

JUDGMENT FUND JOURNAL

LETTER

SUMMER 2002

Judgment Fund Web-site

We have instituted a new phase to the Judgment Fund web-site. In addition to the received and review date, we have added the paid dates as a search criteria to the status of the claim. You will be able to request reports using the Paid Date criteria. You should continue to provide our office with your agency file number to easily identify the claim on the web-site. You may search by agency file number (no dashes or slashes, alpha-numeric only), Vendor ID number, and produce reports of all claims received or paid on any specific date. If you have any suggestions for the web-site, please let us know. Judgement.Fund@fms.treas.gov

Web site: www.fms.treas.gov/judgefund

Costs Cases

The Judgment Fund Staff receives many claims for costs. Black's Law Dictionary describes costs as a pecuniary allowance, made to the successful party (and recoverable from the losing party), for his expenses in prosecuting or defending an action or a distinct proceeding within an action.

As enumerated by statute – 28 U.S.C. §1920, costs represent allowances made to successful party for expenses paid by that party in prosecuting or defending action. Examples of Costs are filing fees of the Clerk and Marshal, depositions, printing of briefs, appendices, fees of copying materials, and court appointed experts. Items that are not paid from the Judgment Fund and are considered as Expenses are typing and word processing, long distance telephone call, postage and travel expenses.

The Judgment Fund Staff will require a copy of the court order showing the costs and itemization. It is imperative that the items that are not considered as costs be deducted from the total. The amount on the 197 form should be the total amount of the costs minus the expenses. If expenses are included in the itemized document and in the total amount, the Judgment will not be paid until the expenses are deducted and a new FMS 197 Form is submitted. Expenses are paid by the agency. If you have any questions, please contact our office.

Contract Disputes Act

by Teresa Casswell

We are now in the final quarter of fiscal year 2002. All payments made from Judgement Fund 20X1743, Claims for Contract Disputes are fully reimbursable by the agency. Therefore, the Financial Management Service (FMS) establishes a receivable in Treasury Fund Symbol 203101, Recoveries from Federal Agencies for Settlement of Claims from Contract Disputes, for every payment made on behalf of an agency. The outstanding receivable balance in 203101 represents unreimbursable payments.

As a result of changing policy, FMS will perform quarterly confirmations of our receivable balance for 203101 starting in FY02. FMS has established a web site for this

purpose at <http://fms.treas.gov/tma/contract-disputes.html>. On a quarterly basis, FMS will post the 203101 receivable balance by agency to this web site. Agencies have 30 days from the end of the quarter to respond to FMS via fax 202-874-8372 or e-mail at credit.accounting@fms.treas.gov regarding the accuracy of the amount posted by FMS.

Year End Closing

(Accounting for Treasury Judgment Fund Transactions) by Jennifer Fitzmaurice

The Interpretation of Federal Financial Accounting Standards, Interpretation No.2, Accounting for Treasury Judgment Fund Transactions: An Interpretation of Statements of Federal Financial Accounting Standards Number 4 and Number 5 requires agencies to recognize liabilities and expenses when unfavorable litigation outcomes are probable and the amount can be estimated. Once the claim is settled or a court judgment is assessed against the Federal entity and the Judgment Fund is determined to be the appropriate source of payment, then an imputed financing source is recognized by the agency and the liability is removed. FMS will record an expense. The agency will record the entry at the time the Judgment Fund is determined to be the source of payment for the settlement. The entry records both imputed costs and imputed financing sources as Federal transactions (G for FACTS purposes) and records the Judgment Fund as the trading partner. The entry applies for all Judgment Fund Transactions. If the payment falls under the Contract Disputes Act, then the agency will also record a payable to FMS and FMS will record a receivable from the agency.

For information concerning the accounting for the Judgment Fund, contact:

Credit Accounting Branch
Financial Management Service
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Telephone: 202-874-8740

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