated. Equals the sum of combined total of unobligated balances, budget authority, and line 1901 [Lines 1000 through 1031, 1100	200,000	N/A	50,000	N/A

<sup>3</sup> For the purpose of this statement presentation, assume DHS account is classified as mandatory.

## Treasury Forfeiture Fund

through 1139, 1170 through 1174, 1200 through 1239, 1270 through 1273, 1300 through 1320, 1400 through 1420, 1500 through 1522, 1600 through 1622, 1700 through 1728, 1800 through 1827, and 1901 (P&F)].				
<b>All Accounts:</b>				
1940 Unobligated balance expiring (-) (4450, 4610)			N/A	0
1941 Unexpired unobligated balance carried forward, end of year (4450, 4610)	N/A	150,000		
<b>STATUS OF BUDGETARY RESOURCES</b>				
<b>Obligations incurred:</b>				
<b>Reimbursable:</b>				
2101 Category A (by quarter) (4902)			50,000	N/A
2102 Category B (by project)	50,000	N/A		
2103 Exempt from apportionment				
2104 Reimbursable obligations (total) .This line is calculated. Equals sum of lines 2101 through 2103.	50,000	N/A	50,000	N/A
<b>Unobligated balance:</b>				
<b>Apportioned:</b>				
2201 Available in the current period (4610)	150,000	N/A	0	N/A
2202 Available in subsequent periods (4610)		N/A		
2490 Unobligated balance, end of year	150,000	N/A	0	N/A
2500 Total budgetary Resources This line is calculated. Equals sum of lines 2001 through 2403. This amount equals the amount on line 1910 of the Schedule of Budgetary Resources.	200,000	N/A	0	N/A
<b>CHANGE IN OBLIGATED BALANCE</b>				
3010 Obligation Incurred Unexpired Account (4902)	50,000	50,000	50,000	50,000
3011 Obligation Incurred Expired Account (4902)			0	0
3020 Outlays (gross) (-)	(50,000)	(50,000)	(50,000)	(50,000)
3050 Obligated balance, end of the year (Net) (+ or -)	0	0	0	0
3200 Obligated balance, end of year (net) (calc. lines 3000, 3001, 3010, 3011, 3020, 3030, 3031, 3040, 3050, 3051, 3060, 3061, 3070, 3071, 3080, and 3081)	0	0	0	0

## Treasury Forfeiture Fund

<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>				
<b>Mandatory:</b>				
<b>Gross budget authority and outlays:</b>				
4090 Budget authority, gross This line is calculated. Equals the sum of mandatory budget authority [Lines 1200 through 1252, 1270 through 1273, 1400 through 1430, 1600 through 1631, and 1800 through 1842 (SF 133). Lines 1200 through 1239, 1270 through 1273, 1400 through 1420, 1600 through 1622, and 1800 through 1827 (P&F)].	0	0	50,000	50,000
4100 Outlays from new mandatory authority	0	0	50,000	50,000
4101 Outlays from mandatory balances	50,000	50,000		
4110 Total outlays, gross	50,000	50,000	50,000	50,000
4120 Federal sources (-) (4252)			(50,000)	(50,000)
4130 Offsets against gross budget authority and outlays (total) (-). This line is calculated. Equals the sum of lines 4120 through 4124.			(50,000)	(50,000)
4160 Budget authority, net (mandatory) This line is calculated. Equals the total new budget authority (gross) on line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140, 4141 and 4143 (SF 133). Line 4090 plus the amounts on lines 4120 through 4124 and on lines 4140 and 4142 (P&F).	0	0	0	0
4170 Outlays, net (mandatory) This line is calculated. Equals line 4110 plus the amounts on lines 4120 through 4124.	50,000	50,000	0	0
4180 Budget authority, net (discretionary and mandatory) This line is calculated. Equals sum of lines 4070 and 4160.	0	0	0	0
4190 Outlays, net (discretionary and mandatory) (This line is calculated. Equals sum of lines 4080 and 4170.)	50,000	50,000	0	0

# Treasury Forfeiture Fund

## Appendix:

### **§ 9703.1 Department of the Treasury Forfeiture Fund**

(a) **In General.**— There is established in the Treasury of the United States a fund to be known as the “Department of the Treasury Forfeiture Fund” (referred to in this section as the “Fund”). The Fund shall be available to the Secretary, without fiscal year limitation, with respect to seizures and forfeitures made pursuant to any law (other than section 7301 or 7302 of the Internal Revenue Code of 1986) enforced or administered by the Department of the Treasury or the United States Coast Guard for the following law enforcement purposes:

(1)

(A) Payment of all proper expenses of seizure (including investigative costs incurred by a Department of the Treasury law enforcement organization leading to seizure) or the proceedings of forfeiture and sale, including the expenses of detention, inventory, security, maintenance, advertisement, or disposal of the property, and if condemned by a court and a bond for such costs was not given, the costs as taxed by the court.

(B) Payment for—

(i) contract services;

(ii) the employment of outside contractors to operate and manage properties or to provide other specialized services necessary to dispose of such properties in an effort to maximize the return from such properties; and

(iii) reimbursing any Federal, State, or local agency for any expenditures made to perform the functions described in this subparagraph.

(C) Awards of compensation to informers under section 619 of the Tariff Act of 1930 ([19 U.S.C. 1619](#)).

(D) Satisfaction of—

(i) liens for freight, charges, and contributions in general average, notice of which has been filed with the appropriate Customs officer according to law; and

(ii) subject to the discretion of the Secretary, other valid liens and mortgages against property that has been forfeited pursuant to any law enforced or administered by a Department of the Treasury law enforcement organization. To determine the validity of any such lien or mortgage, the amount of payment to be made, and to carry out the functions described in this subparagraph, the Secretary may employ and compensate attorneys and other personnel skilled in State real estate law.

(E) Payment of amounts authorized by law with respect to remission and mitigation.

## Treasury Forfeiture Fund

(F) Payment of claims of parties in interest to property disposed of under section 612(b) of the Tariff Act of 1930 ([19 U.S.C. 1612 \(b\)](#)), in the amounts applicable to such claims at the time of seizure.

Equitable sharing payments made to other Federal agencies, State and local law enforcement agencies, and foreign countries pursuant to section 616(c) of the Tariff Act of 1930 ([19 U.S.C. 1616a \(c\)](#)), section [981](#) of title [18](#), or subsection (h) of this section, and all costs related thereto.

(H) Payment for services of experts and consultants needed by a Department of the Treasury law enforcement organization to carry out the organization's duties relating to seizure and forfeiture.

(I) payment <sup>[2]</sup> of overtime salaries, travel, fuel, training, equipment, and other similar costs of State or local law enforcement officers that are incurred in joint law enforcement operations with a Department of the Treasury law enforcement organization; <sup>[3]</sup>

(J) payment <sup>[2]</sup> made pursuant to guidelines promulgated by the Secretary, if such payment is necessary and directly related to seizure and forfeiture program expenses for—

(i) the purchase or lease of automatic data processing systems (not less than a majority of which use will be related to such program);

(ii) training;

(iii) printing; and

(iv) contracting for services directly related to—

(I) the identification of forfeitable assets;

(II) the processing of and accounting for forfeitures; and

(III) the storage, maintenance, protection, and destruction of controlled substances.

(2) At the discretion of the Secretary—

(A) payment of awards for information or assistance leading to a civil or criminal forfeiture involving any Department of the Treasury law enforcement organization participating in the Fund;

(B) purchases of evidence or information by—

(i) a Department of the Treasury law enforcement organization with respect to—

(I) a violation of section [1956](#) or [1957](#) of title [18](#) (relating to money laundering); or

(II) a law, the violation of which may subject property to forfeiture under section [981](#) or [982](#) of title [18](#);

(ii) the United States Customs Service with respect to drug smuggling or a violation of section [542](#) or [545](#) of title [18](#) (relating to fraudulent customs invoices or smuggling);

(iii) the United States Secret Service with respect to a violation of—

(I) section 1028, 1029, or 1030 or <sup>[4]</sup> title 18;

(II) any law of the United States relating to coins, obligations, or securities of the United States or of a foreign government; or

## Treasury Forfeiture Fund

- (III) any law of the United States which the United States Secret Service is authorized to enforce relating to fraud or other criminal or unlawful activity in or against any federally insured financial institution, the Resolution Trust Corporation, or the Federal Deposit Insurance Corporation; and
- (iv) the United States Customs Service or the Internal Revenue Service with respect to a violation of chapter [53](#) of this title (relating to the Bank Secrecy Act).
- (C) payment of costs for publicizing awards available under section 619 of the Tariff Act of 1930 ([19 U.S.C. 1619](#));
- (D) payment for equipment for any vessel, vehicle, or aircraft available for official use by a Department of the Treasury law enforcement organization to enable the vessel, vehicle, or aircraft to assist in law enforcement functions, and for other equipment directly related to seizure or forfeiture, including laboratory equipment, protective equipment, communications equipment, and the operation and maintenance costs of such equipment;
- (E) the payment of claims against employees of the Customs Service settled by the Secretary under section 630 of the Tariff Act of 1930;
- (F) payment for equipment for any vessel, vehicle, or aircraft available for official use by a State or local law enforcement agency to enable the vessel, vehicle, or aircraft to assist in law enforcement functions if the vessel, vehicle, or aircraft will be used in joint law enforcement operations with a Department of the Treasury law enforcement organization;  
reimbursement of private persons for expenses incurred by such persons in cooperating with a Department of the Treasury law enforcement organization in investigations and undercover law enforcement operations; [151](#)
- (H) payment for training foreign law enforcement personnel with respect to seizure or forfeiture activities of the Department of the Treasury; and [161](#)
- (b) **Limitations.**—
- (1) Any payment made under subparagraph (D) or (E) of subsection (a)(1) with respect to a seizure or a forfeiture of property shall not exceed the value of the property at the time of the seizure.
- (2) Any payment made under subsection (a)(1) with respect to a seizure or forfeiture of property shall not exceed the value of the property at the time of disposition.
- (3) The Secretary may exempt the procurement of contract services under the Fund from section 3709 of the Revised Statutes of the United States ([41 U.S.C. 5](#)), title III of the Federal Property and Administrative Services Act of 1949 ([41 U.S.C. 251](#) et seq.), and other provisions of law as may be necessary to maintain the security and confidentiality of related criminal investigations.
- (4) The Secretary shall assure that any equitable sharing payment made to a State or local law enforcement agency pursuant to subsection (a)(1) and any property transferred to a State or local law enforcement agency pursuant to subsection (h)—

## Treasury Forfeiture Fund

- (A) has a value that bears a reasonable relationship to the degree of participation of the State or local agency in the law enforcement effort resulting in the forfeiture, taking into account the total value of all property forfeited and the total law enforcement effort with respect to the violation of law on which the forfeiture is based; and
- (B) will serve to encourage further cooperation between the recipient State or local agency and Federal law enforcement agencies.
- (5) Amounts transferred by the Attorney General pursuant to section [524 \(c\)\(1\)](#) of title [28](#), or by the Postmaster General pursuant to section [2003](#) of title [39](#), and deposited into the Fund pursuant to subsection (d), shall be available for Federal law enforcement related purposes of the Department of the Treasury law enforcement organizations.
- (c) Funds Available to United States Coast Guard.—**
- (1) The Secretary shall make available to the United States Coast Guard, from funds appropriated under subsection (2) in excess of \$10,000,000 for a fiscal year, an amount equal to the net proceeds in the Fund derived from seizures by the Coast Guard.
- (2) Funds made available under this subsection may be used to—
- (A) pay for equipment for any vessel, vehicle, or aircraft available for official use by the United States Coast Guard to enable the vessel, vehicle, or aircraft to assist in law enforcement functions;
- (B) pay for equipment for any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency to enable the vessel, vehicle, or aircraft to assist in law enforcement functions if the vessel, vehicle, or aircraft will be used in joint law enforcement operations with the United States Coast Guard;
- (C) pay for overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint law enforcement operations with the United States Coast Guard;
- (D) pay for expenses incurred in bringing vessels into compliance with applicable environmental laws prior to disposal by sinking.
- (d) Deposits and Credits.—**
- (1) With respect to fiscal year 1993, there shall be deposited into or credited to the Fund—
- (A) all currency forfeited during fiscal year 1993, and all proceeds from forfeitures during fiscal year 1993, under any law enforced or administered by the United States Customs Service or the United States Coast Guard;
- (B) all income from investments made under subsection (e); and
- (C) all amounts representing the equitable share of the United States Customs Service or the United States Coast Guard from the forfeiture of property under any Federal, State, local, or foreign law.
- (2) With respect to fiscal years beginning after fiscal year 1993, there shall be deposited into or credited to the Fund—
- (A) all currency forfeited after fiscal year 1993, and all proceeds from forfeitures after fiscal year 1993, under any law (other than sections 7301 and 7302 of the Internal Revenue Code of 1986) enforced or administered by a Department of the Treasury law enforcement organization or the United States Coast Guard;
- (B) all income from investments made under subsection (e); and

## Treasury Forfeiture Fund

(C) all amounts representing the equitable share of a Department of the Treasury law enforcement organization or the United States Coast Guard from the forfeiture of property under any Federal, State, local, or foreign law.

(e) **Investments.**— Amounts in the Fund, and in any holding accounts associated with the Fund, which are not currently needed for the purposes of this section may be kept on deposit or invested in obligations of, or guaranteed by, the United States and all earnings on such investments shall be deposited in the Fund.

(f) **Reports to Congress.**— The Secretary shall transmit to the Congress, not later than February 1 of each year—

(1) a report on—

(A) the estimated total value of property forfeited with respect to which funds were not deposited in the Fund during the preceding fiscal year—

(i) under any law enforced or administered by the United States Customs Service or the United States Coast Guard, in the case of fiscal year 1993; and

(ii) under any law enforced or administered by the Department of the Treasury law enforcement organizations or the United States Coast Guard, in the case of fiscal years beginning after 1993; and

(B) the estimated total value of all such property transferred to any State or local law enforcement agency; and

(2) a report on—

(A) the balance of the Fund at the beginning of the preceding fiscal year;

(B) liens and mortgages paid and the amount of money shared with Federal, State, local, and foreign law enforcement agencies during the preceding fiscal year;

(C) the net amount realized from the operations of the Fund during the preceding fiscal year, the amount of seized cash being held as evidence, and the amount of money that has been carried over into the current fiscal year;

(D) any defendant's property, not forfeited at the end of the preceding fiscal year, if the equity in such property is valued at \$1,000,000 or more;

(E) the total dollar value of uncontested seizures of monetary instruments having a value of over \$100,000 which, or the proceeds of which, have not been deposited into the Fund pursuant to subsection (d) within 120 days after seizure, as of the end of the preceding fiscal year;

(F) the balance of the Fund at the end of the preceding fiscal year;

the net amount, if any, of the excess unobligated amounts remaining in the Fund at the end of the preceding fiscal year and available to the Secretary for Federal law enforcement related purposes;

(H) a complete set of audited financial statements (including a balance sheet, income statement, and cash flow analysis) prepared in a manner consistent with the requirements of the Chief Financial Officers Act of 1990 (Public Law 101-576); and

(I) an analysis of income and expenses showing the revenue received or lost—

## Treasury Forfeiture Fund

- (i) by property category (such as general property, vehicles, vessels, aircraft, cash, and real property); and
- (ii) by type of disposition (such as sale, remission, cancellation, placement into official use, sharing with State and local agencies, and destruction).

The Fund shall be subject to annual financial audits as authorized in the Chief Financial Officers Act of 1990 (Public Law 101–576).

### **Appropriations.—**

(1) There are hereby appropriated from the Fund such sums as may be necessary to carry out the purposes described in subsection (a)(1).

(2) There are authorized to be appropriated from the Fund to carry out the purposes set forth in subsections (a)(2) and (c) not to exceed—

(A) \$25,000,000 for fiscal year 1993; and

(B) \$50,000,000 for each fiscal year after fiscal year 1993.

(3)

(A) Subject to subparagraphs (B) and (C), at the end of each of fiscal years 1994, 1995, 1996, and 1997, the Secretary shall transfer from the Fund not more than \$100,000,000 to the Special Forfeiture Fund established by section 6073 of the Anti-Drug Abuse Act of 1988.<sup>[7]</sup>

(B) Transfers pursuant to subparagraph (A) shall be made only from excess unobligated amounts and only to the extent that, as determined by the Secretary, such transfers will not impair the future availability of amounts for the purposes described in subsection (a). Further, transfers under subparagraph (A) may not exceed one-half of the excess unobligated balance for a year. In addition, transfers under subparagraph (A) may be made only to the extent that the sum of the transfers in a fiscal year and one-half of the unobligated balance at the beginning of that fiscal year for the Special Forfeiture Fund does not exceed \$100,000,000.

(C) The Secretary of the Treasury shall reserve an amount not to exceed \$30,000,000 from the unobligated balances remaining in the Customs Forfeiture Fund on September 30, 1992, and such amount shall be transferred to the Fund on October 1, 1992, or, if later, the date that is 15 days after the date of the enactment of this section. Such amount shall be available for any expenses or activities authorized under this section. At the end of fiscal year<sup>[8]</sup> 1993, 1994, 1995, and 1996, the Secretary shall reserve in the Fund an amount not to exceed \$50,000,000 of the unobligated balances in the Fund, or, if the Secretary determines that a greater amount is necessary for asset specific expenses, an amount equal to not more than 10 percent of the total obligations from the Fund in the preceding fiscal year. At the end of fiscal year 1997, and at the end of each fiscal year thereafter, the Secretary shall reserve any amounts that are required to be retained in the Fund to ensure the availability of amounts in the subsequent fiscal year for purposes authorized under subsection (a). Unobligated balances remaining pursuant to section 4(B) of 9703<sup>[9]</sup> shall also be carried forward.

(4)

## Treasury Forfeiture Fund

(A) After reserving any amount authorized by paragraph (3)(C), any unobligated balances remaining in the Fund on September 30, 1993, shall be deposited into the general fund of the Treasury of the United States.

(B) After reserving any amount authorized by paragraph (3)(C) and after transferring any amount authorized by paragraph (3)(A), any unobligated balances remaining in the Fund on September 30, 1994, and on September 30 of each fiscal year thereafter, shall be available to the Secretary, without fiscal year limitation, for transfers pursuant to subparagraph (A)(ii)<sup>[7]</sup> and for obligation or expenditure in connection with the law enforcement activities of any Federal agency or of a Department of the Treasury law enforcement organization. *(Super surplus payments)*

(C) Any obligation or expenditure in excess of \$500,000 with respect to an unobligated balance described in subparagraph (B) may not be made by the Secretary unless the Appropriations Committees of both Houses of Congress are notified at least 15 days in advance of such obligation or expenditure.

**(h) Retention or Transfer of Property.—**

(1) The Secretary may, with respect to any property forfeited under any law (other than section 7301 or 7302 of the Internal Revenue Code of 1986) enforced or administered by the Department of the Treasury—

(A) retain any of the property for official use; or

(B) transfer any of the property to—

(i) any other Federal agency; or

(ii) any State or local law enforcement agency that participated directly or indirectly in the seizure or forfeiture of the property.

(2) The Secretary may transfer any forfeited personal property or the proceeds of the sale of any forfeited personal or real property to any foreign country which participated directly or indirectly in the seizure of<sup>[10]</sup> forfeiture of the property, if such a transfer—

(A) is one with which the Secretary of State has agreed;

(B) is authorized in an international agreement between the United States and the foreign country; and

(C) is made to a country which, if applicable, has been certified under section 481(h) of the Foreign Assistance Act of 1961 ([22 U.S.C. 2291 \(h\)](#)).<sup>[7]</sup>

(3) Nothing in this section shall affect the authority of the Secretary under section [981](#) of title [18](#) or section 616 of the Tariff Act of 1930 ([19 U.S.C. 1616a](#)).

(i) **Regulations.**— The Secretary may prescribe such rules and regulations as may be necessary to carry out this section.

(j) **Customs Forfeiture Fund.**— Notwithstanding any other provision of law—

(1) during any period when forfeited currency and proceeds from forfeitures under any law (other than section 7301 or 7302 of the Internal Revenue Code of 1986) enforced or administered by the Department of the Treasury or the United States Coast Guard, are required to be deposited in the Fund pursuant to this section—

## Treasury Forfeiture Fund

- (A) all moneys required to be deposited in the Customs Forfeiture Fund pursuant to section 613A of the Tariff Act of 1930 ([19 U.S.C. 1613b](#)) shall instead be deposited in the Fund; and
- (B) no deposits or withdrawals may be made to or from the Customs Forfeiture Fund pursuant to section 613A of the Tariff Act of 1930 ([19 U.S.C. 1613b](#)); and
- (2) any funds in the Customs Forfeiture Fund and any obligations of the Customs Forfeiture Fund on the effective date of the Treasury Forfeiture Act of 1992, shall be transferred to the Fund and all administrative costs of such transfer shall be paid for out of the Fund.
- (k) **Limitation of Liability.**— The United States shall not be liable in any action relating to property transferred under this section or under section 616 of the Tariff Act of 1930 ([19 U.S.C. 1616a](#)) if such action is based on an act or omission occurring after the transfer.
- (l) **Authority To Warrant Title.**— Following the completion of procedures for the forfeiture of property pursuant to any law enforced or administered by the Department of the Treasury, the Secretary is authorized, at the Secretary's discretion, to warrant clear title to any subsequent purchaser or transferee of such forfeited property.
- (m) **Forfeited Property.**— For purposes of this section and notwithstanding section [524 \(c\)\(11\)](#) <sup>[71]</sup> of title [28](#) or any other law—
- (1) during fiscal year 1993, property and currency shall be deemed to be forfeited pursuant to a law enforced or administered by the United States Customs Service if it is forfeited pursuant to—
- (A) a judicial forfeiture proceeding when the underlying seizure was made by an officer of the United States Customs Service or the property was maintained by the United States Customs Service; or
- (B) a civil administrative forfeiture proceeding conducted by the United States Customs Service; and
- (2) after fiscal year 1993, property and currency shall be deemed to be forfeited pursuant to a law enforced or administered by a Department of the Treasury law enforcement organization if it is forfeited pursuant to—
- (A) a judicial forfeiture proceeding when the underlying seizure was made by an officer of a Department of the Treasury law enforcement organization or the property was maintained by a Department of the Treasury law enforcement organization; or
- (B) a civil administrative forfeiture proceeding conducted by a Department of the Treasury law enforcement organization.
- (n) **Transfers to Attorney General and Postmaster General.**—
- (1) The Secretary shall transfer from the Fund to the Attorney General for deposit in the Department of Justice Assets Forfeiture Fund amounts appropriate to reflect the degree of participation of participating Federal agencies in the law enforcement effort resulting in the forfeiture pursuant to laws enforced or administered by a Department of the Treasury law enforcement organization. For purposes of the preceding sentence, a “participating Federal agency” is an agency that participates in the Department of Justice Assets Forfeiture Fund.
- (2) The Secretary shall transfer from the Fund to the Postmaster General for deposit in the Postal Service Fund amounts appropriate to reflect the degree of participation of the United States Postal Service in the law enforcement effort resulting in the forfeiture pursuant to laws enforced or administered by a Department of the Treasury law enforcement organization.

## Treasury Forfeiture Fund

(o) **Definitions.**— For purposes of this section—

(1) **Department of the treasury law enforcement organization.**— The term “Department of the Treasury law enforcement organization” means the United States Customs Service, the United States Secret Service, the Tax and Trade Bureau, the Internal Revenue Service, the Federal Law Enforcement Training Center, the Financial Crimes Enforcement Network, and any other law enforcement component of the Department of the Treasury so designated by the Secretary.

(2) **Secretary.**— The term “Secretary” means the Secretary of the Treasury.