ACC

10000/100/318

10000/100/318

FINANCE & ACCOUNTANCY
AUG.-OCT. 1943

31 pp

I Col Adams C.-F.

For Distribution plan.

17 Oct 43

II

AMG (F)

Please extract your copy and those for Regions (13 in all)

Oct. 17.

for Diffield White Major GL. E & F.

III.

E & F

Copies Extracted for transmission to Regions IV, V, VIII & IX

J. P. Wagner Capt. Amg (F)

IV

Industry & Commerce

Please extract your copy of 21 A. – recharge file to E&F.

Oct. 17.

for Diffield White Major GL E&F

V

Copy extracted. 18/x/43 Da Jacob major, I&C.

VI

Finance AC.

Distribution Completed as requested.

Oct. 18

major. E&F.

EFF

Copies Extracted for transmission to Regions IV, V, VIII & IX

J. P. Dagnir [illegible] Cmdr. S(P)

IV

Industry & Commerce

Please extract your copy of 21 A. & recharge file to EFF.

Oct. 17.

[illegible] Difield White Major [illegible] EFF

V

Copy extracted. 18/x/43 Da Jacob Major, I&C.

VI

Finance AC.

Distribution Completed as requested.

Oct. 18.

[illegible] Major EFF.

2833

28A

Financial Officer

TO : Deputy Chief, AMG., Sicily.

FROM : Chief Financial Officer, A.C.

SUBJECT: Query concerning accounts for foreign exchange resulting from exports from Sicily.

REFERENCE : AC/1011/S.

DATE : 24 October, 1943.

1. In his letter of 15 October, 43, the D.C.F.O., AMG, Sicily, stated that AMG understood that no payment will be received by AMG for exports, the resulting foreign exchange being reflected solely in the accounts of the appropriate Allied Government Agencies abroad. He requests that this understanding be confirmed as correct.

2. In NAF 414, to AGWAR for CCS (copy attached), we outlined the procedure summarized in para 3 of your letter. The reply (350 of 18 October, also attached), raises some complicated accounting questions which may involve possible modifications in procedure. Pending further clarification, which will probably require some time and an exchange of air-mail letters, no change in the existing procedure should be made.

RAH

S/tlt.

R.A. Hamlyn,
Brigadier.

27A

TO: Deputy Chief Financial Officer, AMGOT, Sicily.

FROM: Chief Financial Officer, A.C.

SUBJECT: Transactions between Armies and AMGOT.

REFERENCE: AC/1011/3

DATE: 25 October 1943.

1. Reference your letter dated 19th October 1943 (2032)F).

2. I thank you for the copies of the instructions sent out to all Heads of Divisions and SCAO's on the subject of "Transactions between Armies and Amgot' and also the memo prepared by the Chief Accountant. The Accounting forms and Balance sheets have arrived and have been distributed. An order has been placed here for printing the Civilian Supply Division forms and it is hoped that they may be distributed to Regions before they leave.

3. As regards copies of all financial and accounting instructions issued by your headquarters it would be most helpful if you would let us have a list of all instructions, etc. which have been sent by you so that a check can be made to see if all instructions issued by you have in fact been received here.

4. In view of the impending departure of the majority of the staff of A.C. for Sicily it would appear wise for Col. Claiborne to remain in Palermo.

5. With reference to the memorandum which you enclosed from the Chief Accountant, AMGOT, dated 18th October, 43., paragraph 3 is noted. I am not in entire agreement on this matter but I think it can wait until it can be discussed with you and the Chief Accountant when I arrive in Palermo.

6. With reference to para 4, I trust that all distributions of supplies to Italians are now being paid for, and the records thereof being kept in either AMFA or AMGOT records.

RAH/rad.

R.A. Hamlyn,
Brigadier.

CR file

Declassified E.O. 12356 Section 3.3/NND No. 785015

TO: DCCAO Region 8.

27A

FROM: Chief Financial Sub-Commission

SUBJECT: Instructions.

REFERENCE: AC/1011/3

DATE: October 25th 1943

Reference your letter R8/15/2/3 (Fin) dated 23rd October herewith forms as requested. It is regretted more stores accounting forms cannot be sent at the present stage but they are in very short supply. An order has been placed and as soon as they arrive further supplies will be sent.

Also please find enclosed AMGOT Accounting Manual No. 00132. Please acknowledge receipt.

/rnd

Brigadier,
Chief Financial Sub-Commission.

2830

26A

TO : JAGS. G1.

FROM : Chief, Financial Sub-Commission.

SUBJECT : Move of Balance of Party "X".

REFERENCE : AC/1017/5.

DATE : 25 October, 1943.

With reference to the above mentioned subject herewith details as requested :

(1) Balance of Party "X" up todays date

(B) Brigadier, R.A. Hamlyn.
(A) Lt. Col., B. Bernstein.
(A) Lt. Col., C.A. Miller.
(A) Lt. Col. Stephan.
(B) Major H.A.L. Chapple.
(B) Major R.M. Smith.
(B) Major H.A. Baxter.
(A) Major P. Banning.
(A) Comdr Frager.
(A) Comdr Feidler.
(A) Lt. Comdr. Lawler.
(B) Captain. A. Marshall.
(B) Capt. H. Poad.
(B) Capt. H.M. Severn.
(A) Capt. Reeds.
(A) Capt. Ramsey.
(A) Lieut. (USNR) Nichols.
(A) Lieut. (USNR) Shepard.
(A) Lieut. (USNR) Willis.
(A) Lieut. (USNR) Tasca .
(A) Lieut. (USNR) Davis.
(B) Lieut. E.E.F. Benson.
(B) Lieut. C.W.J. Newcombe.
(A) Lieut. Correa.
(A) 2/Lt. Gelles.

(2) Officers selected to form rear link are as follows. :

(B) Major E.F. Bray.
(A) Major J.H. Penick.

Brigadier, R.A.Hamlyn.

(B) Major H.A.L. Chapple.
(B) Major R.M. Smith.
(B) Major H.A. Baxter.
*(A) Major P. Banning.
(A) Comdr Frager.
(A) Comdr Feidler.
(A) Lt. Comdr. Lawler.
(B) Captain. A. Marshall.
(B) Capt. H. Poad.
(B) Capt. H.M. Severn.
(A) Capt. Reede.
(A) Capt. Ramsey.
(A) Lieut. (USNR) Eichols.
(A) Lieut. (USNR) Shepard.
(A) Lieut. (USNR) Willis.
(A) Lieut. (USNR) Tasca.
(A) Lieut. (USNR) Davis.
(B) Lieut. E.E.F. Benson.
(B) Lieut. C.W.J. Newcombe.
(A) Lieut. Correa.
(A) 2/Lt. Gelles.

(2) Officers selected to form rear link are as follows.

(B) Major E.F. Bray.
(A) Major J.H. Penick.

C/tlt

Brigadier, R.A.Hamlyn.
Chief, Financial Sub-Commission.

Major Banning is still in Algiers with some other officers who may be joining the Financial Sub-Commission

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RAH.

DRAFT CABLE TO COMBINED CHIEFS OF STAFF.

Unless C.C.S. has objection thereto, A.M.G. proposes to handle accounting matters along the following lines :

1. Under the Chief Financial Officer there will be a Chief Accountant who will be separate from A.M.F.A. which will also be under the Chief Financial Officer. The Chief Accountant will furnish a senior accountant and staff to A.M.F.A. to keep A.M.F.A.'s accounts. In preparing accounting procedure and handling accounts affecting receipts and expenditure of funds directly or indirectly coming to or from A.M.F.A., the Chief Accountant will be guided by A.M.F.A.'s wishes.

2. The Chief Accountant will furnish A.M.F.A. with the details of the distribution of funds furnished globally or otherwise by A.M.F.A. to Civil Affairs Officers. Chief Accountant will furnish A.M.F.A. with the originals of vouchers and other documents showing the detailed distribution of funds and the acknowledgment of receipt of such funds by communes, provinces, etc.

3. The purpose of the foregoing will be to enable A.M.F.A. accounts and records to reflect the receipts and expenditures of funds which it pays out or receives and to have a proper record of who are the debtors for funds advanced by A.M.F.A. This will enable A.M.F.A. at some future time to turn over to an Italian Government or other Italian Agency a full record and account of A.M.F.A., simultaneously with turning over to such Agency the liabilities and assets of A.M.F.A. and the responsibility for dealing with A.M. Lire.

4. A.M.F.A. will not take into its accounts the yellow seal currency, B.M.A. notes or British or American coin brought in by the armed forces; the expenditures of such currencies will be accounted for by the Army paymasters

... with the details of the distribution of funds furnished globally or otherwise by A.M.F.A. to Civil Affairs Officers. Chief Accountant will furnish A.M.F.A. with the originals of vouchers and other documents showing the detailed distribution of funds and the acknowledgment of receipt of such funds by communes, provinces, etc.

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4. A.M.F.A. will not take into its accounts the yellow seal currency, B.M.A. notes or British or American coin brought in by the armed forces; the expenditures of such currencies will be accounted for by the Army paymasters and disbursing officers to their respective departments in London and Washing ton. A.M.F.A. will however be furnished with statistical information as to the amounts of such currencies which are brought into the occupied area and with monthly reports from such disbursing officers and paymasters of holdings of all currencies and their receipts and expenditures. A.M.F.A.'s accounts will reflect the paying out of A.M. lire and AMGOT stamps, and also the Italian lire brought into the area by the British Army. A.M.F.A. accounts will of course reflect any B.M.A.'s or yellow seal currency which it received in exchange for lire or which is deposited with it in payment for goods sold to the civilian population etc.

282

5. Records will be kept by the civilian Supply Section of A.M.G. of all bulk supplies drawn locally from the armies or imported for the civilian population. These records will be kept in quantities without necessarily placing a monetary value on them. The Chief Accountant will supervise the records to be kept. Records will also be kept of goods belonging to the civilian population which are exported under the control of the Civilian Supply Division.

BY AIR COURIER

24A

Ref: 1240

Subject: Shipment of Citric and Tartaric Acid from Sicily to U.S.A.

To: Military Government Section, AFHQ.

Ref your 4296 of 11 Oct from Butterworth.

1. The 100 tons citric acid and 40 tons tartaric acid were purchased in Sicily against cash payment to suppliers with lire supplied by AMFA.

2. These lire appear in AMFA's Balance Sheet under the head "Payments for account of AMGOT Economics and Supply Division - Purchase of Supplies in Sicily for Export to U.S.A."

3. It is understood that AMGOT will receive no payment for these supplies and that any necessary payment in dollars resulting from this transaction will be reflected solely in the accounts of the appropriate United States Government Agencies.

4. This understanding is based on Brigadier Hamlyn's memo ACA/1011/3 to Major Jackman, MGS, AFHQ, dated 14 Sept. 43, which I believe was transmitted to CCS Washington.

5. Suggest you consult on this matter Brigadier Hamlyn of Allied Commission at Tizi Ouzou, or failing him, Lt. Cmdr. Southard who is now with MGS at AFHQ, both of whom are conversant with considerations on which this arrangement is founded.

6. Kindly confirm that our understanding as set forth in para (3) above is correct.

(Sgd) R. E. Menapace.
Lt. Col.
Deputy Chief Financial Officer.

AMGOT HQ Sicily.
15th October 43.

Copies to:

E.S.D. (Lt. Col. Hayes)
Chief Accountant
AMFA

Declassified E.O. 12356 Section 3.3/NND No. 785015

(RECEIVED)
(20 Oct 43)

AFSC D1F2/19
191047A
dmc

WARP

ROUTINE

filed 182304Zq

FROM : AGWAR CCS

TO : USFOR INFO BRITISH CHIEFS OF STAFF EISENHOWER FOR FRMCS

TAM 64. CITE OCAC.

REF NO THIS MSG : 350, 18 Oct 43.

Refer our radio 8579 in reply your radios M9686 and NAF 414. Accounting for civilian supplies. It is desired that all civilian supplies handled by AMG whether purchased locally, acquired fromAllied Forces, imported, or exported, be taken into inventory records and accounted for in accordance with the following principles; (A) Inventory records by quantities will be maintained. (B) Inventory accounts in Lire will be maintained under major categories such as subsistance, fuel, etcetera, based on Theater delivered costs including recognition for cost or value of transportation, etcetera. Schedular of delivered unit costs applicable to US Army supply Items, etcetera are being developed here and will be furnished to you. BRITISH also will furnish delivered unit costs applicable to BRITISH supply items. (C) In addition to inventory accounts, other balance sheet accounts arising from inventory transactions also will be maintained, where applicable, such as accounts receivable, foreign exchange credits, accounts payable, deferred liabilities, etcetera. Foreign exchange credits would pertain to proceeds from export sales and deferred liabilities would arise from supply inventories acquired, such as from Armed Forces, etcetera for which immediate reimbursement was NOT contemplated or required. Receivables, payables, and deferred liabilities would be segregated according to the Armed Forces.

MC IN 11163

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Declassified E.O. 12356 Section 3.3/NND No. 785015

AFSC M 162/19 continued

Governmental or commercial agencies involved. Foreign exchange credits would be segregated according to the Foreign currencies involved. (D) In addition to inventory and other balance sheet accounts, sales, purchases and cost of sales accounts arising from inventory transactions also will be maintained in accordance with accepted accounting principles and practice. Such accounts will distinguish between domestic, import and export transactions. (E) Book inventory records will be periodically tested by physical count, pricing and extension.

Suggested charts of balance sheet and operating accounts are being developed here and will be forwarded for your consideration in the near future.

8579 MC IN 14827 2725/ 9/43 MGS
W 9685 IS MC OUT 3664 11/9/43 MGS
NAF 414 MC OUT 6887 21/9/43 MGS

ACTION : MGS

INFO : SGS
DPIC
FINANCE
AG RECORDS.

MC IN 11163 19 Oct 43 1007A No. 350 nb/R

E. & F.

2217

TO: Joint Assistant Chief of Staff A.C.

FROM: Chief, Industry & Commerce Sub-Commission

SUBJECT: Instructions re Store Accounting

REFERENCE: AC/1011/3

DATE: 17 October 1943

1. Reference letter from Chief, Financial Sub-Commission addressed to J.A.C.S. A.C. dated 14 October 1943.

2. For the purpose of ensuring the strict observance of the instructions issued by the Financial Sub-Commission and also in view of the necessity that this Ind. & Com. Sub-Commission be thoroughly conversant with the accounting system already established in Region I and to be established in other regions, it is requested that Capt. W.A. Adams (B) be despatched from Tizi Ouzou to A.M.G. L of C. Sicily, to join the A.C. Advance party (Ind. & Com.) as soon as transportation is available.

3. This officer has been specially selected for the supervision of the accounting instructions for Civilian Supply Division and is able to give the necessary instructions to the EM/ORs, NCO'S and W.O'S assigned to this work.

4. This Sub-Commission has no data regarding the number of warehouses under A.M.G. Control, therefore is unable to indicate required number of EM/ORs, NCO'S & WO'S no doubt suitable recommendations could be made by Capt. Adams following a visit in the field.

Control

W P Evans

Colonel W. P. EVANS,
/s/ Chief I.C. Sub-Commission

Distribution:
JACS
Financial Sub-Commission.
~~Advance party Ind & Com. Sub-Commission~~.

WPE/jo

TO : Joint Assistant Chiefs of Staff, Allied Commission.

21

FROM : Chief, Financial Sub-Commission.

SUBJECT : Instructions re Stores Accounting.

REFERENCE : AC/1011/3.

DATE : 14th October, 1943.

1. The attached instructions on Stores Accounting were issued and are now in force in Region 1.

2. These instructions deal with the accounting procedure for the receipt and issue of supplies into and out of warehouses and depots owned or controlled by Economics Division. The procedure described is concerned only with the recording of the quantities of each type of goods which enter or leave the warehouse and they do not deal with financial transactions involved either in the purchase or sale of such goods.
A supply of the stores accounting forms required is being provided and will shortly be available.

3. The handling of the stores records should be the responsibility of the Economics Division who will require to allocate on this work (a) a small number of junior officers with some experience of stores records either in civilian or military life and (b) a certain number of E.M./O.Rs, N.C.Os, and Warrant Officers who have had experience as stores clerks.

4. Officers provided by the Chief Accountant will render such assistance or supervision in the setting up of the accounting system as may be requested by the Chief of the Economics Division.

5. In the early stages it will probably be found more convenient for AMFA or, failing the presence of an AMFA Officer, the Financial Officer to handle monies received or paid out in respect of supplies sold or purchased by Economics Division.
The procedure is set out in the attached instructions, the general outlines being as follows:-

(a) For goods purchased on behalf of Economics Division.
On the receipt of the supplies invoice it will be checked for prices and quantities. When this has been done a Payment Voucher (F/F3) will be made out in triplicate giving full details of the goods purchased also indicating whether they are for sale within the occupied territory or for export. After the voucher has been approved for payment by a senior officer of the Division, the supplier will be sent together with the original, (attached to this will be the suppliers invoice) and duplicate of Form F/F3 to AMFA or local Finance Officer so that he can be paid. The third copy will be retained by the Economics Division.

(b) For goods sold on behalf of Economics Division.
The purchaser will bring to AMFA or the Financial Officer a signed copy of the Issue Voucher F/F18 from Economics Division and will make payment to AMFA or the Financial Officer. He will be given the usual AMG receipt voucher and

A supply of the stores accounting forms required is being provided and will shortly be available.

3. The handling of the stores records should be the responsibility of the Economics Division who will require to allocate on this work (a) a small number of junior officers with some experience of stores records either in civilian or military life and (b) a certain number of E.M./O.Rs, N.C.Os, and Warrant Officers who have had experience as stores clerks.

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(b) For goods sold on behalf of Economics Division.
The purchaser will bring to AMFA or the Financial Officer a signed copy of the Issue Voucher F/F18 from Economics Division and will make payment to AMFA or the Financial Officer. He will be given the usual AMG receipt voucher and will present this to the Economics Division who will then deliver the goods. Economics Division will notify AMFA or the Financial Officer of the origin of the goods sold, i.e., from U.K., U.S.A., etc., and the AMFA Officer will enter this information on the copy of the voucher which he sends in to the Chief Accountant. Arrangements have also been made in Region I for the purchaser to pay through his banker.

6. It should be the aim of the Economics Division eventually to become responsible for the handling of their financial transactions as well as their stores records. This would simplify each individual transaction and save time in passing the various documents back and forth between the office of AMFA or the Financial Officer and the Economics Division warehouse.

The procedure would normally be for AMFA to make an advance to Economics Division with which they could open a bank account which they would themselves operate.

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7. The importance of keeping up to date records of all stores received or issued cannot be too strongly emphasised. In the first place, stores supplied by the U.S. or British Authorities represent the expenditure of public funds and as such must be scrupulously accounted for. Any deficiencies other than shortage arising from normal wastage may involve the officer concerned financially. In the second place failure to pay proper attention to these records in the opening stage will inevitably result in confusion, to rectify which may necessitate at a later stage much work on the part of both Economics Division Officers and Accounting Section Officers. Staffs will inevitably be stretched to the utmost and any failure to carry out regular routine work on records may well involve the staffs of Economics Division and Accounting Section in unnecessary work to an extent which might jeopardise the whole organization.

Brigadier R.A. Hamlyn,
Chief, Financial Sub-Commission.

Distribution :
JACS (file)
AMG (P)
Region IV (3 copies)
" V "
" VIII "
" IX "
Industry & Commerce Sub-Commission.

NOTE
In the attached instructions the term "Civilian Supplies Division" is used whereas the term "Economics Division" is used in the covering letter. The attached instructions were mimeographed before the new title of Economics Division had been created.

Distribution : ✓ (file)
JACS
AMG (P)
Region IV (3 copies)
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Industry & Commerce Sub-Commission.

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2823

21B

AMGOT ACCOUNTING MANUAL

ACCOUNTING INSTRUCTIONS FOR THE CIVILIAN SUPPLIES DIVISION.

1. The C. S. D. will receive through its organization and arrange for the storage of all commodities and supplies required for civilian needs and services. It will also distribute all of the foregoing supplies, except that medical stores will merely be received and forwarded to the central warehouse of the ~~C.S.D.~~ P.M.D. without being unpacked and checked by C.S.D. The C.S.D. will not handle military stores drawn and consumed by AMGOT, but military stores drawn and issued or sold by AMGOT to local authorities or to the civilian population of the occupied territory will be handled by the C.S.D.

2. In addition to the foregoing, the C.S.D. will handle purchases in the occupied territory of supplies available for export to the United States, Great Britain or other countries.

3. Supplies may be received or purchased from any or all of the following sources:
   (a) American Military or Naval Services.
   (b) British Military or Naval Services.
   (c) External commercial or governmental channels.
   (d) Local sources.

4. The C.S.D. will keep complete records in quantities of all supplies handled by it, whether imported, purchased locally for sale within the occupied territory or purchased locally for export, except that records by cases only will be maintained in respect of medical stores.

5. For the time being, monetary values will be recorded only for the following:
   (a) The proceeds of sale of imported supplies and of articles drawn from Military or Naval Services.
   (b) The cost and proceeds of sale of supplies purchased locally for sale within the occupied territory.
   (c) The cost of supplies purchased locally for export.
   (d) The proceeds of sale of confiscated or captured goods.

It follows that the cost of supplies imported or drawn from Military or Naval Services and the proceeds of sale of supplies exported will not be reflected in the AMGOT accounts at this time.

6. So far as possible, all local purchases will be paid for by AMFA against vouchers approved by a senior officer of the C.S.D. Similarly, the proceeds of sales within the occupied territory will be deposited by the purchaser for credit to AMFA's account with a bank to be designated by AMFA.

ACCOUNT CLASSIFICATION

7. All cash transactions resulting from the purchasing, handling, storage, shipping and sale of supplies handled by the C.S.D. will be reflected in the final accounts of AMGOT under the following Heads and Sub-Heads:

Payments for Account of AMGOT Civilian Supplies Division:
Purchases in the Occupied Territory of Supplies for Export to:

(c) External commercial or governmental channels.
(d) Local sources.

4. The C.S.D. will keep complete records in quantities of all supplies handled by it, whether imported, purchased locally for sale within the occupied territory or purchased locally for export, except that records by cases only will be maintained in respect of medical stores.

5. For the time being, monetary values will be recorded only for the following:
(a) The proceeds of sale of imported supplies and of articles drawn from Military or Naval Services.
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ACCOUNT CLASSIFICATION

7. All cash transactions resulting from the purchasing, handling, storage, shipping and sale of supplies handled by the C.S.D. will be reflected in the final accounts of AMGOT under the following Heads and Sub-Heads:

Payments for Account of AMGOT Civilian Supplies Division:
Purchases in the Occupied Territory of Supplies for Export to:
United States of America (see note below)
Great Britain (see note below)
Etc. (see note below)
Purchases inthe Occupied Territory for Resale within the Occupied Territory (see note below)

Civilian Supplies Division:
Storage, Handling & Shipping Expenses (~~including~~ other than wages)
Emoluments of AMGOT Civilian Personnel (~~salaries of clerks, etc~~)

Receipts for Account of AMGOT Civilian Supplies Division:
Sales in the Occupied Territory of Supplies Imported from:
United States of America (see note below)
Great Britain (see note below)
Etc. (see note below)
Sales in the Occupied Territory of Supplies Obtained from:
American Army (see note below)
British Army (see note below)
Sales in the Occupied Territory of Supplies Purchased Locally (see note below)

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Note: Purchase costs and proceeds of sales willbe further analyzed as follows:

Foodstuffs
Fuel: (a) Petrol, Oil & Lubricants
(b) Coal, etc.
Motor Parts & Tyres
Fertilizers & Seeds
Agricultural Equipment
Livestock
Minerals: (a) Sulphur
(b) Etc.
Chemicals: (a) Citric & Tartaric Acid
(b) Etc.
Civilain Defence Equipment
War Material
Tobacco

In order to achieve the foregoing classification, it will be essential to segregate physically the various stocks according to the sources from which they were obtained.

RECEIVING REPORT

PAYMENT FOR LOCAL PURCHASES

8. As and when supplies are received by the C.S.D., they will be "tallied" or counted under the supervision of a responsible officer and examined to determine quality and condition. Thereafter a Receiving Report (Form F/13) will be prepared, in duplicate, showing full particulars of the supplies received. These reports must be signed by the officer supervising the tally and, wherever practicable, a representative of the Service or supplier furnishing the goods should be present during the tally and should sign the Receiving Report.

9. The originals of these reports will be sent to the office of the C.S.D. for matching against the requisitions or purchase contracts and will serve as a medium for posting receipts in the Store Ledger; the duplicates will be sent (through the C.S.D.) to the service or supplier furnishing the goods and will support claims for shortages, damages, etc.

10. When supplies are drawn from either the American or British Armies in the occupied territory for issue or sale to local authorities of the civilian population, the C.S.D. will be required to give a receipt for such goods on the Armies' forms. It is essential that the C.S.D. should obtain at least one copy of these receipts for checking against the Armies' monthly statements of such supplies (see directive of 17 September 1943 regarding "Transactions between Armies and AMGOT").

11. In so far as local purchases of supplies are concerned, when the supplier's invoice is received it will be checked as to quantities against the relitive Receiving Report, the prices will be verified by reference to the requisition or purchase contract and the clerical accuracy checked. Thereafter a Payment Voucher (Form F/3) will be prepared, in triplicate, in the office of the C.S.D. giving full particular of the goods purchased and [illegible]

RECEIVING REPORT

PAYMENT FOR LOCAL PURCHASES

8. As and when supplies are received by the C.S.D., they will be "tallied" or counted under the supervision of a responsible officer and examined to determine quality and condition. Thereafter a Receiving Report (Form F/13) will be prepared, in duplicate, showing full particulars of the supplies received. These reports must be signed by the officer supervising the tally and, wherever practicable, a representative of the Service or supplier furnishing the goods should be present during the tally and should sign the Receiving Report.

9. The originals of these reports will be sent to the office of the C.S.D. for matching against the requisitions or purchase contracts and will serve as a medium for posting receipts in the Store Ledger; the duplicates will be sent (through the C.S.D.) to the service or supplier furnishing the goods and will support claims for shortages, damages, etc.

10. When supplies are drawn from either the American or British Armies in the occupied territory for issue or sale to local authorities of the civilian population, the C.S.D. will be required to give a receipt for such goods on the Armies' forms. It is essential that the C.S.D. should obtain at least one copy of these receipts for checking against the Armies' monthly statements of such supplies (see directive of 17 September 1943 regarding "Transactions between Armies and AMGOT").

11. In so far as local purchases of supplies are concerned, when the supplier's invoice is received it will be checked as to quantities against the relative Receiving Report, the prices will be verified by reference to the requisition or purchase contract and the clerical accuracy checked. Thereafter a Payment Voucher (Form F/3) will be prepared, in triplicate, in the office of the C.S.D. giving full particular of the goods purchased and indicating whether they are destined for sale within the occupied territory or for export; in the latter case, the country to which the supplies are to be exported must be specified on the Payment Voucher. The voucher will then be approved for payment by a senior officer of the C.S.D., a copy of the supplier's invoice will be annexed to the original voucher and the supplier will be sent to AMFA or to a provincial F.O. with the original and duplicate of Form F/3 so that he can be paid. The triplicate of the Payment Voucher will be retained in the office of the C.S.D. for reference and as a basis for preparing the Report of Purchases and Expenses referred to later herein.

STORE LEDGER

12. A loose-leaf Store Ledger (Form F/15) will be kept in the regional office of the C.S.D. and a separate folio will be used for each commodity at each location, segregating the articles according to the sources from which they were obtained. This ledger, which will be written up from Receiving Reports and Issue

Vouchers, is designed to show on a single sheet details of receipts, issues and balances in quantities only. The ledger will also show the source from which the stores have been received and to whom they have been issued, as well as the relative Receiving Report and Issue Voucher numbers and dates. The Issue Vouchers will, as explained later herein, show which items are sold for cash.

TALLY OR BIN CARDS

13. Tally or Bin Cards (Form F/16), recording quantities only, must be kept in each warehouse in connection with each variety of article in the store; as previously explained, stocks must be segregated physically and in all records according to the sources from which they were obtained. The Tally Cards should be placed with the articles to which they relate, unless the nature of the stores makes this impracticable. These cards must be written up (in ink or indelible pencil) immediately stores are received or issued and each entry will be initialled by the individual authorized to receive and issue stores; after each entry is made the balance will be shown in the proper column. The use of Tally Cards enables a check to be made against the entries in the Store Ledger and minimizes loss by theft owing to the ready means of detection afforded by having available a record showing at any given time the stock on hand.

SALES OR ISSUES OF SUPPLIES

14. Whenever supplies are sold within the occupied territory or exported an Issue Voucher (Form F/18) will be prepared, in triplicate, in the office of ~~the office of~~ the C.S.D. to show:

(a) Name of purchaser or, in the case of exports, the consignee.

(b) Full particulars of the commodities sold or issued, specifying whence they were obtained, unit, quantity, selling price and total value. (Exports will not be valued.)

(c) Location of the issuing warehouse.

(d) Where and how payment is to be made in the case of sales within the occupied territory.

(e) Signature and rank of the C.S.D. officer approving the issue.

15. (i) Sales in the occupied territory effected by the C.S.D. direct: The original of the Issue Voucher will be given to the purchaser, who will pay for the supplies in accordance with the instructions thereon. It is intended that the purchaser should deposit the total amount involved with a bank for credit to the account of AMFA with a bank to be designated by AMFA. (In Region No. 1, the place and method of payment will be indicated on the Issue Voucher as follows: "Payable at: Deposit to the credit of AMFA's No. 1 Account with the Banco di Sicilia, Provincial capital, by order of the C.S.D.") Thereafter the purchaser may draw the supplies from the designated warehouse on production of the originals of the Issue Voucher and the bank deposit receipt, properly signed by the bank official, which he will have obtained when

when entry is made the balance will be shown in the proper column. The use of Tally Cards enables a check to be made against the entries in the Store Ledger and minimizes loss by theft owing to the ready means of detection afforded by having available a record showing at any given time the stock on hand.

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(a) Name of purchaser or, in the case of exports, the consignee.

(b) Full particulars of the commodities sold or issued, specifying whence they were obtained, unit, quantity, selling price and total value. (Exports will not be valued.)

(c) Location of the issuing warehouse.

(d) Where and how payment is to be made in the case of sales within the occupied territory.

(e) Signature and rank of the C.S.D. officer approving the issue.

15. (i) Sales in the occupied territory affected by the C.S.D. direct: The original of the Issue Voucher will be given to the purchaser, who will pay for the supplies in accordance with the instructions thereon. It is intended that the purchaser should deposit the total amount involved with a bank for credit to the account of AMFA with a bank to be designated by AMFA. (In Region No. 1, the place and method of payment will be indicated on the Issue Voucher as follows: "Payable at: Deposit to the credit of AMFA's No. 1 Account with the Banco di Sicilia, Provincial capital, by order of the C.S.D.") Thereafter the purchaser may draw the supplies from the designated warehouse on production of the originals of the Issue Voucher and the bank deposit receipt, properly signed by the bank official, which he will have obtained when the deposit was made.

16. (ii) Sales in the occupied territory through S.C.A.O's: Where S.C.A.O's require supplies for sale in the Province under their jurisdiction and are unable to name the purchaser (s) when requisitioning the supplies, the C.S.D. will prepare an Issue Voucher charging the S.C.A.O. for the commodities furnished. When the supplies are sold by the S.C.A.O., he will prepare an Issue Voucher (one for each sale) as indicated above and it will be the responsibility of the S.C.A.O. to see that payment is duly made by the purchaser in the manner indicated in para. 15 above. At the end of each month, the S.C.A.O. will submit to the C.S.D., a list of his sales, supported by the duplicates and triplicates of the Issue Vouchers, and a list of unsold stocks on hand. These lists and vouchers will be used by the C.S.D. for checking and reporting sales made through S.C.A.O's.

17. (iii) Exports: Supplies to be exported willbe issued by the designated warehouse on production of the original of the Issue Voucher.

18. As soon as an Issue Voucher has been prepared and approved in the office of the C.S.D., the duplicate thereof will be sent to the issuing warehouse so that the supplies can be prepared for delivery. When the supplies leave the warehouse, the party receiving them will be required to sign this copy

of the Issue Voucher as evidence that the supplies have been received by him and the officer in charge of the warehouse will also sign as evidence that the supplies have been tallied out, after noting thereon particulars of the bank deposit receipt produced by the purchaser in proof of payment. The duplicate will be sent to the office of the C.S.D., where it will serve as a basis for writing up the Store Ledger and for the preparation of the Report of Sales referred to later herein. The triplicate of the Issue Voucher will be retained throughout in the office of the C.S.D. for purposes of reference.

INVENTORY OF SUPPLIES

19. The officer in charge of eache warehouse will arrange to have taken a physical inventory of all articles in stock at least once every three months or at more frequent intervals as the D.C.S.R. may direct. The quantities determined by the physical inventory and the stocks on hand as shown by the Tally Cards will be listed for comparison. Where large shortages and surpluses are revealed, the entries on the Tally Cards must be checked with the Receiving Reports and Issue Vouchers and if the differences are not accounted for in this manner a recount of the articles in question must be made; the balances shown by the Tally Cards will then be adjusted to agree with those determined by the physical inventory.

20. The inventory will then be forwarded to the office of the C.S.D. for review and comparison with the Store Ledger balances. A full investigation will be made into abnormally large shortages and surpluses and the D.C.S.R. will report the matter to the C.F.O and take whatever steps he considers necessary to avoid a recurrence thereof. The Store Ledger balances will also be adjusted to agree with the quantities determined by the physical inventory.

21. Whenever the stock of any article is exhausted and the Tally Card shows a balance still on hand, or vice-versa, a report will be submitted by the officer in charge of the warehouse to the office of the C.S.D., the matter will be investigated and the necessary adjustment of the records made in the same way as for shortages and surpluses revealed by physical inventories.

MONTHLY REPORTS TO BE FURNISHED TO THE C.A.

22. Report of Purchases and Expenses: The office of the C.S.D. will furnish to the C.A. a monthly report of Purchases and Expenses showing particulars of all approved Payment Vouchers (Form F/3) issued for payments to be made by AMFA or Provincial F.O's, as explained in para. 11 above. It will probably be found desirable to maintain in the office of the C.S.D. a simple Register of Payment Vouchers Issued in which details of these vouchers can be recorded day by day and from which the monthly reports can be prepared. The reports should give the following information:

Date	Voucher No.	Payee	Particulars of Payment	Payable by	AMOUNT Total	AMOUNT Analysis per para. 7

...ount of the articles in question must be made; the balances shown by the Tally Cards will then be adjusted to agree with those determined by the physical inventory.

20. The inventory will then be forwarded to the office of the C.S.D. for review and comparison with the Store Ledger balances. A full investigation will be made into abnormally large shortages and surpluses and the D.C.S.R. will report the matter to the C.F.O and take whatever steps he considers necessary to avoid a recurrence thereof. The Store Ledger balances will also be adjusted to agree with the quantities determined by the physical inventory.

21. Whenever the stock of any article is exhausted and the Tally Card shows a balance still on hand, or vice-versa, a report will be submitted by the officer in charge of the warehouse to the office of the C.S.D., the matter will be investigated and the necessary adjustment of the records made in the same way as for shortages and surpluses revealed by physical inventories.

MONTHLY REPORTS TO BE FURNISHED TO THE C.A.

22. Report of Purchases and Expenses: The office of the C.S.D. will furnish to the C.A. a monthly report of Purchases and Expenses showing particulars of all approved Payment Vouchers (Form F/3) issued for payments to be made by AMFA or Provincial F.O's, as explained in para. 11 above. It will probably be found desirable to maintain in the office of the C.S.D. a simple Register of Payment Vouchers Issued in which details of these vouchers can be recorded day by day and from which the monthly reports can be prepared. The reports should give the following information:

Date	Voucher No.	Payee	Particulars of Payment	Payable by	AMOUNT Total	AMOUNT Analysis per para. 7

To avoid having a large number of analysis columns, separate reports should be submitted for each country to which supplies are to be exported, etc.

23. Report of Sales: A monthly Report of Sales, prepared from Issue Vouchers, will be submitted to the C.A. This report will be prepared along the lines set out in para. 22 above. In this report the actual sales effected by S.C.A.C's should be substituted for "sales" to S.C.A.C's referred to in para. 16 above.

STATISTICAL DATA TO BE COMPILED BY THE C.S.D.

24. The C.S.D. must be prepared to state at any time the total quantity of each commodity:

(a) Drawn from the U.S. Army

(b) Drawn x from the U.S. Navy

(c) Drawn from the British Army

(d) Drawn from the British Navy

(e) Imported from the U.S.

(f) Imported from Great Britain

(g) Imported from etc.

(h) Exported to the U.S.

(i) Exported to Great Britain

(j) Exported to etc.

2821

25. The data required under (a) to (g) above can readily be obtained by running an adding machine tape of receipts per the Store Ledger, in which articles will be segregated according to the sources from which they were obtained. As regards (h) to (j), it will probably be found desirable to post all quantities exported to memorandum accounts.

ADDENDUM

Add to list of Heads and Sub-Head in para. 7 above

Sale of Confiscated or captured Supplied (see Note in para. 7)

It is essential that confiscated and captured supplies be segregated physically and in all records to obtain the necessary accounting classification of the proceeds of sale there of.

TO:- Region 5

FROM:- Finance Sub-Commission, Allied Commission

SUBJECT:- Accounting Instructions for Civilian Supplies Division

REFERENCE:- AC/1011/3 26 A

DATE:- 10th October, 1943.

With reference to your letter R5/C/1 dated 9th October, 1943, the position is as follows:-

(1) These are being mimiographed and copies will be forwarded as soon as they are ready.

(2) An indent has been made out for Forms FF 13 to FF 15, and also some are being printed locally and will be forwarded to you as soon as received. As regards Forms FF 13 to FF 18, facilities were given to Lieut. Hayes for him to copy these forms before going to the new location.

(3) It is assumed that these are in possession of Lieut. Hayes.

BRIGADIER R. A. HAMLYN,
Chief Financial Officer, Allied Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785015

ALLIED MILITARY GOVERNMENT ACC/114/3

6 October 1943.

Lt. Col. Tupper Barrett,
Chief Financial Officer
AMG Region 3 HQ. (Thru Channels)

19A

Dear Tupper.

Enclosed is a copy of a report which I filed with Col. Sims, Chief Finance Officer, AFHQ, covering amounts drawn during July and August under the contingency of the Army appropriation.

The report covered the $ 12,000 dawn on August 27 and the $ 2,000 drawn on August 31 for use of AMGOT in Region 3.

I have been asked on behalf of Col. Grafftey Smith to forward to you copies of Form 46, which are enclosed, to be executed by you for the month of September, even if no amounts have been withdrawn during such month. Your report should be filed by 24 Oct. 1943 with Colonel Sims at AFHQ and forwarded through Military Government Section, sending a copy to Col. Graftey Smith.

With kindest regards,

Sincerely,

BERNARD BERNSTEIN
Lt. Col., AUS
AMG.

2819

1564

[redacted]

TO:- Chief Financial Officer, Region 4
Chief Financial Officer, Region 5

FROM:- Finance Sub-Commission, Allied Commission

SUBJECT:- Transactions between British Army and AMGOT.

REFERENCE:- AC/1011/3

18A

DATE:- 6th October, 1943.

The attached General Routine Order issued by Lieut.-General Sir Humphrey Gale relates to exchange of stores and services between the British Army and A.M.G., and should be read by all Accountant and Finance Officers.

It is understood that full instructions as to how these transactions are to be handled by A.M.G. have been issued from A.M.G. Headquarters, and it is hoped that we shall receive these shortly.

Pending the arrival of such instructions, all Accountant Officers, Financial Officers and Civil Affairs Officers should be instructed that they must always obtain receipts for services and supplies given to the Army, and must keep a duplicate of the receipt issued by them when services or supplies are received from the army: in the latter case the duplicate receipt should be signed by the Army Officer making the issue. Such receipts should be listed and sent in to the Chief Accountant with the cash vouchers and cash abstract.

It should be emphasised that these receipts for goods, supplies and services will be in quantities, or, in the case of services, in terms of approximate hours worked, and that no values will be attributed to them.

Goods and services exchanged with the American Army should be treated in a similar manner, but they should be listed separately from the vouchers for transactions with the British Army.

BRIGADIER R. A. HAMLYN,
Chief, Finance Sub-Commission, Allied Commission.

2812

Declassified E.O. 12356 Section 3.3/NND No. 785015

ACC/10111/3

ALLIED FORCE HEADQUARTERS

Military Government Section

MGS-123

30 September, 1943. 171

SUBJECT:- Purchases of exports from Italian territory.

TO: L'Inspecteur des Finances
Commissariat aux Finances
Comite Francais de la Liberation Nationale.

Brigadier Rabino has handed your letter dated 27 Sept. 43 to this section A.F.H.Q. for direct answer, together with memorandum attached. With reference to this latter and the two alternative procedures outlined therein:-

Procedure a/ is not possible in view of the charter of AMFA, and the high policy in regard to AMG's activities.

Procedure b/ will be followed in that the payment in Francs should be made to an account to be opened in favour of Military Government Section A.F.H.Q. with the Bank of Algiers. The question of their utilization subsequently to effect purchases in North Africa on behalf ou AMG will be decided later if and when such a transaction is envisaged.

Lt. Colonel,
M.G.S. (Finance)
A. F. H. Q.

Copy to: Brig. Rabino
NAEB
Col. Bernstein
Col. Grafftey-Smith

2817

SEVS/frt

SECRET
(Equals British MOST SECRET)

ALLIED FORCE HEADQUARTERS.

Military Government Section.

MGS-100

A C C/10111/3
16A

30 Sept. 43

TO : C.F.O.
AMG HQ, 15 Army Group.

Copy of cable No. 8792 of 29 September 1943 is enclosed herewith. A reply in draft should be forwarded to this H.Q. as soon as possible.

(Initialed)Lt.Colonel
M.G.S. (Finance)
A.F.H.Q.

COPY TO :
Col. Bernstein (with incl.)

1 Incl.
As above.

SECRET
(Equals British MOST SECRET)

2816

SECRET EQUALS BRITISH MOST SECRET
AFHQ MESSAGE CENTER
INCOMING MESSAGE.

WARP
/462
filed 2821072

AFSC N 31/29
282241A
emo

ROUTINE

15A

FROM : WAR FROM CCS FROM CARTER FISCAL DIRECTOR SPFA

TO: EISENHOWER FOR FHMOS REPEATED USFO INFO BRITISH CHIEFS OF STAFF

REF NO THIS MESSAGE: 8792, 28 Sept 1943

(CITE CCAC)
TAM 19.

Last balance sheet received covering AMFA operations was dated as of 18 August. Request balance sheets and supporting operating statements of AMFA be furnished as of 31 August and end of each calendar month thereafter as promptly as possible after close of reporting period.

Reference 18 August balance sheet, what is source and nature of liability designated "Deposits AMG Civilian Supply Section"? What balance sheet treatment is contemplated for total stamps received and proceeds from disposition of stamps? Relative to future financial statements is AMG maintaining basic accounting records covering items such as taxes and other local revenues, local, provincial, and municipal government, RPT government operating expenses, etc, or are such basic records being maintained by usual local facilities under policy supervision of Military Civil Affairs Officers?

Please refer to Treasury Department letter transmitted by memorandum from CAD dated 7 September to CIC Allied forces, attention General HOLMES, Subject "AMFA Accounting Procedure" and proposal therein that all phases of all accounting transactions be recorded in accounts and included in financial statements in terms of each currency involved. Is separate accounting being maintained for ALL receipts, expenditures,

MC IN 17112

SECRET EQUALS BRITISH MOST SECRET.

2815

[redacted]

AFSC N 31/29 Continued emo

and balance sheet continuously segregated by the currencies that were involved in the transactions? If **NOT**, what procedures are being followed to adequately account for transactions involving currencies other than AM lire?

ACTION: MIL GOV SEC

INFO: SGS
FINANCE
MR. MURPHY
MR. MACMILLAN
G-1
AG RECORDS

MC IN 17112 29 Sept. 43 0930A Ref. No. 8792 ppm/Van

ACC/10113.

PRIORITY

13A

TO : FILPOT

REF NO. 186

SIGNED C IN C

FOR AMG CITE FHMGS

To clarify your request in your AMGOT 205 of 2 September, attention invited reference 3066 of 18 August signed CG NATOUSA which stated that instructions on reverse side of form 46 require rendition of report of obligations by appropriations. Bernstein sent summary of this bu air mail to Grafftey Smith on 26 August. Expidite reply by cable to FINANCE through MGS.

ORIGINSTOR : MIL GOVT SEC AUTHENTICATION : B.W. RICHARDSON CAPTAIN.

INFORMATION : G-1
Finance.
AG RECORDS.

MC OUT 1115 4 Sep 43 1134B Ref No. 186 toa/WJM

2814

Sec/104/3

Tizi-Ouzou,
6th Octobdr, 1943.

14A

Colonel A. T. Maxwell,
Military Government Section,
A.F.H.Q.

Dear Maxwell,

With reference to Telegram 8579 of 25th September, 1943 from AGWAR to FREEDOM.

I suggest the following reply for your consideration:

"Your Para.(1) Yes on all points. Your Para.(2) Chief Accountant of AMG independent of AMFA and CAO's, checks final disposition of funds by CAO's and AMFA. In doing so he verifies authority for all expenditures and correctness of supporting documents. There can of course be within AMG no independent audit of AMG expenditure."

Yours as ever,

BRIGADIER R. A. HAMLYN,
Chief Financial Officer, Allied Commission.

281

ACC/1011/3

Tizi-Ouzou,
6th October, 1943.

12A

Colonel A. T. Maxwell,
Military Government Section,
A.F.H.Q.

Dear Maxwell,

I enclose a letter with enclosures which I have written to Keys of the War Office.

I also enclose an additional copy of the letter in question for your files.

Yours as ever,

BRIGADIER R. A. HAMLYN,
Chief, Finance Sub-Commission, Allied Commission.

Tizi-Ouzou,
6th October, 1943.

G. E. Key Esq.,
The War Office (F.5),
Whitehall,
LONDON, S.W.1.

11A

Dear Key,

With further reference to cable 66825FS of the 6th September, 1943, which only reached me after my return from Palermo. I have now had another conference with the representatives of AMFA from Palermo, which enables me to give you the following information:

Enclosed is a statement which I have received from Brigadier Brickman, describing transactions in this area in Metropolitan lire, carried on by the D.P.I.C. on behalf of AMGOT and otherwise. I am also enclosing a Balance Sheet of AMFA as at September 30th 1943.

You will note that the AMFA Balance Sheet does not reflect transactions in Metropolitan lire arising out of the above-mentioned transactions in Metropolitan lire. I am not quite clear as to what the exact significance of Para. 2 of your telegram is. Do you mean you suggest that A.M. lire should be issued for all Metropolitan lire brought into the area by the British Paymasters, or only for those amounts of Metropolitan lire paid by the Paymasters into AMFA, being either surplus Metropolitan lire of the British Paymasters or Metropolitan lire paid over by the British Paymasters for AMGOT purposes in the earlier stages of the operation.

Actually, no Metropolitan lire have been so paid into AMFA, though some may have been paid into AMGOT as opposed to AMFA, and held in suspense pending the settlement of this question. On this I am not clear.

The way we had intended to deal with the transactions was as you will see from the enclosed Balance Sheet, to place the total amount of Metropolitan Italian lire notes made available to the British Forces in one item on the Liability side of the Balance Sheet, to include a corresponding figure on the Asset side in the "Payments on Account of Occupation Costs to the British Army". Thus, there would be a debit and credit on the Balance Sheet, and I do not see against what figure under this arrangement you would be able to issue A.M. lire. In any case, however, my American associates feel that the Directive of the C.C.S. on the question of these Metropolitan lire is so clear that they would prefer the procedure outlined above as to the treatment of the Metropolitan lire in the AMFA Balance Sheet, and for the consideration of the cost of these Metropolitan lire to be arranged between you and Washington.

Yours

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Actually, no Metropolitan lire have been so paid into AMFA, though some may have been paid into AMGOT as opposed to AMFA, and held in suspense pending the settlement of this question. On this I am not clear.

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Yours

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BRIGADIER R. A. HAMLYN,
Chief, Finance Sub-Commission, Allied Commission.

Declassified E.O. 12356 Section 3.3/NND No. 785015

Planning Staff

BY FAST AIR. SECRET.

746

ALLIED MILITARY GOVERNMENT

SUBJECT: Your request for Accounting forms.

FILE No. AMGOT/2032/F.

TO: CRAWSHAW - FHMGS.
A.F.H.Q.
B.N.A.F. School

AMGOT HQ. SICILY

28 Sep. 1943.

10A

Reference 9366 Cite FHMGS.

1. We are forwarding revised Accounting instructions and a few forms for Civilian Supply and Public Health Divisions. We would prefer that you have your requirements printed locally as we have an acute paper shortage here. However, we can despatch a supply within ten days if this is imperative. Please advise.

R.B. Menapace

R.B. MENAPACE.
Lieut-Colonel.,
Deputy Chief Finance Officer.

/1011/3

281

CR/ 4 Oct/885

Tizi-Ouzou,
4th October, 1943.

9A

Colonel A. P. Grafftey-Smith,
A.M.G. Headquarters,
PALERMO.

ACC/1011/3

Dear Grafftey-Smith,

As you will remember, when Speed was over here I discussed with him, Bernstein and Dunlop the question of the accounting procedure to be followed in the event of the exchange of stores, supplies and services between the British Army and A.M.G. These discussions resulted in the General Routine Order dated 17th September, 1943 issued by General Gale. At the same time, Bernstein raised the question with Colonel Sims of the U.S. Army who agreed the procedure in principle although, I understood, no specific orders have been issued by him.

I think you were going to issue instructions to your Region stating how these transactions were to be dealt with by AMG officers. Could you let us have as soon as possible a copy of these instructions; if you have a supply of mimeographed forms, we should be glad to have a hundred or so.

We are doing our best here to educate the personnel of all new Regions in matters of finance and accounts so that they will be as well equipped as possible to handle these matters when they get into the field. We are not issuing them with instructions on our own, but are doing our best to explain to them the instructions and routine in force in Regions which are already functioning. For this reason, I should be glad to get copies of all instructions on accounting and financial matters which you may issue. With this end in view we have asked you for a number of copies of the pro-forma Bank Balance Sheets and also a supply of Forms FF/13, FF/15, FF/16, FF/17 and FF/18. I hope we shall receive these soon. Should they not arrive before Region 4 leave, we will explain the general procedure to the Officers of the Region and tell them that the forms and final instructions will be given to them by you.

28

Yours

BRIGADIER R. A. HAMLYN.
Chief, Financial Sub-Commission, Allied Commission.

ALLIED FORCE HEADQUARTERS

Military Government Section

ACC/10011/3
8A

26 September 1943.

SUBJECT: A.M. Lire held at Military Government Section for emergency requirements.

TO: Chief Accountant,
A.M.G. Headquarters,
15 Army Group, C.M.F.

1. Receipt of your letter dated 22 September 1943 is confirmed.

2. Procedure in regard to accounting for AM lire distribution via this headquarters will be in accordance with your request.

3. Receipt of form F/13A is acknowledged and they will be utilized in the future.

4. The first statement will be forwarded to you as for the last day of this month.

Lt. Colonel,
Finance,
Mil. Gov. Sec.

28

ACC [illegible] 7A

ROUTINE

TO FOR ACTION:	AGWAR FOR COMBINED CHIEFS OF STAFF USFOR FOR BRITISH CHIEFS OF STAFF	REF. NO. W 599
FOR INFO:	TROOPERS	
REF NO:	7663	
SIGNED:	EISENHOWER, CITE: FHMGS MAF 414	

We have established the following procedure regarding the accountancy for civilian supplies:

1. The supplies may be received or purchased from any or all of the following sources:

(a) American Military or Naval Services,
(b) British Military or Naval Services,
(c) External Commercial or Governmental Channels,
(d) Local sources.

2. The CSD will keep complete records in quantities of all supplies handled by it whether imported, purchased locally for sale within the occupied territory or purchase locally for export. However, monetary values will only be recorded for the following in lire:

(a) The proceeds of sale of imported supplies,
(b) The cost and proceeds of sale of supplies purchased locally for sale within the occupied territory.
(c) The cost of supplies purchased locally for export. [illegible]

It follows that the cost of goods imported or the proceeds of sale of supplies exported will not, for the time being, be reflected in the AMG Financial Accounts.

3. So far as is possible, all local purchases for resale within the occupied territory or for export will be paid for by AMFA on the presentation of vouchers approved by the DCSD; similarly, the proceeds of sales within the territory will be paid direct to AMFA.

4. The treatment of currency proceeds of exports from Sicily is now under review here and we shall shortly cable our proposals.

ORIGINATOR: MGS AUTHENTICATION: T. B. JACKMAN
MAJOR

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS

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ORIGINATOR: MGS

AUTHENTICATION: T. B. JACKMAN
MAJOR

INFORMATION: SGS
DPIC
FINANCE
AG RECORDS

2808

Declassified E.O. 12356 Section 3.3/NND No. 785015

2151

6A

TELETYPE MESSAGE

CHIEF ACCOUNTANT,
AMGOT HEADQUARTERS,
c/o 15 ARMY GROUP

IF REGIONS 4 5 6 ARE TO BE EQUIPPED FROM MILITARY GOVERNMENT SCHOOL AND HOLDING CENTRE PLEASE SEND BY FAST AIR SUFFICIENT FORMS F/F13 F/F15 F/F16 F/F17 F/F18 SO THAT THESE MAY BE ADDED TO ACCOUNTING KIT IF FINALLY APPROVED

H.A.R. Chaffee.
for COLONEL H G CRAWSHAW

file ACC T011/3

2800

By Fast Air.

6824.
5

AMGOT Headquarters,
15 Army Group,
C. M. F.

19 September 1943.

TO: The Finance Division,
Military Government School and
Holding Centre,
Care of A.F.H.Q., B.N.A.F.

4A

In accordance with the request contained in your cable of 16th September 1943, number 5288, there has been forwarded to you by fast air, eight copies of the "AMGOT Accounting Manual" and two hundred "Accounting Kits".

A.P. Grafftey-Smith

A.P. Grafftey-Smith,
Colonel,
Chief Finance Officer.

24/JR.

Copy to: C.A.

Acc
T011/3

503

Declassified E.O. 12356 Section 3.3/NND No. 785015

4A

Noted
File

TELEGRAM

Chief Accountant,
AMGOT, 15 Army Group,
C.M.F.

Please dispatch by fast air to Finance Division Military Government School and Holding Centre, B.N.A.F. 8 (eight) copies AMGOT Accounting Manual for use by Region accountants in training STOP Also 200 (two hundred) Accounting Kits for C.A.Os. STOP

Copy to G.L

ORs File with the requisites

2805

Courier Service
3-A 3729

BY AIR COURIER.

Subject:- Payroll Directives.

AMGOT/2055/F.

AMGOT H.Q. SICILY.

12 Sep. 43.

Lt-Col. B. Bernstein,
Tizzi Ouzou.

retained by Col. Bernstein
La

1. For your information and guidance, we attach copies of new directive on payrolls of AMGOT employees.

2804

R.B. Menapace
R.B. MENAPACE.
Lieut-Colonel.,
Deputy Chief Financial Officer.

action/3

file/3

TO:- Major T. B. Jackman, M.G.S., A.F.H.Q.

FROM:- Brigadier R. A. Hamlyn, Chief, Financial Division, A.C.A.

SUBJECT:- Accounting for Civilian Supplies

REFERENCE:- A.C.A./1011/3

DATE:- 14th September, 1943.

Reference Message No. 5 of 13th September, 1943.

Enclosed is a copy of the memorandum on method of accounting for exports and imports by Civilian Supplies Division, which you requested, copy of which was handed to me by Speed.

It is suggested that the following cable should be sent in reply to the cable 67907F5 from Troopers (repeat to Agwar for C.C.S.).

We appreciate your comments re paragraphs 6 and 10. While at Palermo Hamlyn worked out with A.M.G. the following instructions covering accounting for civilian supplies:

1. The supplies may be received or purchased from any or all of the following sources:

(a) American Military or Naval Services.
(b) British Military or Naval Services.
(c) External commercial or Governmental channels.
(d) Local sources.

2. The C.S.D. will keep complete records in quantities of all supplies handled by it whether imported, purchased locally for sale within the occupied territory or purchased locally for export. However, monetary values will only be recorded for the following in lire:

(a) The proceeds of sale of imported supplies.
(b) The cost and proceeds of sale of supplies purchased locally for sale within the occupied territory.
(c) The cost of supplies purchased locally for export.

It follows that the cost of goods imported or the proceeds of sale of supplies exported will not, for the time being, be reflected in the AMGOT financial accounts.

3. So far as is possible, all local purchases for resale within the occupied territory or for export will be paid for by AMFA on the presentation of vouchers approved by the D.C.S.D.; similarly, the proceeds of sales within the territory will be paid direct to AMFA.

28

The suggestion has been made and, we believe, is under consideration, that the proceeds in dollars or pounds received for exports from Sicily

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28

The suggestion has been made and, we believe, is under consideration, that the proceeds in dollars or pounds received for exports from Sicily should be paid into an earmarked account at the British or U.S. Treasuries. Where exports are to areas like French North Africa, the proceeds of the sale should be converted into dollars or sterling and deposited into the earmarked account at the British or U.S. Treasury. This would leave for later decision the disposition of the dollar or sterling balance in such earmarked accounts, as well as in the earmarked accounts maintained in connection with the transfer of A.M. lire to the British and American Armies. Kindly advise whether the foregoing is satisfactory to the British and American authorities.

BRIGADIER R. A. HAMLYN,
Chief, Financial Division,
A.C.A.

RAH/rha.
14th September, 1943.

MGS ALG V MGS TIZ
13 SEPTEMBER 1943
MESSAGE NO 8

TO : BRIGADIER HAMLYN
SUB : ACCOUNTANCY

CABLE HAS BEEN RECEIVED FROM TROOPERS FROM SPEED TODAY REFERRING TO PAPER LEFT WITH YOU CALLED METHOD OF ACCOUNTING FOR EXPORTS AND IMPORTS BY CIVILIAN SUPPLIES DIVISON. NO COPY OF THIS PAPER HERE. ARRANGE TO SEND COPY HERE BY DR TOMORROW AND LET US HAVE SOONEST COPIES OF ANY OTHER SIMILAR PAPERS DRAFTED AT SAME TIME. PARAPHRASE OF CABLE FOLLOWS NEXT MESSAGE.

MAJOR T.B. JACKMAN

(359)

MGA ALG V MGS TIZ
13 SEPTEMBER 1943
MESSAGE NO 9

2802

TO BRIGADIER HAMLYN
SUB ACCOUNTANCY

67907 F5

TROOPERS CABLE ~~67907~~5 FROM SPEED STATES THAT PAPER LEFT WITH YOU REFERENCE ACCOUNTANCY FOR EXPORTS AND EMPORTS HAS NOW BEEN APPROVED WITH FOLLOWING RESERVATIONS:

1. WORDS "OR OTHER DULY APPOINTED AGENCIES" ARE TO BE INSERTED IN PARA 6 LINE 5 AFTER WORDS WAR DEPARTMENT.

2. REMAINING PART OF PARA 6 AND OTHER REFERENCES TO SAME POINT NOT FOUND FEASIBLE IN PRACTICE. SPEEDS LETTER TO GRAFFTEY SMITH OF 3 SEPT. OF WHICH YOU HAVE COPY MAKES IT CLEAR THAT RECEIPT OF STORES AND SUPPLIES BY AMG ONLY ACCOUNTABLE FOR QUANTITATIVELY ON RECEIPT SIDE OF STORE ACCOUNT. IT WILL BE WHOLLY IMPOSSIBLE TO NOTIFY FOR DEBIT TO AMFA ACCOUNT CIF PRICES OF CONSIGNMENTS. AMFA LIRA CAS ACCOUNT CAN ONLY SHOW PROCEEDS AND IDEA OF BALANCE CASH ACCOUNT MUST BE ABANDONED. NO OCCASION THEREFORE TO TO CONSIDER STERLING OR DOLLAR VALUES. PROCEED ON THIS BASIS AT PRESENT. MATTER UNDER DISCUSSION IN LONDON AND FURTHER COMMUNICATION PROBABLE WITH YOU LATER.

3. REF PAR 10 IT IS STATED THIS IS AN EXPRESSION OF OPINION NOT NECESSARILY ACCEPTED AND SHOULD BE DELETED FROM ANY FORMAL DOCUMENT. LONDON AND WASHINGTON ARE BOTH AWARE THAT DISPOSAL EXCHANGE ASSETS OR LIABILITIES IS QUESTION TO BE SETTLED BUT THERE ARE MANY RAMIFICATIONS. PLEASE COMMENT .

(360)

MAJOR T.B. JACKMAN

ACA / 10/11/3

Accountancy

METHOD OF ACCOUNTING FOR EXPORTS AND IMPORTS BY CIVILIAN SUPPLIES DIVISON. NO COPY OF THIS PAPER HERE. ARRANGE TO SEND COPY HERE BY DR TOMORROW AND LET US HAVE ~~SOONEST~~ SOONEST COPIES OF ANY OTHER SIMILAR PAPERS DRAFTED AT SAME TIME. PARAPHRASE OF CABLE FOLLOWS NEXT MESSAGE.

(359)

MAJOR T.B. JACKMAN

MGA ALG V MGS TIZ
13 SEPTEMBER 1943
MESSAGE NO 9

TO BRIGADIER HAMLYN
SUB ACCOUNTANCY

2802

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(360)

MAJOR T.B. JACKMAN

ACA 10/11/3

Accountancy

1392