

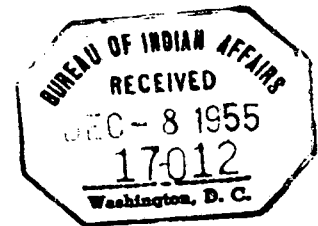
T-353

UNITED STATES TREASURY DEPARTMENT

REGULATIONS

GOVERNING

Deposit of Public Moneys and  
Payment of Government  
Checks



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Department Circular No. 176

Revised December 21, 1945

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## REGULATIONS GOVERNING DEPOSIT OF PUBLIC MONEYS AND PAYMENT OF GOVERNMENT CHECKS

Department Circular No. 176  
(Revised December 1945)

Fiscal Service  
Bureau of Accounts

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
WASHINGTON, DECEMBER 21, 1945

To the Treasurer of the United States, Federal Reserve Banks and Branches, Depositories and Financial Agents of the Government, Officers, Agents or employees of the United States engaged in collecting, depositing, or transmitting public moneys, and others concerned:

## I. GENERAL PROVISIONS AND DEFINITIONS

Sec. 1. (a) *Scope of regulations.*—This Circular governs deposits of public moneys with and the handling of Government checks by the Treasurer of the United States, Federal Reserve Banks and Branches, and Depositories and Financial Agents of the Government.

(b) *Public moneys—Definition of.*—The term “public moneys” as defined in Public Law 603, Seventy-seventh Congress, approved June 11, 1942 (U. S. C., 1940 ed., Sup. IV, Title 12, sec. 265), includes, without being limited to, revenues and funds of the United States and any funds the deposit of which is subject to the control or regulation of the United States or any of its officers, agents, or employees.

(c) *Branch Federal Reserve Banks—Reference to.*—The term “Federal Reserve Bank” where it appears in this Circular, unless otherwise indicated by the context, includes Branch Federal Reserve Banks.

(d) *Depository and Financial Agent of the Government—Definition of.*—The term “Depository and Financial Agent of the Government” as used in this Circular means any insured bank within the 48 States and the District of Columbia designated for that purpose under the provisions of Public Law 603, Seventy-seventh Congress, approved June 11, 1942 (U. S. C., 1940 ed., Sup. IV, Title 12, sec. 265).

(e) *General Depositories—Definition of.*—The term “General Depositories” as used in this Circular means Depositories and Financial Agents of the Government that have been authorized to maintain on their books an account in the name of the Treasurer of the United States. General Depositories are designated and maintained only at points where a depository is needed to receive deposits from depositors of public moneys for credit to the account of the Treasurer of the United States or to render other essential banking services authorized by the Secretary of the Treasury. The balances maintained with General Depositories to the credit of the Treasurer of the United States are fixed in proportion to the volume and character of the Government business transacted by such depositories and are adjusted periodically upon that basis. General Depositories, when so authorized by the Secretary of the Treasury, may also accept deposits for credit in the official checking accounts of other Government officers with such depositories. (See section 15 for definition of active and inactive General Depositories.)

(f) *Limited Depositories—Definition of.*—The term “Limited Depositories” means Depositories and Financial Agents of the Government that have been designated by the Secretary of the Treasury for the sole purpose of receiving, up to specified maximum amounts, deposits made by

Government officers for credit in their official checking accounts with such depositories. Limited Depositories are *not* authorized to accept deposits for credit to the account of the Treasurer of the United States.

## II. FOR SPECIAL ATTENTION OF DEPOSITORS OF PUBLIC MONEYS

Sec. 2. *Deposits with Federal Reserve Banks and General Depositories for credit to the account of the Treasurer of the United States.*—All funds received by depositors of public moneys shall be deposited, if the depositor is located in the same city with a Federal Reserve Bank or General Depository, with such Federal Reserve Bank or General Depository. If there is no Federal Reserve Bank or General Depository located in the same city or town with the depositor, all deposits shall, unless otherwise authorized by the Secretary of the Treasury, be forwarded to the Federal Reserve Bank of the district or to the nearest branch thereof: Provided, however, that depositors located in the District of Columbia shall make all deposits direct with the Treasurer of the United States. Depositors of public moneys shall endeavor to limit the number of their deposits to *one each day*. It may be necessary, therefore, for depositors to establish a "cut off" hour in connection with deposits; collections received after that hour should be included in the deposit of the following day.

Sec. 3. *Use of bank drafts in transmitting official funds.*—The Secretary of the Treasury, in his discretion, may authorize the exchange of public moneys for drafts issued by insured banks for the transmission of funds received by officers or agents of the Government. This method of transmission shall not be used without first securing authority from the Secretary of the Treasury.

Sec. 4. *Deposits by Government officers with general and limited depositories for credit in their official checking accounts with such depositories.*—It is the responsibility of Government officers to maintain the balances (including outstanding drafts) in their official checking accounts with General and Limited Depositories within the authorized limits fixed by the Secretary of the Treasury. If a Government officer determines that the balance in his official checking account will exceed the authorized limit of the depository in which the account is maintained, he shall immediately advise the Secretary of the Treasury through his administrative office and the Treasury will take action to obtain additional collateral from the depository and will increase its authority accordingly. The Treasury will assume no responsibility for the amount of any deposit made by a Government officer in his official checking account in excess of the authorized limit fixed by the Secretary of the Treasury or any deposit in a bank which has not been designated as a general or limited depository.

Sec. 5. *Conditions under which checks and drafts will be accepted.*—All checks and drafts (including checks drawn on the Treasurer of the United States and postal money orders) received by any Government officer are received subject to collection and in the event that any check or draft cannot be collected in full or is lost or destroyed before collect on, appropriate action must be taken by the depositor in the same manner as if the check had not been received. Payments made by check or draft are not effective unless and until the proceeds of the check or draft have been received in actually and finally collected funds. All such checks which are deposited with or collected through a Federal Reserve Bank shall be collected in accordance with the regulations of the Board of Governors of the Federal Reserve System governing the clearing and collecting of checks by Federal Reserve Banks. All checks and drafts received in payment of obligations to the United States must be payable unconditionally in money of the United States. Checks or drafts payable in exchange at the option of the drawee will not be accepted. Drafts shall be handled hereunder in the same manner as checks, and the term "checks" where it appears in this Circular, will, unless otherwise indicated by the context, be deemed to include drafts. Postal

money orders and postal notes shall be handled, subject to collection, in accordance with sections 7 and 8 hereof.

Sec. 6. *Certificates of Deposit.*

(a) *Form to be used and who should prepare same.*—Deposits with Federal Reserve Banks and General Depositories for credit to the account of the Treasurer of the United States should be accompanied by prescribed certificates of deposit. Certificates of deposit generally should be prepared by the depositor and should be numbered and dated by the depositor as of the date sent to the depository.

(b) *Form of signature.*—The form of receipt incorporated on the original and copies of all certificates of deposit must be dated and signed by a duly authorized officer or employee acting on behalf of the depository. This signature may be in any one of the following forms: (1) a manual signature of a duly authorized officer or employee followed by the title of such officer or employee; (2) a rubber stamp impression containing the name of the depository, supported by the manual initial of the receiving officer or employee and followed by his title; (3) a facsimile or rubber stamp impression signature of a duly authorized officer over his official title, supported by the manual initial of such officer or employee receiving the deposit; or (4) a facsimile or rubber stamp impression signature of a duly authorized employee over his official title, supported by the manual initial of such employee. All initials or manual signatures should be in ink.

(c) *Number that should be prepared.*—Only one certificate of deposit should accompany each deposit, unless the depositor is specifically authorized by the Secretary of the Treasury or a Federal Reserve Bank, acting as Fiscal Agent of the United States, to adopt a different procedure: *Provided, however,* that in the event a deposit involves different classes of accounts, more than one certificate of deposit should be used.

(d) *Disposition of original and copies.*—The original of each certificate of deposit shall be transmitted to the Treasurer of the United States by the depository with its transcript of the Treasurer's account on which the credit appears. The copies of the certificate of deposit in the set should be distributed in accordance with the instructions printed thereon. In no case shall a duplicate or second set of certificates be issued without special authority of the Secretary of the Treasury, unless and until the entire original set has been canceled; however, copies of any certificate in a set may be furnished on request provided each such copy is plainly stamped across the face in large letters "COPY." If an error is discovered after the original has been mailed, the Treasurer of the United States should be notified at once in order that proper correction may be made.

(e) *Maintenance of record of items deposited.*—Depositors shall maintain a record of all checks, drafts, postal money orders, and postal notes deposited, which record shall be in such form as to enable the identification of each item with the applicable certificate of deposit.

Sec. 7. *Sorting and listing of items for deposit.*—Items deposited with Federal Reserve Banks and General Depositories for credit to the account of the Treasurer of the United States shall be sorted and listed by depositing officers in such manner as may be prescribed by the Secretary of the Treasury.

Sec. 8. *Indorsement and transmission of checks for collection.*

(a) *Form of indorsement.*—The depositor should stamp on the face or include in the indorsement of each check deposited for credit to the account of the Treasurer of the United States the words "This check is in payment of an obligation to the United States and must be paid at par. N. P.," followed by his name and title. The Federal Reserve Bank or General Depository will make an effort to collect every check on these terms. If the bank on which a check is drawn for any reason does not pay it at par, it will be returned to the depositor in the same manner as a bad check. A check is not paid by the bank on which it is drawn until the proceeds

thereof have been received in actually and finally collected funds. All checks should be indorsed: "Pay to the order of any Federal Reserve Bank or Branch or General Depository for credit to the Treasurer of the United States, -----  
(Date)

-----"  
(Stamp signature or title of depositor)

NOTE.—Depositors now using special indorsement stamps, i. e., indorsement stamps naming specific banks, should not change such indorsement stamps until new stamps or dies are needed, at which time the general indorsement prescribed above should be substituted.)

(b) *Maintenance of record of checks deposited.*—Depositors must retain a record of the checks deposited so that if any check is lost payment may be stopped immediately and a duplicate or substitute check secured.

(c) *Postage and registration charges.*—Necessary expenses for postage and registration charges should be borne by such appropriation as may be available and must not in any event be deducted from the amount of the deposit. If the depositor has no appropriation available to pay such charges, he should make prompt report to the Secretary of the Treasury, Division of Deposits, and request instructions. Registration is not required in connection with the shipment of checks, postal money orders, and postal notes.

(d) *Protection under Government Losses in Shipment Act.*—Deposits, while in the course of shipment to depositories, are protected under the provisions of the Government Losses in Shipment Act, as amended (U. S. C., Title 5, secs. 134–134h) and, therefore, such remittances shall not be insured by depositors. In this connection, attention is invited to Treasury Department Circulars Nos. 576 and 577.

Sec. 9. *Uncollected and lost checks in connection with deposits for credit to the account of the Treasurer of the United States.*—Except as otherwise authorized by the Secretary of the Treasury in specific cases, the following procedure shall apply in the event any check is not paid for any reason by the bank on which it is drawn (irrespective of whether advice of such non-payment is received prior or subsequent to the date the applicable certificate of deposit is executed):

(a) The Federal Reserve Bank or general depository, all hereinafter referred to as the "depository," will immediately execute a debit voucher, Form 5504 (Revised), and deliver or forward to the depositor the triplicate and quadruplicate copies thereof, together with each unpaid check included in such voucher. The charge for such uncollectible checks will not be entered in the Treasurer's account, however, prior to the credit of the deposits in which the uncollectible checks are included. If an unpaid check is not recovered by the depository, a notification to the depositor to that effect citing the reason the check was not returned should accompany the copies of the voucher.

(b) The depositor should immediately review the data recorded on the reverse of the copies of the Form 5504 (Revised) and if such data are correct, the quadruplicate copy should be signed in the space provided on the reverse of the form and immediately returned to the depository.

(c) If any correction of the information recorded on the executed debit voucher is necessary, the depositor should make such correction on the copies of the form in his possession over initial, before returning the depository's copy; the depository will advise the Treasurer of the United States by letter of the corrections to be made on the debit voucher.

(d) At the request of the depository and upon receipt therefrom of the unpaid check or checks, or in case an unpaid check is not recovered by the depository, a notification to that effect, citing the reason therefor, the depositor shall complete (except affixing his signature) the reverse

side of a full set of the debit voucher, Form 5504 (Revised), and transmit at once the full set of the form to the depository for execution and for return to the depositor of the triplicate and quadruplicate copies thereof. Thereafter, the procedure will be the same as set forth under (b) and (c).

(e) Two or more uncollectible checks, if included in the same deposit, should be recorded on the same debit voucher. Checks of the same class of receipt should be consolidated and recorded on the debit voucher by class of receipt and certificate of deposit. Space permitting, data pertaining to more than one certificate of deposit submitted by the same depositor may be recorded on a single debit voucher provided the certificates of deposit are of the same form number; however, separate debit vouchers must be prepared for uncollectible checks included in deposits for credit in disbursing officers' checking accounts bearing different symbol numbers or in other cases upon specific instructions.

(f) In the case of failure for any reason to collect checks deposited by the Treasurer of the United States, the procedure and forms set forth in section 12 (i) hereof will be followed and used.

(g) If an unpaid check is returned by the depository, the depositor will adjust his accounts and proceed at once to collect the amount involved as though no check had been received.

(h) If a check is lost, whether before or after deposit, the depositor will adjust his accounts and immediately request that the drawer stop payment on the check and forward a duplicate thereof. If a duplicate check or other payment is not received in due course, the depositor will proceed to make collection as if no check had been received. (See Section 10 hereof.)

(i) When a new payment is received under either (g) or (h) hereof, the depositor will treat such payment as new business and deposit the check accordingly.

Sec. 10. *Agreement of indemnity in connection with the replacement of checks, drafts, and other documents.*—Section 3 (b) of the Government Losses in Shipment Act, as amended (U. S. C., Title 5, sec. 134b-2), reads as follows:

3 (b). The Secretary of the Treasury is hereby authorized to execute and deliver, on behalf of the United States, such binding agreements of indemnity as he may deem necessary and proper to enable the United States to obtain the replacement of any instrument or document received by the United States or any agent of the United States in his official capacity which, after having been so received, became lost, destroyed, or so mutilated as to impair its value: *Provided, however,* That no such agreement of indemnity shall operate to obligate the United States in any case in which the obligee named therein makes any payment or delivery not required by law on the original of the instrument or document covered thereby. The fund shall be available for the payment of any obligation arising out of any agreement executed by the Secretary of the Treasury under this section.

The procedure outlined below should be followed in connection with the replacement of any instrument or document covered by the foregoing amendment:

(a) Immediately upon discovery of the loss, destruction, or mutilation, the drawer should be so advised and request be made that payment of or delivery on the original instrument or document be stopped.

(b) Every effort should be made to obtain replacement of the instrument or document without the execution of an agreement of indemnity.

(c) In the event it is not possible to obtain replacement without giving an agreement of indemnity, the case should be transmitted to the Treasury Department, for attention of the Division of Deposits, together with the following:

(1) A complete description of the instrument or document, together with certified copies of all correspondence relating to the loss and to the effort made to obtain replacement;

(2) A statement clearly demonstrating the necessity for replacing the instrument or document; and

(3) A recommendation of the administrative head of the executive department, independent establishment, agency, or wholly owned corporation of the United States, that the Secretary of the Treasury execute and deliver an agreement of indemnity.

The Secretary of the Treasury will take such action in regard to the execution and delivery of the agreement of indemnity as he may deem necessary and proper.

### III. FOR SPECIAL ATTENTION OF FEDERAL RESERVE BANKS

#### Sec. 11. *Collection and credit.*

(a) *Basis on which credit will be given.*—Federal Reserve Banks will give credit in the Treasurer's account for deposits on such basis as may be agreed upon with the Secretary of the Treasury. Certificates of Deposit covering items deposited for credit in the Treasurer's account should be issued at the time of credit in the account.

(b) *Conditions under which checks will be collected.*—Federal Reserve Banks are authorized to collect checks deposited for credit to the Treasurer's General Account, when properly stamped as prescribed in section 8 hereof, in accordance with the regulations of the Board of Governors of the Federal Reserve System governing the clearing and collecting of checks by Federal Reserve Banks. The Federal Reserve Banks will exercise due diligence in collecting such checks.

(c) *Special arrangements.*—The foregoing provisions of this section shall not be deemed to prohibit any Federal Reserve Bank from making special arrangements with the Treasury with respect to deposits of individual depositors of public money where the character of the deposits justifies special treatment.

Sec. 12. *Uncollected and lost checks in connection with deposits for credit to the account of the Treasurer of the United States.*—Except as otherwise specified by the Secretary of the Treasury, the following procedure shall apply in the event any check is not paid for any reason by the bank on which it is drawn (irrespective of whether advice of such non-payment is received prior or subsequent to the date the applicable certificate of deposit is executed):

(a) The Federal Reserve Bank, hereinafter referred to as the "depository", shall retain a record of the drawer, drawee, and amount of each unpaid check returned to the depositor as uncollectible.

(b) The depository, except as provided under item (e) hereof, will complete the data required on the face and reverse of the form and charge the Treasurer's account with the total amount of the uncollectible checks recorded on Form 5504 (Revised); such charge, however, shall not be entered in the Treasurer's account prior to the credit of the deposit in which the uncollectible checks are included.

(c) The original of the executed Form 5504 (Revised) should be transmitted to the Treasurer of the United States with the transcript of the Treasurer's account, Form 17, on the date the charge is made in such account. All other copies in the set will be distributed in accordance with instructions printed on the face thereof.

(d) Each unpaid check included in a voucher shall accompany the copies of Form 5504 that are returned to the depositor. In case an unpaid check is not recovered by the depository, a notification to the depositor to that effect citing the reason the check was not returned should accompany the copies of the voucher.

(e) If the depository is unable to provide accurately the data required on the reverse of the debit voucher Form 5504 (Revised), the depository should return each uncollectible check, or furnish appropriate advice if the uncollectible check cannot be returned, and request the depositor to complete (except for the affixing of his signature) the reverse side of a full set of the voucher Form 5504 (Revised), and transmit such set of the voucher to the depository for execution.



(f) Upon receipt of the requested debit voucher, the depository will verify the information furnished to determine that it is complete and accurate with respect to the certificates of deposit described thereon and proceed as provided in (b) and (c) hereof.

(g) The depository will see that the quadruplicate copy of each executed form is returned properly signed by the depositor. The copy should be examined and, if the depositor has indicated that correction of the data recorded on the form is necessary, the depository shall transmit a letter to the Treasurer of the United States, Accounting Division, Washington, D. C., fully describing the debit voucher, together with a statement of the corrections to be made thereon. The depository will maintain a permanent file of the signed quadruplicate copy of each Form 5504 (Revised) that it executes.

(h) Two or more uncollectible checks, if included in the same deposit, should be recorded on the same debit voucher. Checks of the same class of receipt should be consolidated and recorded on the debit voucher by class of receipt and certificate of deposit. Space permitting, data pertaining to more than one certificate of deposit submitted by the same depositor may be recorded on a single debit voucher, provided that the certificates of deposit are of the same form number; however, separate debit vouchers must be prepared for uncollectible checks included in deposits for credit in disbursing officers' checking accounts bearing different symbol numbers or in other cases upon specific instructions.

(i) Federal Reserve Banks, in the case of checks forwarded for collection by the Treasurer of the United States which are not paid for any reason by the drawee bank, should return the check or checks, if recovered, to the Cashier, Office of the Treasurer of the United States, with duplicate debit voucher, Form 5315, and the original Form 5315 should be transmitted with the transcript to support the charge. Such charge, however, shall not be entered in the Treasurer's account prior to the credit of the deposit in which the uncollectible checks are included. In case the unpaid item or items are not recovered by the Federal Reserve Bank, a notation of the circumstances should be made on the reverse of Form 5315.

(j) A check is not considered paid within the meaning of this Circular until the proceeds thereof have been received in actually and finally collected funds. In case an exchange draft is tendered by the bank on which a check is drawn and the draft is not paid in actually and finally collected funds because of insolvency of the bank on which the check is drawn, the draft should be retained by the Federal Reserve Bank as the basis for a claim, and the Federal Reserve Bank will be expected in ordinary course to file a claim thereon for account of the Treasurer, though dividends on claims so filed should be accepted only upon specific authority from the Secretary of the Treasury. Immediately upon filing claim, the Federal Reserve Bank should notify the Secretary of the Treasury, Division of Deposits, giving a full description of the items included in the claim.

Sec. 13. *Certificates of deposits.*—Federal Reserve Banks are requested to see that all certificates of deposit are duly executed in accordance with section 6 hereof. The date inserted on the certificate of deposit by the Federal Reserve Bank must, in all cases, be the same as the date of the transcript in which the amount is credited. Certificates of deposit should be numbered by the depositor if prepared by him, but in the event that the depositor fails to number the certificate, the Federal Reserve Bank will supply a number.

Sec. 14. *Acceptance of collateral.*—Federal Reserve Banks, as Fiscal Agents of the United States, are authorized to accept and hold collateral of the classes outlined in section 20 of this Circular when tendered by depositories as security for Government deposits.

## IV. FOR SPECIAL ATTENTION OF GENERAL DEPOSITARIES

Sec. 15. *Classes of general depositaries.*—There are two classes of General Depositaries, namely, "Active General Depositaries" and "Inactive General Depositaries". An "Active General Depositary" is a depositary which is authorized to maintain on its books an account in the name of the Treasurer of the United States and is authorized to accept deposits from Government officers for credit in that account. An "Inactive General Depositary" is a depositary that is authorized to maintain on its books an account in the name of the Treasurer of the United States but *does not* have authority to accept deposits from Government officers for credit in that account.

Sec. 16. *Certificates of deposit.*—Active General Depositaries are requested to see that all certificates of deposit are duly executed in accordance with section 6 hereof. The date inserted on the certificate of deposit by the Active General Depositaries must, in all cases, be the same as the date of the transcript in which the amount is credited. Certificates of deposit should be numbered by the depositor if prepared by him, but in the event that the depositor fails to number the certificate, the Active General Depositary will supply a number.

Sec. 17. *Collection and credit.*—Active General Depositaries are required to give immediate credit in the Treasurer's account and to issue certificates of deposit for the full amount of all public moneys deposited with them for credit in the Treasurer's account in accordance with this Circular.

Sec. 18. *Uncollected and lost checks in connection with deposits for credit to the account of the Treasurer of the United States.*—The procedure set forth in section 12 hereof (except subsections (i) and (j)) shall apply in the event checks, drafts or other items included in deposits with Active General Depositaries are uncollectible or lost.

Sec. 19. *Excess balances.*—Each Active General Depositary, whenever it holds funds to the credit of the Treasurer of the United States at the close of business on any day in excess of the amount of its authorized balance, shall make immediate transfer of such excess funds to the Federal Reserve Bank of the district in which the General Depositary is located for credit to the Treasurer's account in funds available for immediate credit by such Federal Reserve Bank.

Sec. 20. *Collateral security for deposits.*—General Depositaries must qualify before receiving deposits of public moneys by pledging collateral as security for such deposits. Until further notice, securities of the following classes, and no others, will be accepted as security for deposits hereunder and at the rates below provided:

(a) Bonds, notes, certificates of indebtedness, and Treasury Bills of the United States, of any issue including outstanding interim certificates or receipts for payment therefor; at par for bonds, notes, and certificates and maturity value in the case of Treasury Bills.

(b) Obligations fully and unconditionally guaranteed both as to principal and interest by the United States; all at face value.

(c) Bonds of the Federal Land Banks, obligations of the Federal Intermediate Credit Banks, obligations of the Federal Home Loan Banks, obligations of the Federal National Mortgage Association, bonds of Puerto Rico and bonds and certificates of indebtedness of the Philippine Islands; all at face value.

(d) Bonds of the Territory of Hawaii at market value, not to exceed par.

All securities to be pledged as collateral security for such deposits must be deposited with the Federal Reserve Bank of the district in which the depositary is located or with the Treasurer of the United States, Division of Securities, accompanied by a letter stating distinctly the purpose for which deposited. When registered bonds are to be deposited as collateral security hereunder,

such bonds must be assigned to the Treasurer of the United States in trust for the bank by an officer of the bank, duly authorized by resolution of its board of directors to make such assignment, and the assignment must be duly acknowledged pursuant to the regulations of the Secretary of the Treasury governing assignments of registered bonds. A certified copy of the resolution of the board of directors must accompany the registered bonds when forwarded for deposit.

Sec. 21. *Cashing and handling of checks drawn on the Treasurer of the United States.*—Active General Depositories shall charge in the Treasurer's account Government checks issued for the purpose of transferring funds from one disbursing officer to another, or from one account of a disbursing officer to another account; or Government checks drawn by a disbursing officer for the purpose of depositing their amounts to the credit of the Treasurer of the United States. Active General Depositories may also charge the Treasurer's account with checks presented by Government disbursing officers to obtain cash for pay roll purposes. The Treasurer of the United States, upon special request, will advise Active General Depositories as to whether the balances to the credit of the disbursing officers are sufficient for the payment of the checks presented. All checks charged to the account of the Treasurer of the United States in accordance with the foregoing provisions of this section are subject to examination and payment by the Treasurer. Checks charged to the account of the Treasurer of the United States should accompany the daily transcript of the Treasurer's account in which listed. Shipments of such checks to the Treasurer of the United States will be covered under the Government Losses in Shipment Act, provided the depository retains copies of the transcripts containing a description of the checks. Checks drawn on the Treasurer of the United States, payable through a particular Federal Reserve Bank, designated on the face of the check, shall not be charged to the account of the Treasurer of the United States by a depository.

Sec. 22. *Restoration of depleted balances.*—Whenever the balance to the credit of the Treasurer of the United States in any Active General Depository is reduced below the amount fixed by the Secretary of the Treasury, the balance will be immediately restored upon the receipt by the Treasurer of the United States of a request from the depository bank, either by wire (prepaid) or by letter. Such requests must be in the form and in accordance with instructions prescribed by the Treasurer of the United States. (See Treasurer's circular letter G. A. 55, dated December 1, 1944, copies of which will be furnished on request.) The Treasurer of the United States will restore balances in either of the following methods, as may be desired by the bank: (1) By directing the appropriate Federal Reserve Bank by wire to credit the bank's reserve account, or (2) by placing funds to the bank's credit by wire with a correspondent bank in any city where a Federal Reserve Bank is located. Immediately upon making such transfer, the Treasurer will advise the bank, by wire (prepaid), and credit therefor must be given on the same date in the Treasurer's account with the depository bank and reported on Form 17S for the same day. No funds will be transferred, however, to a depository bank in advance of the actual reduction of the Treasurer's balance.

#### V. FOR SPECIAL ATTENTION OF LIMITED DEPOSITARIES

Sec. 23. *Scope of authority.*—The term "Limited Depositories" means depositories that are designated by the Secretary of the Treasury for the sole purpose of receiving, up to specified maximum amounts, deposits made by United States courts and their officers, postmasters, and other duly authorized Government officers for credit in their official checking accounts with such depositories. Limited Depositories are not authorized to accept deposits for credit to the account of the Treasurer of the United States.

Sec. 24. *Collateral security for deposits.*—The provisions of section 20 of this Circular are applicable to Limited Depositories.

## VI. PAYMENT OF CHECKS DRAWN ON TREASURER OF THE UNITED STATES

Sec. 25. *Federal Reserve Banks.*—Federal Reserve Banks will make arrangements to cash checks drawn on the Treasurer of the United States for disbursing officers of the War Department, Navy Department, and Treasury Department, and other Government disbursing officers, when such checks are drawn by the disbursing officers to their own order, provided that satisfactory identification of the officers shall be furnished. The Treasurer will, upon special request, advise Federal Reserve Banks as to whether the balances to the credit of disbursing officers are sufficient for payment of the checks presented.

Federal Reserve Banks will not be expected to cash Government checks presented direct to the bank by the general public.

Each Federal Reserve Bank will receive checks drawn on the Treasurer of the United States from its member banks, nonmember clearing banks, or other depositors, when indorsed by such banks or other depositors who guarantee all prior indorsements thereon, including the indorsement of the drawer when the check is drawn in his favor, and will give immediate credit therefor and charge the amount of the checks cashed or received in the account of the Treasurer, subject to examination and payment by the Treasurer of checks payable in Washington, D. C., or by the designated Federal Reserve Bank of checks payable through a Federal Reserve Bank.

The Treasurer of the United States reserves the right to examine, and to refuse payment of, all Government checks handled by Federal Reserve Banks in accordance with this section: Provided, however, that Government checks cashed by Federal Reserve Banks in accordance with the first paragraph of this section after having ascertained from the Treasurer that the balances to the credit of the signing officers are sufficient, will not be refused payment except for alteration or forged signature of drawer.

Government checks cashed or otherwise received by Federal Reserve Banks will be handled as follows:

(a) Checks drawn on the Treasurer of the United States, other than checks payable through designated Federal Reserve Banks, will be handled as follows:

(1) The Federal Reserve Bank will forward all checks charged in his account to the Treasurer of the United States at Washington, D. C., for payment.

(2) The Treasurer will return to the forwarding Federal Reserve Bank any check payment of which is refused upon first examination. Such Federal Reserve Bank will be expected to give immediate credit therefor in the Treasurer's account, thereby reversing the previous charge in his account for such check; but, if the check is required for use in connection with a criminal investigation or legal proceeding, the check will be retained by the Treasurer for that purpose, and a photographic copy of the face and back will be forwarded to the Federal Reserve Bank.

(3) In the event that any check which has been paid by the Treasurer is subsequently found to bear a forged indorsement, or to bear any other material defect or alteration which was not discovered upon first examination by the Treasurer, the amount of the check will be charged in the transit account of the Federal Reserve Bank from which received and a photographic copy thereof will be sent by the Treasurer to the bank or depositor which forwarded the check to the Federal Reserve Bank, with request that the amount thereof be paid to the Federal Reserve Bank for credit in the account of the Treasurer of the United States. If such payment is not made, the Treasurer will take such steps against such forwarding bank, or other depositor, and prior indorsers as he may deem necessary or advisable to protect the interests of the United States. Unless such payment is made, the Federal Reserve Bank will not give credit in the Treasurer's account for the amount of such check. If the check was cashed by a Federal Reserve

Bank or the Treasurer is unable to determine the forwarding bank or depositor, a photographic copy of the check will be sent directly to the Federal Reserve Bank with request that an attempt be made to obtain refund. If refund is not made, the Treasurer will take such steps as he may deem necessary or advisable to protect the interests of the United States.

(4) In cases of checks raised or bearing a forged signature of the drawer, not discovered upon first examination by the Treasurer, and in other cases where the Treasurer's right to reclaim is in question, the checks will be forwarded to the Federal Reserve Bank as collection items with no charge in the account of the Federal Reserve Bank and credit will be given in the Treasurer's account only when payments are made by the indorsers of the checks. A photographic copy may be returned in lieu of the check if the latter is required for use in connection with a criminal investigation or legal proceeding.

(b) Checks drawn on the Treasurer of the United States payable through designated Federal Reserve Banks will be handled as follows:

(1) The designated Federal Reserve Bank will, as agent and in behalf of the Treasurer, pay any such check or return it to the bank or other party from which it was received by such Federal Reserve Bank. The designated Federal Reserve Bank will be expected to give immediate credit in the Treasurer's account for any such check payment of which is refused on first examination, thereby reversing the previous charge in his account for such check; but, if the check is required for use in connection with a criminal investigation or legal proceeding, the check will be sent by the designated Federal Reserve Bank to the Treasurer for that purpose, and a photographic copy of the face and back will be forwarded to the bank or other party from which such check was received.

(2) Any such check cashed or otherwise received at a branch of the designated Federal Reserve Bank or at some other Federal Reserve Bank will be forwarded to the designated Federal Reserve Bank for payment in accordance with subdivision (b) (1) of this section.

(3) In the event that any check which has been paid by the designated Federal Reserve Bank in behalf of the Treasurer is subsequently found to bear a forged indorsement, or to bear any other material defect or alteration which was not discovered upon first examination, the amount of the check will be charged in the transit account of the Federal Reserve Bank which first received such check and a photographic copy thereof will be sent to the bank or other depositor which forwarded the check to such Federal Reserve Bank with request that the amount thereof be paid to such Federal Reserve Bank for credit in the account of the Treasurer of the United States. If such payment is not made, the Treasurer will take such steps against such forwarding bank, or other depositor, and prior indorsers as he may deem necessary or advisable to protect the interests of the United States. Unless such payment is made, the Federal Reserve Bank will not give credit in the Treasurer's account for the amount of such check. If the check was cashed by a Federal Reserve Bank or the Treasurer is unable to determine the forwarding bank or depositors, a photographic copy of the check will be sent to the Federal Reserve Bank which first received such check with request that an attempt be made to obtain refund. If refund is not made, the Treasurer will take such steps as he may deem necessary or advisable to protect the interest of the United States.

(4) In cases of checks raised or bearing a forged signature of the drawer, not discovered upon first examination by the designated Federal Reserve Bank in behalf of the Treasurer, and in other cases where the Treasurer's right to reclaim is in question, the checks will be forwarded to the Federal Reserve Bank which first received such checks as collection items with no charge in the account of the Federal Reserve Bank, and credit will be given in the Treasurer's account only when payments are made by the indorsers of the checks. A photographic copy may be

returned in lieu of the check if the latter is required for use in connection with a criminal investigation or legal proceeding.

(c) Each Federal Reserve Bank will be expected to use ordinary care in the performance of its duties in connection with Government checks as set forth in this Circular, and when acting as agent for the Treasurer of the United States will be liable only for its own negligence.

Sec. 26. *Active general depositaries.*—The Treasurer of the United States reserves the right to examine Government checks covered by section 21 of Part IV presented by depositary banks in accordance with the provisions of section 21 of this Circular and to refuse payment thereof: Provided, however, that checks charged by active general depositaries in the Treasurer's account under the provisions of section 21, after having ascertained from the Treasurer that the balances to the credit of the signing officers are sufficient will not be refused payment except for alteration or forged signature of the drawer. The depositaries will be deemed to guarantee all prior indorsements thereon, including the indorsement of the drawer when the check is drawn in his favor.

The Treasurer of the United States will return to the forwarding depositary bank any check of which payment is refused. Such depositary bank will give immediate credit therefor in the Treasurer's account, thereby reversing the previous charge in his account of such check; but, if the check is required for use in connection with a criminal investigation or legal proceeding, the check will be retained by the Treasurer for that purpose, and a photographic copy of the face and back will be forwarded to the depositary bank.

In the event that any check which has been paid by the Treasurer is subsequently found to bear a forged indorsement or to bear any other material defect or alteration which was not discovered upon payment by the Treasurer, a photographic copy thereof will be sent by the Treasurer to the depositary bank which charged such check in the Treasurer's account, and the depositary bank will be expected to give immediate credit in the account of the Treasurer of the United States.

In cases of checks raised or bearing a forged signature of the drawer, not discovered upon payment by the Treasurer, and in other cases where the Treasurer's right to reclaim is in question, the checks will be forwarded to the depositary bank as collection items. A photographic copy may be forwarded in lieu of the check if the latter is required for use in connection with a criminal investigation or legal proceeding.

Sec. 27. *Banks presenting checks direct to the Treasurer.*—Banks presenting checks payable in Washington, D. C., direct to the Treasurer of the United States, under special arrangements with the Treasurer, shall be deemed to guarantee all prior indorsements including that of the drawer when the check is drawn in the drawer's favor, irrespective of whether a specific guaranty is incorporated in the bank's indorsement.

Return will be made to the presenting bank of any check of which payment is refused, in which case the bank will make refund before the close of the next business day to the Treasurer of the United States, and if refund is not made by the bank, the Treasurer of the United States is authorized to deduct the amount of the check from any amount that is due or may become due to the bank. If the check is required for use in connection with a criminal investigation or legal proceeding, it will be retained for that purpose and a photographic copy of the face and back will be furnished to the presenting bank.

In the event that any check which has been paid by the Treasurer is subsequently found to bear a forged indorsement, or to bear any other material defect or alteration which was not discovered upon payment by the Treasurer, a photographic copy of the check will be forwarded to the presenting bank with request for refund.

In cases of checks raised or bearing a forged signature of the drawer not discovered upon payment by the Treasurer, and in other cases where the Treasurer's right to reclaim is in question, the check will be forwarded to the presenting bank with a request for refund or collection, if possible. A photographic copy may be returned in lieu of the check if the latter is required for use in connection with a criminal investigation or legal proceeding.

Sec. 28. After the expiration of one year following the close of the fiscal year (ending June 30) in which they are drawn, checks drawn on the Treasurer of the United States (including checks payable through designated Federal Reserve Banks) are not payable by him but should be transmitted to the Secretary of the Treasury, Division of Disbursement, for payment from the "Outstanding Liabilities" appropriation, accompanied by an application for payment over the signature and address of the owner of such checks: Provided, however, That the one-year restriction does not apply to checks issued on account of public debt obligations and checks issued on account of transactions regarding the administration of banking and currency laws.

#### VII. OTHER PROVISIONS

Sec. 29. All previous regulations and instructions inconsistent herewith are hereby rescinded

Sec. 30. Except as herein otherwise provided, nothing contained in this Circular shall be deemed to affect deposits by Government officers to the credit of their official checking accounts with General and Limited Depositaries.

Sec. 31. The provisions of this Circular do not apply to or govern the deposit of public moneys outside of the forty-eight States and the District of Columbia, except to the extent specifically extended by the Secretary of the Treasury from time to time.

Sec. 32. The Secretary of the Treasury may waive, withdraw, or amend at any time or from time to time any or all of the provisions of this Circular.

D. W. BELL,  
*Acting Secretary of the Treasury.*