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# Treasury Financial Manual

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## Chapter 2000

### DEPOSITING DOMESTIC CHECKS AND CASH RECEIVED IN OVER THE COUNTER (OTC) COLLECTIONS

This chapter provides instructions for Federal agencies to deposit domestic checks and cash.

#### Section 2010 – Authority

12 USC 90, 265-266, 1767, 1789a and 31 USC 3301-3303, 3720.

#### Section 2015 – Definitions

**Agency or Federal Agency** – A department, agency, or sub agency in the executive, judicial, or legislative branch of the Federal Government, including wholly owned Government corporations.

**Agency Depositor or Federal Agency Depositor** – A person authorized to make deposits on behalf of the Federal agency.

**Agency Location Code (ALC)** – A numeric symbol used to identify the Federal agency accounting and/or reporting office.

**Contingency Mail In Treasury General Account (CMITGA)** – An over the counter Treasury's General Account (TGA) program administered by a commercial bank to provide Federal agencies with a contingency mail solution to their standard OTCnet deposit reporting process (see OTCnet definition below).

**Financial Institution (FI)** – A commercial bank authorized to accept TGA deposits.

**Mail In Treasury General Account (MITGA)** – An over the counter TGA deposit mail program administered by a commercial bank. This program allows Federal agencies to mail TGA deposits when access to a local FI is unavailable.

**Over the Counter Channel Application Network (OTCnet)** – A web-based application that integrates check capture and deposit reporting functionalities in one system. OTCnet enables Federal agencies which receive OTC collections for checks and cash to prepare an electronic deposit ticket or convert the checks to electronic instruments for settlement.

**OTCnet Check Capture** – A process which enables Federal agencies to scan paper domestic checks through a check reader that captures scanned check information and sends it to OTCnet electronically.

**OTCnet Deposit Ticket** – An OTCnet-generated report that is presented to FIs, along with the TGA deposits by an agency depositor.

**OTCnet Deposit Reporting** – An automated process which enables agencies to initiate and produce an OTCnet deposit ticket for their TGA deposits.

### **Section 2020 – Inscription on Checks**

Remitters must inscribe checks to the order of the specific organization maintaining the account to be credited, not to the Department of the Treasury (Treasury). The payee organization must be sufficiently identified to ensure prompt delivery. However, if a check is made payable to Treasury, the agency must accept and process it immediately. Under no circumstances should remitters make checks payable by name to individual officers or employees of the Federal Government.

### **Section 2025 – Funds Received for Another Agency**

If an agency receives funds that must be deposited under another ALC, it must:

- (1) Deposit the funds under its own ALC.
- (2) Classify the transaction to its budget clearing account F3875.
- (3) IPAC funds to the ALC for which the funds were deposited.

### **Section 2030 – Record of Checks Received**

Agency depositors must keep records of checks received, including the following information:

- Amount
- Name of the drawer
- Name of the person from whom received (if other than the drawer)
- Bank on which drawn
- Date drawn
- Check number (if cashier's check or similar item)
- Checking account symbol and serial number (if drawn on Treasury)
- Serial number (if postal money order).

If a check is lost, mutilated, or destroyed, refer to the instructions in Volume I, Part 5, Chapter 5000, Section 5035 (Uncollected, Lost, Destroyed, and Mutilated Checks).

### **Section 2035 – Depositors' Endorsement on Checks Deposited at a Financial Institution**

Depositors' endorsements on checks deposited at financial institutions for credit to the Treasury's account must, at a minimum, include:

- The agency location code (ALC)
- The words "For credit to the U.S. Treasury"

Depositors must show the same ALC as shown on the OTCnet Deposit Ticket in the endorsement on checks deposited at a financial institution.

## **Section 2040 – Making Deposits**

### **2040.10 – Deposit Reporting**

The agency must prepare an OTCnet Deposit Ticket, print it, and forward it to the financial institution along with the check or cash deposit. The deposit must reach the financial institution by its designated cut-off time. When creating an OTCnet Deposit Ticket, the agency must enter the voucher date (which shows when the deposit is created), not the date the agency expects it to arrive at the financial institution. Agencies must not post-date the voucher date, even if they are going to mail or send the deposit by courier. If the deposit arrives before the date entered on the OTCnet Deposit Ticket, the financial institution will not be able to confirm the agency's deposit in a timely manner.

Agencies should make copies or digital images of all checks. Copies/images should be safeguarded and retained based on the agency's internal policies. Treasury recommends that agencies retain copies/images for up to 10 business days, which will enable agencies to recreate deposits if checks are ever lost or stolen.

### **2040.20 – Check Capture**

Agencies must process checks via OTCnet Check Capture. The following items cannot be processed through OTCnet's Check Capture: Foreign items drawn on non-US financial institutions and Savings Bonds.

[Note: Since these items are not deposited at the agency's financial institution, there is no need to endorse the back of the check.]

Daily deposits must be received by 9:30PM EST for next-day settlement.

After being scanned, Treasury recommends retaining physical checks for up to 5 business days to ensure that there are no problems with file transmission, image quality, and processing of the checks. Checks should be safeguarded prior to destruction, and shredding is the method by which checks should be destroyed.

## **Section 2045 – Counterfeit Currency**

Financial institutions must surrender to the Secret Service any suspected counterfeit currency deposited to Treasury's General Account. In such cases, the agency will receive from the financial institution a photocopy of the Secret Service Form 1604: Counterfeit Note Report, and/or any other documentation that accompanied the surrendered currency. At that point, the agency must contact the Secret Service to find out if the surrendered currency was determined to be counterfeit. The agency must ensure that the financial institution processes an OTCnet Deposit Ticket for the amount of surrendered currency that the Secret Service determines is not counterfeit. See the Contacts section for more information.

## **Section 2050 – Designated FIs for TGA Deposits**

Agencies must deposit funds at their designated financial institution. Agencies must hand-deliver the deposits to their designated financial institution, or hire a courier or armored car service to make scheduled deliveries. Except as provided in section 2050.10, deposits must not be mailed to a financial institution. Agencies cannot make deposits at a Federal Reserve Bank.

Agencies must request permission to establish or change their financial institution from the St. Louis

Federal Reserve Bank (FRB St. Louis). See the Contacts section for more information.

In order to establish or change a financial institution, the following information will need to be provided to FRB St. Louis:

- Name of the agency
- OTCnet endpoint name
- Agency location code (ALC)
- Name, mail address, phone number, and address of the local agency contact
- Name and location of the agency's current financial institution
- Time and manner in which the agency makes deposits with the current financial institution
- Name and location of the proposed financial institution
- Name and phone number of a contact person at the proposed financial institution
- Total dollar amount deposited monthly
- Total number of checks deposited monthly
- Dollar amounts and number of Treasury checks deposited monthly
- Amount of cash deposited monthly
- A brief justification statement

After the appropriate arrangements have been made, FRB St. Louis will notify the requesting agency that the setup is complete.

[Note: The requested financial institution has 10 business days from the date of receipt of the agency profile sheet to respond to the request. Agencies requesting a financial institution need to provide FRB St. Louis with a 30 day notice prior to the agency's first deposit.]

#### **2050.10 – Mail In Treasury General Account (MITGA)**

The MITGA Program was developed to provide federal agencies with an alternative to make TGA deposits when access to a local FI is unavailable. Federal agencies that wish to use MITGA must contact FRB St. Louis to obtain an agency profile sheet, which must be filled out and returned to FRB St. Louis. The agency profile sheet is sent to the commercial bank administrator of the MITGA program. The MITGA commercial bank will send the agency instructions for sending deposits through the U.S. Postal Service. The agency will update its profile in OTCnet with the MITGA commercial bank's routing and transit number and the account number. The agency will process a deposit in OTCnet and send the deposit to the MITGA commercial bank for confirmation.

Postage, registration, and other expenses incurred in mailing deposits may not be deducted from the amount of the deposit.

#### **Section 2055 – Frequency of Deposits**

Agency depositors must limit deposits to one per day. Agencies must make deposits for credit to the U.S. Treasury's account without delay following the procedures below:

- Coordinate processing schedules that allow deposits to reach the financial institution before that financial institution's designated cut-off time.
- Agencies must deposit receipts totaling \$5,000 or more on the same day received prior to depositary cutoff time. Deposits will be made as late as possible prior to the specified cutoff time to maximize daily deposit amounts. Collections totaling less than \$5,000 may be

accumulated and deposited when the total reaches \$5,000. However, deposits must be made by Thursday of each week, regardless of the amount accumulated.

- If using OTCnet Check Capture, the agency must scan checks daily even if the checks total less than \$5,000.

### **Section 2060 – Reporting Large Deposits**

Agencies must report daily aggregate deposits (excluding Treasury checks) of \$50 million or more to the Bureau of the Fiscal Service's Cash Forecasting Division. See Volume I, Part 6, Chapter 8500, Section 8530, for instructions. However, agencies must not accept any check written for more than \$99,999,999.99, as the Federal Reserve banks will not process checks over that amount. See Federal Reserve Banks Operating Circular 3, "Collection of Cash Items and Returned Checks," Section 3.2.

### **Section 2065 – Emergency Procedures**

The CMITGA program was developed to provide Federal agencies a contingency solution to their standard OTCnet deposit reporting process. This contingency is used in the event the Federal agency's designated financial institution is unable to accept deposits for any reason, including (but not limited to) the following reasons:

- Will not open for business
- Will be delayed in opening
- Will have limited hours of operation
- Is affected by an environmental limitation that prevents the physical delivery of the Federal deposits

Contact the OTCnet Customer Service Team at 1-866-945-7920 and notify the customer service representative that your agency intends to use the CMITGA program. This notification will ensure that the agency is set up properly in the OTCnet application prior to mailing deposits to the CMITGA commercial bank for contingency purposes. Once the CMITGA commercial bank receives a mailed deposit from the agency, the CMITGA commercial bank will confirm it in OTCnet.

### **CONTACTS**

#### **Direct inquiries concerning this chapter to:**

Over the Counter Revenue Collection Division

Director 202-874-5202

OR

Federal Reserve Bank of St. Louis

OTC Support Team Telephone: 1-866-771-1842

Email: [stls.tga.support@stls.frb.org](mailto:stls.tga.support@stls.frb.org)

#### **Direct inquiries concerning counterfeit currency to:**

[www.secretservice.gov](http://www.secretservice.gov)

[www.newmoney.gov](http://www.newmoney.gov)