



Treasury Financial Manual

Chapter 4000

TREASURY CHECK RECLAMATION PROCEDURES

This chapter prescribes procedures and notices regarding the Department of the Treasury's check reclamations.

Section 4010—Authority

Under Section 15 of the Federal Reserve Act of December 23, 1913, as amended (12 U.S.C. 391), and Section 10 of the Federal Reserve Act of June 11, 1942, as amended (12 U.S.C. 265), the Secretary of the Treasury sets forth regulations to the Federal Reserve Banks (FRBs) as government depositaries and fiscal agents. If Treasury determines that a check has been paid over a forged or unauthorized endorsement, the Commissioner, Bureau of the Fiscal Service (Fiscal Service), may reclaim the amount of the check from the presenting bank or any other endorser that breached its guarantee of endorsement (31 CFR 240.8).

Section 4015—Definition of Terms

For the purpose of this chapter, terms are defined as follows.

Abandonment Notice to Banks—Abandonment Notice to Banks is a notice to financial institutions notifying them that they no longer owe a refund.

Check Reclamation—A check reclamation is a demand to a financial institution for a refund of the amount of an improperly negotiated or unauthorized U.S. Department of the Treasury check payment.

Collections Information Repository (CIR)—Collection Information Repository is a Bureau of the Fiscal Service collections reporting tool that provides deposit reporting and detail of collection transactions to federal agencies.

Direct Debit—Direct Debit is a process that automatically debits the financial institution's Federal Reserve master account for the full amount of a reclamation on the 31st calendar day, provided the financial institution has not submitted a protest or has not paid the reclamation by an authorization before the 30th calendar day from the reclamation date.

Direct Voucher Submission (DVS)— Direct Voucher Submission is a system which supports business lines in the delivery of credit voucher and/or debit voucher information to the Collection Information Repository (CIR) or Payment Information Repository (PIR). Voucher information facilitates the reconciliation of the book cash versus bank cash view for the Treasury General Account (TGA).

Discharged Debt—Discharge Debt is a debt that a federal entity has determined no longer warrants further collection action. If Fiscal Service's Reclamation Branch discharges a debt in full or in part, this prohibits further collection action on the debt or the discharged portion thereof.

Enterprise Accounting System (EASy)—Enterprise Accounting System is a centralized accounting system used by all FRB offices for processing accounting data (debits and credits) against a financial institution's Federal Reserve master account via automated interface files and manual data entry.

Federal Reserve Bank (FRB)—The national system of Federal Reserve Banks processes electronic payments (e.g., Fedwire transfers and ACH) and checks, handles federal government deposits and various support functions, and supervises and regulates federally chartered financial institutions. Federal Reserve Banks serve as the federal government's fiscal agents. The Federal Reserve System consists of 12 districts, each served by a Federal Reserve Bank, and is overseen by the Board of Governors and serves as the nation's central bank

FedMail—FedMail is an application that receives large files for distribution via email, Connect:Direct (CD), or fax to financial institutions, depending on how the financial institution prefers to receive the information.

Presenting Bank—Presenting Bank is a financial institution that presents checks directly to and receives provisional credits from an FRB for check payments.

Reclamation Ticket Number—Reclamation Ticket Number is a seven-digit number that appears on the Notice of Direct Debit (U.S. Treasury Check Reclamation).

Standard Form (SF) 215: Deposit Ticket (Credit Voucher)—Standard Form (SF) 215: Deposit Ticket is a document with an associated 6-digit number used to deposit funds to an Agency Location Code (ALC) within the TGA.

Standard Form (SF) 5515: Debit Voucher—Standard Form (SF) 5515: Debit Voucher is an accounting document for making adjustments (decreases) to amounts previously deposited. The Standard form (SF) 5515 is used to record debit transactions to an ALC within the TGA.

Treasury Check Information System (TCIS)—Treasury Check Information System (TCIS) is a system that records and reconciles the worldwide issuance and payment of U.S. Department of the Treasury checks. It also allows end-users to query PACER On-Line for Automated Clearing House payments and exception activity. For more information, refer to the [TCIS](#) website.

Treasury Receivable Accounting and Collection System (TRACS)—Treasury Receivable Accounting and Collection System is a debt recovery and accounting system that generates all accounting, financial reporting, debt billing, and collection activity associated with the U.S. Treasury's check claims process.

Section 4020—Notices

4020.10—Notice of Direct Debit (U.S. Treasury Check Reclamation)

The Notice of Direct Debit (U.S. Treasury Check Reclamation) includes the amount due, the reason for the reclamation, the direct debit date, the pertinent check locator information, the procedures for making payment, and the related laws and regulations governing the reclamation process.

4020.20—Summary of Debt Statement

This statement consists of a detailed listing of outstanding reclamation and associated information, the applicable Fiscal Service collection regulations, and an explanation of the columns on the Summary of Debt Statement. It includes the following:

- four-digit check symbol and eight-digit check serial number,
- payee's name,
- reclamation date,
- request ticket number,
- amount of principal, and
- total amount due.

4020.30—Abandonment Notice to Banks

If Fiscal Service determines that a financial institution is no longer liable for payment of a reclamation, Fiscal Service enters an abandonment code into TRACS. Weekly, TRACS sends the electronic abandonment notices through the FRB to notify financial institutions that they no longer owe a refund.

Section 4025—Treasury Check Reclamation Process

4025.10—Processing a Notice of Direct Debit (U.S. Treasury Check Reclamation)

If Fiscal Service determines that a check has been improperly negotiated, it transmits the Notice of Direct Debit (U.S. Treasury Check Reclamation) through the FRB FedMail System to the appropriate financial institution.

4025.20—Presenting Banks Payment Procedures

Presenting banks have 30 days from the date of the Notice of Direct Debit (U.S. Treasury Check Reclamation) to pay the full amount of the reclamation before their Federal Reserve master account is automatically debited. However, if the

financial institution protests within 30 days from the date of the Notice of Direct Debit (U.S. Treasury Check Reclamation), the direct debit will not occur. If a presenting bank enters a protest after the direct debit has occurred, and the protest is substantiated, Fiscal Service will refund the presenting bank the amount of the reclamation.

4025.30—FRB Processing of Debit Authorizations

Daily, after receiving authorization payments from the presenting banks, the FRB:

- prepares batches of authorization payments, and
- posts authorizations to TRACS.

These authorized payments will include debit authorization for purposes of check reclamations.

At the end of the processing day, 8 p.m. Eastern Time, TRACS collects the authorizations, posts accounting within TRACS, and sends the authorization file to the FRB to be posted to EASy and through DVS to CIR. Fiscal Service can access CIR to view all Debit and Credit Voucher activity associated with collections.

Contacts

Direct questions concerning this chapter to:

Department of the Treasury
 Bureau of the Fiscal Service
 National Payment Integrity and Resolution Center
 Customer Service Branch
 PO Box 603
 Bensalem, PA 19020
 Telephone: 855-868-0151

Summary of Updates for this Release

Section No.	Section Title	Summary of Change
4015	Definition of Terms	Updated some of the definitions.
4020.20	Summary of Debt Statement	Removed status codes A, B and C, which are no longer applicable.
		Removed information regarding interest and

4025.20	Presenting Banks Payment Procedures	fees on payments not received within 60 days, which is no longer applicable.
4025.30	FRB Processing of Debit Authorizations	Added TRACS end of day processing time.