



Treasury Financial Manual

Chapter 7000

CANCELLATIONS, DEPOSITS, RECLAMATIONS, AND CLAIMS FOR CHECKS DRAWN ON THE U.S. TREASURY

This chapter provides information on policies, procedures, and reports regarding the processing of check reclamations and canceling U.S. Treasury checks that are:

- Stale dated,
- Undeliverable,
- Returned,
- Identified as not received, lost, or stolen,
- Destroyed or mutilated,
- Not payable (payee not entitled), and
- Improperly negotiated

Section 7010—Scope and Applicability

This chapter prescribes procedures and forms to be used for:

- Automatically canceling checks drawn on the General Account of the U.S. Treasury,
- Processing undelivered and returned checks,
- Processing claims because of non-receipt, loss, theft, destruction, or mutilation of checks, and
- Processing reclamation on improperly negotiated U.S. Treasury checks

The requirements of this chapter apply to federal agencies that do their own disbursing, as well as those serviced by the Bureau of the Fiscal Service (Fiscal Service).

Section 7015—Authority

Governing authorities that limit the negotiability, claimability, and reclaimability of U.S. Treasury checks include the following:

- The Competitive Equality Banking Act of 1987; Public Law 100-86, 101 Stat. 552, 657-660, signed into law on August 10, 1987, and
- The Debt Collection Improvement Act of 1996 (part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996); Public Law 104-134; 31 CFR 235 and 245; 31 U.S.C. 321, 3328, 3331, 3343, 3702, and 3712.

Section 7020—Definition of Terms

Administrative Offset—An administrative offset is the withholding of money payable to a financial institution or held by the U.S. federal government to satisfy a debt the financial institution owes the U.S. federal government.

Agency Location Code (ALC)—The agency location code (ALC) is a numeric symbol used to identify accounting reports and documents prepared by or for agency accounting stations and the Department of the Treasury (Treasury) Financial Centers. It is used by Treasury to ensure correct financial reporting. Agency accounting stations use an eight-digit symbol (XXXXXXXX), Non-Treasury Disbursing Offices offices that historically disbursed U.S. Treasury Checks, use a four-digit symbol (0000XXXX), and Treasury Financial Centers use a three-digit symbol (00000XXX).

Altered Check—An altered check is a U.S. Treasury check on which the original information is changed with the intent to defraud the government.

Available Check Cancellation (ACC)—An available check cancellation is a check that Fiscal Service has in its possession and for which Fiscal Service has canceled and credited the funds to the FPA's ALC. The ACC is not used for NTDO checks.

Budget Clearing Account—F3880 "Unavailable Check Cancellation Over-payments" (Suspense)—The budget clearing account is an account established by Fiscal Service for recording and adjusting credits and charges resulting from claims on unavailable checks. ALC administrators must clear credits and charges in the budget clearing account to the proper FPA account as expeditiously as possible.

Cancellation—Cancellation is the process of rendering a check canceled and repaying the amount of the check to the agency that authorized the issuance.

Certifying Official (CO)—A certifying official (also called certifying officer) is the official within an agency or organization that is responsible for verifying that payments made by the federal government are legal, proper, and correct.

Check Forgery Insurance Fund (CFIF)—The Check Forgery Insurance Fund is a fund established to settle payee claims of non-receipt where the check has been fraudulently negotiated.

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

Check Status Inquiry—A check status inquiry is an inquiry from a DO regarding the payment status of a U.S. Treasury check.

Claim—A claim is an unavailable check cancellation against a U.S. Treasury check.

Claimability—Claimability is the length of time during which a payee may present a claim of non-receipt, loss, or theft to a DO.

Claims Disposition Notice (CDN)—A claims disposition notice is a computerized form printed from the Treasury Check Information System (TCIS) to advise a DO of an action taken in the adjudication of a claim.

Classification Transactions and Accountability (CTA) Statement—The Classification Transactions and Accountability Statement is a module within the Central Accounting Reporting System (CARS) that provides

federal agencies with a central location to reclassify TAS/BETC data for payments or collections, and to correct or change accounting information that pertains to their reconciliation processes.

Counterfeit Check—A counterfeit check is a document produced, reproduced, copied, engraved, or printed in an attempt to imitate, represent, or duplicate a genuine check drawn on the U.S. Treasury with the intent to defraud, or what enables any other person to defraud, either directly or indirectly, the U.S. Treasury.

Courtesy Disbursement—A courtesy disbursement is a U.S. Treasury check issued by Fiscal Service as a result of an FPA submitting a "reserved" stop reason code (see Appendix 1). Courtesy disbursements are currently restricted to the Social Security Administration (SSA/SSI), Department of Veterans Affairs (VA), Office of Personnel Management (OPM), and the Railroad Retirement Board (RRB).

Daily Advice of Status (DAS)—A Daily Advice of Status is an advice to the DO of check status. The DAS contains the DO check description together with the advice that the check is paid (negotiated) or outstanding (not paid).

Deceased Payee Intercepts—Deceased payee intercepts are Treasury checks that the Federal Reserve Bank (FRB) identifies and returns to the presenting bank because the payee died before the check was issued and, therefore, no entitlement exists. The checks are returned stamped: "Payee Deceased- Questions Contact Authorizing Agency."

Declination—A declination is the process by which the U.S. Treasury declines to make final payment on a check by instructing an FRB to reverse its provisional credit to a financial institution. The declination may occur because the check is over 1-year old (stale dated) from the check issue date or because the amount of the check has been altered, or for other reasons.

Delinquent Debt – A delinquent debt is an overdue debt, including administrative fees, interest, and penalties, that a presenting bank owes as a result of the reclamation that is not paid within 60 days from the date on the reclamation ticket.

Department Code—The department code is the first 2 digits used in federal account symbols and ALCs indicating the department that is reporting transactions. A complete listing of department codes (also called agency codes) appears in the *Federal Account Symbols and Titles (FAST) Book*, Part IV. See the [FAST Book](#) website.

Digital Check Image—A digital check image is a digitized representation of a U.S. Treasury check.

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

Disbursing Office/Officer (DO)—A disbursing officer is an officer or employee of a federal department or agency, civilian or military, designated to disburse moneys and render accounts in accordance with laws and regulations governing the disbursement of public funds.

Document Identification Number—The document identification number is the 16 alphanumeric characters that the FRB processing centers assign to a check and its associated check image during the FRB check processing operation.

Due or Entitled—Due or entitled is the condition where the entire proceeds of a check are due and payable to a payee or the payee's estate.

Federal Program Agency (FPA) —A federal program agency is a department, instrumentality, office, commission, board, service, or other establishment of the U.S. Government. FPAs do not have disbursing authority and thus, designate Certifying Officers to submit requests to Fiscal Service for payments to be drawn on the U.S. Treasury.

Federal Reserve Bank (FRB)—A Federal Reserve Bank is a depository bank that acts as the U.S. Treasury's banker and clearinghouse in the payment of U.S. Treasury checks forwarded from the financial institutions.

Financial Institution—A financial institution includes but is not limited to any bank, savings bank, credit union, savings and loan association, state bank, or national bank created under federal or state law.

Forged Check—A forged check is a check that is endorsed without authorization by someone other than the payee and presented for payment.

Forgery Claim—A forgery claim is a claim filed by a payee or claimant of a U.S. Treasury check, alleging forgery, via Fiscal Service (FS) Form 1133 to the Fiscal Service.

FS Form 1133—Claim Against the United States for the Proceeds of a U.S. Treasury Check—A FS Form 1133 is a document sent to a payee or claimant to complete when forgery of a U.S. Treasury check is alleged.

FS Form 3858—Claims Document—A FS Form 3858 is a package sent to a payee or DO that contains a requested check image or a claims package when forgery of a U.S. Treasury check is alleged.

Held Check—A held check is a check not released by Fiscal Service at the request of the FPA.

Holder-In-Due Course—Holder-In-Due Course is a non-banking institution or individual that negotiates a U.S. Treasury check and makes claims for the proceeds when the check is lost or stolen before being received for deposit at a financial institution.

Intra-Governmental Payment and Collection (IPAC) System—Intra-Governmental Payment and Collection System is a system that allows funds to be transferred between a DO's ALCs.

Interest—Interest is a sum paid or calculated for the use of capital (i.e., loans, investments, and other equities). Financing interest is the charge assessed as a cost of extending credit as distinguished from additional interest which is the charge assessed on delinquent debts in order to compensate the government for the time value of money owed and not paid when due. Additional interest is accrued and assessed from the date of delinquency.

Limited Payability—Limited Payability limits to one year from the issue date, the negotiation and acceptance of a U.S. Treasury check by the FRB.

Limited Payability Cancellation—Limited payability cancellation is the automatic cancellation by the U.S. Treasury in the 14th month of a check that has been outstanding for one year. The U.S. Treasury returns the funds to the agency that authorized the payment. If a check is presented for payment after it has been limited payability canceled, the U.S. Treasury considers it stale dated and will not honor that payment if

presented by a bank. The originating agency would need to issue, or request Fiscal Service to issue, a replacement check to pay the outstanding obligation.

Limited Payability Cancellation Credit—A limited payability cancellation credit is the proceeds of a U.S. Treasury check returned to the DO via IPAC's Treasury Receivable Accounting and Collection System (TRACS) activity, because the check was not negotiated within the one year time-frame allotted for negotiating checks.

Lost-In-Transit—Lost-In-Transit are checks that are lost or stolen in transit between financial institutions, between a financial institution and the FRB, between the FRB District Office and the FRB processing center, or between overseas depositories and the FRB.

Magnetic Ink Character Recognition (MICR)—The Magnetic Ink Character Recognition is encoded machine-readable numbers or characters printed across the bottom of a check, check repair strip, or document carrier envelope.

Mark—Mark is a symbol (X) made in place of a signature.

Mutilated Check—A mutilated check is a U.S. Treasury check that is torn, folded, or has information missing that cannot be processed through normal banking channels.

Negotiability—Negotiability is the quality of being negotiable or transferable by endorsement.

Non-receipt—Non-receipt is an allegation by a payee or claimant that a U.S. Treasury check has not been received.

Non-Treasury Disbursing Office/Officer (NTDO)—A Non-Treasury Disbursing Office is an agency which is authorized to issue payments itself, rather than through Treasury, Fiscal Service.

Not Due or Not Entitled—Not due or not entitled is a condition where all or part of the proceeds of a check are not due or not entitled to the payee or the payee's estate.

Original Check—An original check is an initial check payment printed on U.S. Treasury paper stock.

Outstanding U.S. Treasury Check—An outstanding U.S. Treasury Check is a U.S. Treasury check reported as being issued but not paid by the U.S. Treasury.

Paid U.S. Treasury Check—A paid U.S. Treasury Check is a U.S. Treasury check that has been issued and paid by the U.S. Treasury.

Paid Date—The paid date is the date that a check has been paid by the U.S. Treasury.

Partial Credit – A partial credit is a credit for funds received on check reclamations that do not cover the total outstanding balance of principal, interest charge, penalty charge, and administrative fee.

Payee—The payee is the person or entity that the DO designates to receive payment pursuant to Title 31 U.S.C. 3528.

Payment Over Cancellation (POC)—Payment over cancellation is a state that occurs when a check that previously has been canceled as an unavailable (lost) check is subsequently presented and paid by the

U.S. Treasury.

Payments Claims and Enhanced Reconciliation (PACER) On-Line—Payments Claims and Enhanced Reconciliation On-Line is a Fiscal Service payment information system that provides on-line status and digital images for U.S. Treasury payments issued on or after October 1, 1997.

Penalty – A penalty is a charge assessed on delinquent debts to discourage delinquencies and encourage early payment of the delinquent debt in full. The rate to be assessed is set by law at no more than 6% per year and is assessed on the portion of a debt remaining delinquent more than 90 days, although the charge will accrue and be assessed from the date of delinquency.

Recertified Payment—A recertified payment is the payment of a newly numbered replacement check (not a substitute) as certified by the DO based on a claim of non-receipt, loss, theft, destruction, or mutilation of an original check.

Reclamation – A reclamation is a procedure to recover federal government recurring benefit Automated Clearing House (ACH) check payments that were paid after the death or legal incapacity of a recipient or the death of a beneficiary. As defined in Title 31 CFR part 210, a notice of reclamation is a notice sent by paper, electronically, or other means by the federal government to an Receiving Depository Financial Institution (RDFI) which identifies the benefit payments that should have been returned by the RDFI because of the death or legal incapacity of a recipient or death of a beneficiary.

Reclamation Date – The reclamation date is the date the Request for Refund (Check Reclamation) and/or the Notice of Direct Debit (U.S. Treasury Check Reclamation) was prepared.

Reclaimability—Reclaimability is the length of time Fiscal Service can demand refund from a financial institution.

Recovered Check—A recovered check is a check returned to the possession of the FPA, NTDO, or Fiscal Service after a UCC action has been taken.

Returned Check—A returned check is a check returned to the FPA, NTDO, or Fiscal Service.

Standard Form (SF)—Standard form is any preprinted government form assigned a form number and designated as a standard form.

SF 1098—Schedule of Canceled or Undelivered Checks—A SF 1098 is an accounting document used by Fiscal Service to credit an FPA for ACCs.

SF 1218—Statement of Accountability (Foreign Service Account)—A SF 1218 is an accounting document transmitted monthly to Fiscal Service by overseas disbursing officers that reports the transactions (disbursements and collections), in U.S. dollars and foreign currency, processed to support their operations and on behalf of any FPA they service. These transactions are classified by FPA's 8-digit ALCs.

SF 1219—Statement of Accountability—A SF 1219 is an accounting document that domestic disbursing officers transmit monthly to Fiscal Service reporting the transactions (disbursements and collections) processed to support their operations and on behalf of other FPAs. These transactions are classified by the FPA's 8-digit ALCs.

SF 1220—Statement of Transactions (According to Appropriations, Funds, and Receipt Accounts)

—A SF 1220 is an accounting document, which accompanies the SF 1219, that NTDOs transmit monthly to Fiscal Service reporting the transactions affecting their accounts. These transactions are classified by appropriation/fund symbol.

SF 1221—Statement of Accountability (According to Appropriations, Funds, and Receipt Accounts - Foreign Service Account)—A SF 1221 is an accounting document, which accompanies the SF 1218, transmitted monthly to Fiscal Service by overseas State Department offices, that reports the transactions affecting their accounts and any FPAs they service, in U.S. dollars and foreign currency. These transactions are classified by appropriation/fund symbol.

SF 5515—Debit Voucher—A SF 5515 is an accounting document for making adjustments (decreases) to amounts previously deposited. The SF 5515 is used to record debit transactions to an ALC.

Stale-Dated Check—A stale dated check is a non-negotiated U.S. Treasury check that is one year old or older from the check issue date.

Status—Status is payment information indicating whether a check is outstanding or paid according to U.S. Treasury records.

Stop Reason Code—A stop reason code is a one alpha character reflecting the non-receipt or non-entitlement code reported by the DO (see Appendix 1).

Treasury Check Information System (TCIS)—The Treasury Check Information System is a system that records and reconciles the worldwide issuance and payment of U.S. Treasury checks. It also allows end-users to query PACER On-Line for claim status on Automated Clearing House (ACH) payments.

Treasury Disbursing Officer (TDO)—A Treasury Disbursing Officer is a Fiscal Service official operating out of Fiscal Service in Kansas City, Missouri, and Philadelphia, Pennsylvania, with delegated authority to disburse funds pursuant to Title 31 U.S.C. TDOs disburse payments as requested by authorized FPAs.

Treasury Receivable, Accounting, and Collection System (TRACS)—The 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.

Unavailable U.S. Treasury Check—An unavailable U.S. Treasury Check is a U.S. Treasury check that is not in the possession of the FPA, Fiscal Service or NTDO and is reported as lost or not received by the payee or the claimant.

Unavailable Check Cancellation (UCC) Credit—An unavailable check cancellation credit is a credit returned to the DO for an outstanding U.S. Treasury unavailable check, that has been canceled.

Unavailable Check Processing—Unavailable check processing is the action taken to process a UCC (non-receipt claim) on a U.S. Treasury payment using stop reason codes A, B, C, D, E, F, or G.

Undeliverable U.S. Treasury Check—An undeliverable U.S. Treasury check is a U.S. Treasury check issued by Fiscal Service or a NTDO that was returned to Fiscal Service or NTDO as undeliverable.

U.S. Treasury Check—A U.S. Treasury check is a draft or an order to pay that is drawn on the U.S. Treasury that pays a certain sum of money to a certain person or party.

U.S. Treasury Check Number—A U.S. Treasury check number is a 12-digit number found on U.S. Treasury checks that consists of the 4-digit check symbol number and the 8-digit check serial number.

U.S. Treasury Check Serial Number—A U.S. Treasury check serial number is a number up to 8 digits that uniquely identifies a particular U.S. Treasury check issued under a Disbursing Officer's (DO's) disbursing symbol. The check serial number is printed on the upper right-hand corner of the check (preceded by the 4-digit check symbol number).

U.S. Treasury Check Symbol Number—A U.S. Treasury check symbol number is a 4-digit number within the range of 1000 and 9998 that uniquely identifies the DO issuing the U.S. Treasury check. The check symbol number is printed on the upper right-hand corner of the check as the first 4 digits (preceding the check serial number).

7025—Limited Payability Cancellation

Public Law 100-86 provides that U.S. Treasury checks must be negotiated no later than one year from the date of issuance. In addition, all checks not negotiated are canceled and the proceeds returned to the DO that authorized the issuance of the check. U.S. Treasury checks have the legend "VOID AFTER ONE YEAR" printed above the disbursing officer's signature.

Fiscal Service cancels non-negotiated checks that are 12 months old during the 14th month and returns the proceeds to the DO that authorized the payment for credit to the appropriation or fund account initially charged.

7025.10—Reversal of Limited Payability Cancellations

In some cases, checks are negotiated to financial institutions within one year from the date of issuance, but processing in the FRB system prevents the payment from being applied to TCIS before the limited payability cancellation has occurred. In these instances, Fiscal Service must reverse the limited payability cancellation credit previously provided to the DO by an IPAC transaction and must provide a copy of the paid item to the DO. This transaction is separate from the monthly cancellation credit.

7025.20—Checks Issued Prior to October 1, 1989

On November 30, 1990, Fiscal Service identified and canceled all checks issued and not negotiated prior to October 1, 1989. Fiscal Service applied the monies as required in Public Law 100-86, Section 1003, and did not make monies from this cancellation available to the DO.

7025.30—Claims Presented to the DO for Obligations

If a payee presents a claim to a DO for the underlying obligation on a check, the DO must examine its records to see whether an earlier claim or cancellation has been processed. The DO must:

- Determine if the payee is entitled, and
- Identify the source account from which the funds were originally paid.

The DO may recertify a payment from the appropriation or fund from which the original payment was made (or its successor account).

Section 7030—Available Check Cancellation Processing

Returned, held, undeliverable, or mutilated U.S. Treasury checks in the possession of the FPA or Fiscal Service are canceled within three business days of receipt in the disbursing office. Exceptions include:

- Checks recovered or returned to the possession of the FPA or Fiscal Service subsequent to the submission of a UCC,
- Checks involving holder-in-due course claims,
- Mutilated checks when substantial portions are missing, and
- Stale-dated checks.

The ACC process can not be used for NTDO issued Treasury checks. An NTDO may void a check or a range of checks, that they have on hand instead of using the ACC process (see [TFM Volume I, Part 4, Chapter 6000, Section 6040](#)).

7030.10—Safekeeping of Returned Checks

ALL DOs must maintain adequate security and procedures for the safekeeping of all checks returned as undelivered while in the possession of their office pending disposition. At a minimum, they must:

- Open, extract, and deface returned U.S. Treasury checks in the presence of two people,
- Limit access to the area where returned U.S. Treasury checks are processed to individuals assigned the responsibility of processing returned checks, and
- Secure the checks in a locked container, if there is a delay between the time the checks are received and when they are defaced.

7030.20—Defacing Returned Checks

The face of each U.S. Treasury check to be canceled is defaced by stamping the legend "Not-Negotiable." The letters of the legend must be of prominent size to remove all possibility of negotiation and must be a color other than black (preferably red).

7030.30—Transmitting Returned Checks to Fiscal Service

If the DO determines that the checks should be returned to Fiscal Service, it must do so no later than five business days from the date of receipt. In addition to stamping all returned checks "Not Negotiable," the DO does the following:

- Marks the checks with the appropriate return reason code (Appendix 2 lists the return codes with definitions), and
- Lists the checks on a transmittal.

The transmittal at a minimum must show the agency name, ALC, and the name and phone number of a point of contact. Two people must verify the transmittal before the DO sends it to Fiscal Service.

Fiscal Service should process U.S. Treasury checks returned from the DO on the day of receipt if at all possible but no later than three days following receipt.

Fiscal Service must:

- Verify that all checks listed on the transmittal are received,
- Sign the transmittal acknowledging receipt,
- Keep a copy of the transmittal for their records, and
- Return the original transmittal to the DO.

7030.40—Recovered or Returned Checks

Original checks recovered or returned to the FPA, NTDO or Fiscal Service subsequent to being processed with a UCC are stamped with the legend "Not-Negotiable, Previously Treated as Canceled-SF 1184 UCC dated _____." The checks are retained for 90 days and then shredded.

7030.50—Fiscal Service Check Cancellation through PACER On-Line

Fiscal Service scans all returned, undeliverable, and held checks for input to PACER On-Line. Data from mutilated checks is manually entered into PACER On-Line. PACER On-Line processes cancellations into TCIS by the overnight batch process. The credit information appears in TCIS the following business day.

7030.60—Available Check Cancellation File Transmissions Returned Without Credit

During the PACER On-Line process, some ACC requests are rejected because the checks have already been paid or canceled.

7030.70—Checks Returned When the Authorizing Agency Is No Longer in Operation

If the DO receives a returned check for a DO that is no longer in operation, it stamps the check "Not-Negotiable" and forwards it to the successor DO.

Section 7035—Accounting and Reporting Requirements for Available Check Cancellations

This section prescribes the requirements and procedures for use by FPAs to account for and report cancellation of available checks.

PACER On-Line file transmissions requesting check cancellation action are transmitted into TCIS for credit. The FPA receives credit from TCIS and passes credit via an SF 1098 (see Appendix 3) to the FPA's ALC.

7035.10—Establishment of Liability for Payment of the Proceeds of Undelivered Checks Credited to Disbursing Office Accounts

A valid liability exists for the amounts of all undelivered checks credited to the DO's accounts for the possible subsequent payment to the payees or their estates upon claim for the proceeds. This liability represents an unpaid obligation. The DO may use customary documentation to establish the obligation and payability in its accounts. The DO must maintain a file on undelivered checks in order to facilitate the prompt processing of claims for the proceeds when presented by the payees or their estates.

7035.20—Reporting Check Cancellations

This subsection prescribes canceled check reporting procedures for the CARS Account Statement, SF 1219, SF 1220, and SF 1221.

7035.20a—CARS Account Statement

The respective Fiscal Service Financial Center issuing the checks will credit the applicable deposit transactions as reductions in disbursements in the DO's CARS Account Statement, using the appropriate Business Event Type Code (BETC), if the deposit transactions occurred within the same fiscal year. The DO must monitor its CARS Account Statement to ensure the transaction is reported to the correct TAS/BETC, and reclassify any transactions in the CARS CTA Statement, if necessary.

7035.20b—SF 1219

Fiscal Service submits a SF 1219 reporting cancellations processed on behalf of FPAs, as a reduction to the amount of disbursements.

7035.20c—SF 1220/SF 1221

Disbursing offices, other than Treasury, submit a SF 1220 or SF 1221 for foreign currency accounts, along with an SF 1219 or SF 1218, respectively, to report cancellations classified by appropriation, fund, or receipt account.

7035.20d—NTDO Rejected Deposits

Canceled checks sent to a depository for deposit and credit to the NTDO's ALC are subject to collection (payment). If, after deposit, TCIS later rejects a check because of an existing prior check, Fiscal Service returns copies of the checks to the NTDO with an SF 5515. See TFM [Volume I, Part 5, Chapter 5000](#).

Section 7040—Determining the Status of Checks

For the status of checks dated within a seven year period, the DO may access TCIS or PACER On-Line.

See Appendix 4 for a list and explanation of the check status codes.

Section 7045—Non-receipt and Non-entitlement Claims Processing

This section prescribes the forms and procedures DOs use when requesting action on unavailable checks. These procedures are used when:

- The payee reports non-receipt, theft, loss, mutilation, or destruction of a check, the proceeds of which are due the payee.
- The DO determines that the payee is not entitled to the proceeds of the check.

The procedures in this section do not apply to:

- Lost or stolen blank check stock, see TFM [Volume I, Part 4, Chapter 5000](#), subsection 5030.20,
- Holder-in-due course claims, see subsection 7065.20,
- Loss or theft of checks in transit for payment between the FRBs, or from the FRB or certain other financial institutions (see subsection 7065.10), and
- Direct deposit/electronic fund transfers or Fedwire payments.

7045.10—Unavailable Check Cancellation - Stop Reason/Check Status Inquiry Codes

Before processing claims from the payee/claimant, the DO must ensure the following:

- The claimant is entitled to the payment.
- A check was previously scheduled for issuance.
- The check is not in the possession of the DO.
- No cancellation or deposit action has taken place previously.

To file a non-receipt claim against a U.S. Treasury check, the DO must submit a UCC on-line through TCIS or via file transmission.

7045.10a—Stop Reason Code

DOs use the stop reason codes to advise Fiscal Service of information that assists in determining the adjudication process. See Appendix 1 for a list and explanation of the stop reason codes.

If the check has been paid, a FS Form 3858 (see Appendix 5) is mailed to the DO for UCC stop reason codes A, B, F, or G, and for all Payment Over Cancellation (POC) claims. For stop reason codes C and D, the FS Form 3858 is mailed to the payee/claimant.

7045.10b—Check Status Inquiry Code

DOs use the check status inquiry codes K and L solely for obtaining images of paid checks. The check status inquiry codes are not intended to and will not result in credits to the agencies, nor are they to be used for a claim of non-receipt. Images of paid checks can be viewed and printed from TCIS or PACER On-Line.

7045.20—Fiscal Service Processing of UCCs

7045.20a—Preparation of File Transmission

The DO is responsible for the accuracy of the payee's name and address. Fiscal Service will reject the UCC if any of the following information is missing or disagrees with Fiscal Service's records:

- For monthly payments, the payee identification number and check date, or
- For vendor and miscellaneous payments, the check issue range or schedule number.

After the DO has verified the UCC file and signed the transmittal, it transmits the file to the Fiscal Service for processing.

The signature on the file transmittal certifies the correctness of the check descriptions, other information, and authorizes Fiscal Service to process the requests.

Upon receipt of the UCC file, Fiscal Service processes the file into PACER On-Line. It consolidates all valid claims, enters them into a sequentially numbered daily UCC file, and transmits the file to TCIS.

The transmission includes the data for each payee or claimant required by Fiscal Service's file specifications. The submitting DO authorizes Fiscal Service to do the following:

- Add the symbol and serial number of the check,
- Consolidate the claims with other UCC submissions, and
- Transmit the UCC records to PACER On-line and TCIS for further processing.

Fiscal Service notifies the DO of the disposition of each claim submitted by a return file or other media.

7045.20b—TCIS Rejection of UCCs

TCIS rejects UCC transmissions if the file formats are improperly prepared, incorrect, or unreadable. TCIS returns the UCC file to the DO without further processing.

If TCIS can read the UCC file but the required data for individual records are missing or inappropriate for the stop reason code selected, then TCIS issues a Daily Advice of Status (DAS) message to indicate that it has rejected the UCC item.

The DAS provides the reason for rejection and advises of the action to be taken. TCIS may generate more than one DAS rejection message for each UCC submission.

7045.20c—DAS Message

For every accepted or rejected UCC record entered into TCIS, the DO receives a DAS.

Note: The DAS is not an accounting document.

The DAS contains the status date that indicates the date TCIS determined the status of the UCC.

Appendix 6 provides a list of status code messages and explanations.

Section 7050—Accounting and Reporting Requirements

This section prescribes information on accounting and reporting requirements for the following:

- UCC credits,
- Limited payability cancellation credits,
- Payments over cancellations, and

7050.10—UCC Credits

TDO UCC submissions result in credits being provided to the FPA, if the check status is "issue outstanding." Credits for TDO-issued checks are automatically posted to Fiscal Service. Fiscal Service returns the UCC credits to the TDO by an SF 1185 schedule.

TRACS transfers NTDO UCC credits to the NTDO's ALCs through IPAC. All TRACS transactions are reported to the NTDO's CARS Account Statement after they are translated to the corresponding TAS/BETC within the Shared Accounting Module (SAM). NTDO's must ensure they have completed a Cash Flow Profile within SAM for TRACS activity so that transactions can be translated with the correct TAS/BETC.

Note: TRACS automatically assigns a distinct IPAC bill number for all transactions.

7050.20—Limited Payability Cancellation Credits

Treasury checks that are 12 months old and not negotiated are automatically canceled during the 14th month and the proceeds returned to the DO for credit to the appropriation or fund account initially charged. TRACS transfers Limited Payability Cancellation Credits to the DO's ALCs through IPAC.

7050.30—Accounting for Canceled Checks Credited to DO Accounts

DOs return the proceeds from canceled checks to the account from which the check was originally issued. DOs with annual, multi-year, and no-year appropriation accounts treat the canceled check as an account payable. If the DO determines that the liability is not valid, the funds are available for obligation if the account has not expired.

In cases where the liability is valid but the claim is placed after the appropriation account is closed and the balance canceled, the DO may use up to one percent of its current appropriation by reporting a 46 subclass on the Statement of Transactions or it may seek a re-appropriation.

DOs with un-invested trust, revolving, and deposit fund accounts follow the procedures in TFM [Volume I, Part 6, Chapter 3000](#).

DOs with invested accounts retain funds from canceled checks on their books.

7050.40—Payment Over Cancellation (POC) Processing

A POC results when a check previously canceled by a UCC is subsequently presented for payment. When Fiscal Service has sent a cancellation credit to the DO and the check is subsequently negotiated, Fiscal Service, via TRACS debits the DO's account through IPAC for the overpayment. Fiscal Service forwards a FS Form 3858 to the DO for completion by the payee/claimant. Upon receipt of the completed claim, Fiscal Service processes it according to the CFIF guidelines.

7050.50—IPAC Bill Data File

TRACS generates an IPAC bill data file reflecting the individual payee or claimant and corresponding check information to accompany the IPAC bill. Credits and charges are listed separately and are not commingled in the same IPAC bill document or IPAC bill data file.

7050.60—Agency Reporting (IPAC)

The DO uses an IPAC bill generated from TRACS for reporting. The IPAC bill and detail data are available to the DO in real-time on the IPAC website for current month transactions. The detail data remains available to the DO on the IPAC website up to 15 months after the credits and charges are transferred. The detail data must equal the total amount of the IPAC bill. The IPAC bill is documentary evidence that Fiscal Service provided credits or charges. TRACS transactions are automatically reported along with the agency's daily IPAC transactions on an agency's CARS Account Statement each day.

Agencies may view details of each TRACS transaction by visiting the IPAC website and querying transaction data for their Agency Location Code (ALC), or by viewing their CARS Account Statements. Throughout each accounting period, DOs must monitor their CARS Account Statements for any TRACS activity recorded. TRACS transactions will post to the TAS/BETC that agencies have requested within their Cash Flow Profiles at the Shared Accounting Module (SAM) and not to the original TAS/BETC included on

the original transaction. By the end of each month, DOs must reconcile their CARS activity by TAS/BETC to their internal accounting system of record and reclassify any transactions to the correct TAS/BETC in the CARS CTA Statement, if necessary.

After reporting a credit or charge to the F3880 account on its internal accounting records, the DO must prepare a journal voucher to clear the credit or charge from the F3880 account. The funds are returned to the appropriation or fund account identified by the DO.

Throughout each accounting period, DO must monitor their journal voucher activity recorded on their CARS Account Statements. By the end of each month, federal agencies must reconcile their CARS activity by TAS/BETC to their internal accounting system of record, and reclassify any transactions in the CARS CTA Statement, if necessary.

If the journal voucher transferred a credit from the F3880 account to the DO's appropriation or fund account, the DO reports a charge to the F3880 account and a repayment (credit) to its appropriation or fund account. If the journal voucher transferred a charge from the F3880 account to the DO's appropriation or fund account, then the DO reports a credit to the F3880 account and a debit (charge) to its appropriation or fund account.

For more information on the IPAC procedures, you may also visit the Fiscal Service [IPAC](#) website.

Any credit or charge processed after TRACS closes on the last business day of the month, is accounted for in the subsequent accounting month.

7050.70—Liquidating an Account Receivable

In instances where the DO re-certified a payment and established an account receivable before receiving a credit from Fiscal Service, the credit serves to offset the receivable. In cases where the DO has not re-certified a payment and established an account receivable before receiving credit from Fiscal Service, the credit restores the amount of the original payment to the account from which it was made and from which any subsequent re-certified payment will be made.

7050.80—Undisbursed Appropriation Account Ledger

The net dollar amount entered by the Fiscal Service for the F3880 account is reported on the CARS Account Statement. The ALC 20180009 is listed as the reporting entity. Subsequent statement of transaction reporting, by the DO, to clear F3880 accounts is also shown on the CARS Account Statement with the DO's ALC shown as the reporting entity. For example, when two or more ALCs within one DO's report entries for the same F3880 account, line items reflect both (or additional) ALCs reporting on the CARS Account Statement. See subsection 7050.90 regarding the F3880 account for guidance in obtaining identifying suffixes when more than one ALC is used for the same F3880 account.

To request on-line access to the CARS Account Statement, refer to the [CARS](#) website.

7050.90—F3880 "Unavailable Check Cancellations and Over-payments (Suspense Account)"

The F3880 account is a budget clearing account that holds credit or charge amounts until the DO identifies the correct appropriation or fund. The DO must make every effort to maintain a minimum balance in this account by transferring all monies initially classified in this account to the proper appropriation or fund as

expeditiously as possible.

Fiscal Service establishes one F3880 account for each DO. The CARS Account Statement for this account is available on-line after the Monthly Treasury Statement is published. Fiscal Service reports adjustments (ADJ)/reversals (REV) to the DO's F3880 account.

If the DO discovers that Fiscal Service has credited or charged it in error, the DO must contact the Budget Reporting Branch (see Contacts) and provide the facts of the case. It must forward copies of relevant documents, indicating that Fiscal Service must enter an adjusted credit or charge to its ALC's F3880 account. Fiscal Service verifies the information and enters the adjustment to the DO's F3880 account. Under no circumstances should a DO credit or charge any other DO to effect an adjustment.

7050.90a—Suffixes for the F3880 Account

The suffix is a maximum of two numeric digits; for example, F3880.10, F3880.20, etc. It is recommended that the DO:

- Obtain suffixes for the F3880 account for the subdivisions that anticipate a high volume of credits or charges, and
- Establish central oversight of low-volume offices.

To request pertinent identifying suffixes for the F3880 account, send a written request to the Budget Reporting Branch (see Contacts). Include the justification for each request, the address for the suffixed F3880 account, and the ALC responsible for the suffixed F3880 account.

The Budget Reporting Branch does not grant suffixes when it determines that the requests are excessive.

Section 7055—Processing Check Forgery Claims

Fiscal Service is responsible for authorizing the payment of settlement checks issued to replace checks paid over forged endorsements.

This section prescribes information to DOs concerning procedures for settling payee/claimant claims of non-receipt where the original check has been fraudulently negotiated.

Fiscal Service issues a reclamation to the Bank of First Deposit (BOFD) for all such claims.

Fiscal Service pays the claim out of the CFIF to a payee or special endorsee of a U.S. Treasury check the amount of the check, if Fiscal Service determines that the payee or special endorsee has established the following:

- The payee or special endorsee presented a timely claim of non-receipt to the DO pursuant to 31 CFR §245.3.
- The original check was lost or stolen without the fault of the payee or special endorsee, whose endorsement is necessary for further negotiation.
- The original check was negotiated and paid by Fiscal Service on a forged or unauthorized endorsement of the payee's or special endorsee's name.
- The payee or special endorsee has not participated in any part of the proceeds of the negotiation or payment of the original check.

7055.10—Completing the FS Form 1133

After examining the check copy, if the payee/claimant denies negotiating the check, the payee/claimant must complete and sign the FS Form 1133 and must return it along with the check copy to Fiscal Service. Upon receipt of the FS Form 1133, the Philadelphia Financial Center (PFC) reviews the claim form for completeness. If the claim form is complete, PFC begins the adjudication process. To be properly completed, the payee/claimant must answer all questions on the FS Form 1133 and sign where indicated. Both payees must sign if the check is drawn to co-payees. Fiscal Service rejects claims not signed by both co-payees. If the payee/claimant signs by mark, the mark must be witnessed in the space provided for witness.

If the FS Form 1133 is not properly completed, PFC returns it to the payee/claimant with a letter advising the payee/claimant to complete the area(s) indicated and to return the FS Form 1133 to PFC. In instances where the payee admits negotiating the check or does not return the FS Form 1133, Fiscal Service takes no further action and closes the case.

7055.20—Claims Adjudication Process

The adjudication process begins when the PFC, Legal Administrative Specialist (LAS) receives a properly completed FS Form 1133. The LAS sends Claims Disposition Notices (CDNs) to the DO advising of the status of received forgery claims. Several activities take place during the adjudication process.

7055.20a—Review of the FS Form 1133 and Supporting Documentation

The LAS reviews the FS Form 1133 for completeness and analyzes the payee's signature and other information on the FS Form 1133 and any accompanying documentation to determine the validity of the claim.

In adjudicating the claim, the LAS accesses the TCIS Integrated View to obtain additional claims information and check images to aid in the adjudication process.

If the LAS determines that the claim is valid, Fiscal Service settles the claim with the payee, DO according to the UCC stop reason code. Fiscal Service makes settlement with the DO on POC checks.

7055.20b—Review Check Endorsement

If the LAS determines that the endorsement on the check is similar to the signature on the FS Form 1133, the file is forwarded to the Document Analyst for handwriting analysis.

If the Document Analyst renders the opinion that the endorsement on the check does not appear to be that of the payee, the LAS then settles the claim based on the Document Analyst's opinion.

7055.20c—Settling the Claim

If Fiscal Service determines the payee/claimant was not involved in the negotiation of the check, from the examination of the evidence, Document Analyst's opinion or bank protest, and did not participate in the proceeds from the check, Fiscal Service settles the claim by initiating a request to issue a check to the payee/claimant or transfers the funds to the DO. Settlement is made based upon reclaiming funds from the BOFD.

Stop Reason Code A or B—If the criteria for settlement from the CFIF have been met, Fiscal Service settles with the DO since the agency has already issued a replacement check to the payee/claimant. Fiscal Service charges the CFIF and transfers credit to the DO via IPAC. The LAS sends a CDN to the DO with the message "Forgery Established - Treasury is Crediting Your Account." The LAS may request reclamation against the financial institution.

Stop Reason Code C or D—If the criteria for settlement from the CFIF have been met, Fiscal Service issues a settlement check to the payee/claimant and charges the CFIF. The LAS sends a CDN to the DO with the message "Forgery Established - A Settlement Check Is Being Issued to the Payee." The LAS requests reclamation action against the financial institution and sends a settlement letter to the payee.

Stop Reason Code E—Fiscal Service credits the DO for deceased payee checks after the reclamation credit is received from the financial institution. However, when a UCC is received on a check whose issue amount is \$25 or less, and the check is paid, the DO receives a DAS Code 29 with the following message: "Paid-The Issue Amount is \$25.00 or Less. No Further Action Will Be Taken." Fiscal Service has determined that it is not cost effective to reclaim on checks for \$25 or less.

Stop Reason Code F or G—If forgery is substantiated, PFC requests reclamation action against the financial institution. The LAS sends a CDN to the DO with the message "Forgery Established. Claim Valid But Settlement Not Appropriate Based On Your Non-entitlement Code."

7055.30—Settlement From the Check Forgery Insurance Fund (CFIF)

The CFIF is a revolving fund established to settle payee/claimant claims of non-receipt where the original check has been fraudulently negotiated. The CFIF ensures that innocent payees/claimants, whose U.S. Treasury checks are fraudulently negotiated, receive settlement checks in a timely manner. A permanent and indefinite source of funding is an integral part of the CFIF that enables Fiscal Service to meet its obligation to payees/claimants of forged checks.

Fiscal Service bars any claim on a U.S. Treasury check unless the payee/claimant presents a claim to the DO within one year from the date of issuance of the check. In addition, the DO must submit the UCC to Fiscal Service within 13 months from the issue date of the check.

7055.30a—Check Forgery Insurance Fund Act

The Check Forgery Insurance Fund Act does the following:

- Creates a permanent and indefinite appropriation to adequately fund the CFIF. Fiscal Service uses the CFIF to ensure that recipients, whose checks have been forged and fraudulently negotiated, are promptly issued replacement checks.
- Amends the conditions underlying the issuance of substitute checks under 31 U.S.C. 3331 by authorizing the Secretary of the U.S. Treasury to waive any condition for the purpose of ensuring that claimants receive timely payments.
- Clarifies that the initial burden of establishing a claim for a check paid over a forged endorsement rests with the claimant, and that the Secretary has the discretion to determine whether a claimant has met this burden.
- Eliminates the requirement that check replacement is contingent on whether recovery on a forgery is delayed or unsuccessful. This change is necessary to facilitate the timely issuance of replacement checks to innocent payees and to make it clear that a second payment is not

contingent on the government's ability to recover on a forged item.

- Ensures that certifying or authorizing agencies may provide for the expedited payment of replacement checks and that such agencies may be reimbursed out of the CFIF by a transfer of funds to the appropriated account, trust fund, or other account.
- Enables the U.S. Treasury to comply with two decisions of the Comptroller General, B-24266 (August 31, 1993) and B-243536 (September 7, 1993), which concluded that the Check Forgery Insurance Fund Act (31 U.S.C. 3343) requires the U.S. Treasury to certify checks issued to replace checks paid over forged endorsements and to charge the CFIF.

7055.40—Request Reclamation

If forgery is suspected, PFC takes reclamation action if the check payment date is less than 18 months old. PFC does not request reclamation for claims on checks for \$25 or less. For these claims and claims received after the reclamation period has expired, settlement is made from the CFIF for UCC stop reason codes A, B, C, and D.

PFC institutes the reclamation action in TCIS, against the financial institution that presented the check for payment.

Reclamation credits are received into TRACS and automatically clear a debit in the CFIF account. If there is no debit in a CFIF account, the credits remain in the suspense account until appropriate disposition is determined.

7055.50—Claim Denial

If, from the examination of the evidence, the LAS's opinion, bank protest, Fiscal Service determines that the payee/claimant was involved in the negotiation of the check or participated in the proceeds of the check, the claim is denied. Fiscal Service notifies the DO by CDN of the denial of the claim. Any attempts by the DO to collect an overpayment from the payee/claimant are made in accordance with the Federal Claims Collection Standards (31 CFR Part 900-904).

The LAS sends the payee/claimant a letter denying the claim. The denial letter informs the payee/claimant of the reason for denial and advises the payee/claimant of the right to appeal the denial in writing.

7055.60—Appeal Process for Denied Claims

An appeal is the process whereby a payee/claimant seeks review of a denied claim based upon information used by Fiscal Service in the initial decision to deny a claim, or when a claimant seeks a review of the initial denial based on new or additional information not available at the time of the initial denial.

7055.60a—Filing an Appeal

Claimants must file appeals in writing and must mail them to PFC (see Contacts). The payee returns a copy of the denial letter to PFC, together with a signed statement and any additional information or documentation for further investigation.

The request for an appeal must include the check and symbol number identified in the denial letter. To be considered, an appeal must be postmarked no later than 60 days following the date on the denial letter.

7055.60b—Determining the Appeal Decision

If it is determined that the appeal is valid, the LAS notifies the payee/claimant by letter that the appeal is valid. Settlement is processed in accordance with subsection 7055.20 (CFIF). If it is determined that the appeal is invalid, the LAS upholds the denial and sends the payee/claimant a letter advising that the appeal was denied and of the payee's/claimant's right to file a lawsuit in Federal Court. The LAS sends the DO a CDN advising of the appeal decision.

7055.60c—Effect of Appeal Decision

The denial of a payee/claimant appeal serves as the final action on a claim. A payee/claimant may not file a civil suit until the payee/claimant has filed an appeal with Fiscal Service and received Fiscal Service's appeal decision.

7055.70—Non-receipt of the Settlement Check

If the settlement check is not received, the payee/claimant must report non-receipt of the check to Fiscal Service. Fiscal Service will initiate tracer actions to determine the status of the settlement check. If the settlement check has not been negotiated (outstanding status), the check is canceled by UCC and Fiscal Service will issue a second settlement check to the payee/claimant or may forward the funds to the DO.

If the settlement check is paid, Fiscal Service forwards the FS Form 3858 to the payee/claimant for examination. If the payee/claimant alleges forgery of the settlement check, the payee/claimant must return the completed FS Form 1133 to PFC for adjudication.

Section 7060—Miscellaneous Claims

7060.10—Lost-in-Transit Check Procedure

Lost-in-transit items are U.S. Treasury checks that have been negotiated and subsequently lost by a financial institution, lost or stolen between the financial institutions, or the financial institutions and the FRB.

The FRB Atlanta, Government Check Adjustment Department handles these items providing that the U.S. Treasury checks are less than one year old.

If the DO or Fiscal Service receive these requests and the checks have not been canceled and are not older than one year, they must return the requests with instructions for the financial institutions to submit them to the FRB Atlanta, Government Check Adjustment Department.

7060.20—Holder-in-Due Course Claims Procedure

A holder-in-due course claim occurs when a non-banking institution negotiates a U.S. Treasury check and the check is lost or stolen before being presented for cash or deposit at a financial institution. The claim must be submitted to the Fiscal Service for processing.

7060.20a—Processing Holder-in-Due Course Claims

Upon receipt of the holder-in-due course claim, Fiscal Service determines the status of the check.

If the check has been negotiated, Fiscal Service returns the claim with a copy of the check advising the

holder that the check has been paid and that no further action is being taken.

If the check has not been negotiated, Fiscal Service forwards an indemnity letter to the holder for completion. When the holder returns the requested information, Fiscal Service ensures that the check is still outstanding.

If the check is still outstanding, the Fiscal Service issues a settlement check to the holder.

Section 7065—Handwriting Analysis of Checks Older Than One Year for Which UCCs Have Not Been Requested Timely

Fiscal Service's PFC considers handwriting identification and document examination requests on a case-by-case basis when the DO can demonstrate that it has exhausted all available means of adjudication. The requesting DO must pay any cost above the normal administrative handling per diem, such as travel for court testimony. DOs must submit requests for handwriting identification to PFC (see Contacts). PFC completes requests as time and volume dictate and forwards a reply to the requesting DO.

Section 7070—Check Reclamations

Fiscal Service reclaims amounts on improperly negotiated U.S. Treasury checks, as provided for in 31 CFR Part 240.8. When Fiscal Service receives a credit that equals full principal, Fiscal Service forwards the credit to the agency, if the agency is holding the receivable.

Fiscal Service forwards partial credits received to the FPA with an indicator that the credit is partial. Fiscal Service continues collection action and forwards the balance to the FPA when received. Fiscal Service processes credits daily.

Section 7070.10—Interest, Penalty Charges, and Administrative Fees

Interest on any unpaid reclamation starts accruing on the 61st day after the reclamation date. Fiscal Service also assesses an administrative fee at that time. Fiscal Service calculates the administrative fee per the requirements of the Federal Claims Collection Standards.

Fiscal Service charges a penalty on any reclamation that remains delinquent over 90 calendar days. Fiscal Service may refer any reclamation that is unpaid for 120 calendar days after the reclamation date for administrative offset. If interest, penalty charges, and administrative fees were collected, Fiscal Service deposits those charges and fees monthly into the U.S. Treasury's General Account 20A8183. Fiscal Service's reports the activity for the accounts on the Statement of Transactions 224.

Section 7070.20—Collection Action

Fiscal Service continues collection action on check reclamations until the balance outstanding becomes \$25 or less, or all collection steps have been attempted and the cost of further collection would likely exceed the amount to be recovered.

Fiscal Service does not terminate collection action if a protest or legal issue is pending resolution. Fiscal Service refunds any amount recovered on FPA receivables to the FPA.

Section 7070.30—Electronic Transmission of Partial Credits

The U.S. Department of Veterans Affairs, U.S. Railroad Retirement Board, Internal Revenue Service (IRS), and Office of Personnel Management receive their data via Connect:Direct. The indicator "CP" (Credit Partial) appears in the record layout at position 177 and 178. The summary information is transmitted to these agencies by an Intra-governmental Payment and Collection (IPAC) credit document.

Section 7070.40—Abandoned Reclamations

Fiscal Service notifies FPAs that a reclamation was abandoned. In addition to the initial notification that a reclamation was abandoned, each month Fiscal Service reports to FPAs reclamations abandoned during the accounting month (see Appendix 7).

Section 7070.50—Reporting to the IRS on IRS Form 1099-C: Cancellation of Debt

FPAs are responsible for reporting only the principal amount of their uncollectible receivables to the IRS on IRS Form 1099-C. To assist FPAs, Fiscal Service sends the FPAs a report on the uncollected principal amount of receivables at the end of the calendar year (see Appendix 8) and again at the end of February with any modifications to the data (see Appendix 9).

Fiscal Service reports to the IRS:

- The principal amount of the U.S. Treasury's uncollectible receivables; and
- Interest, penalty charges, and fees for all uncollectible receivables related to check reclamations.

Contacts

Direct requests for budget clearing accounts and identifying suffixes for the F3880 account to:

Department of the Treasury
Bureau of the Fiscal Service
Fiscal Accounting
Budget Reporting Branch
3201 Pennsy Drive, Building E
Landover, MD 20785
Telephone: 304-480-7269

Direct inquiries concerning 8-digit ALC address changes to:

Department of the Treasury
Bureau of the Fiscal Service
Fiscal Accounting
Cash Accounting Branch
200 Third Street
Parkersburg, WV 26101
Telephone: 304-480-5106

Direct inquiries concerning IPAC procedures and accounting issues:

Treasury Support Center

1421 Dr. Martin Luther King Drive
 St. Louis, MO 63106-3716
 Telephone: 877-440-9476
 Email: IPAC@stls.frb.org

Direct all other requests to:

Department of the Treasury
 Bureau of the Fiscal Service
 Philadelphia Financial Center
 Customer Service Branch
 PO Box 515
 Philadelphia, PA 19105-0515
 Telephone: 855-868-0151

Appendices Listing

Appendix No.	Title
1	Stop Reason Codes
2	Return Codes
3	SF 1098: Schedule of Canceled or Undelivered Checks
4	Check Status Codes
5	FS Form 3858: Claims Document (consisting of FS Form 1133 and instructions)
6	Status Codes/Messages Provided to the FPA or NTDO
7	Abandonment Notice to Agencies
8	Agency Receivables for IRS Form 1099-C Reporting
9	Corrected Agency Receivables for IRS Form 1099-C Reporting

Summary of Updates in this Release

Section Number	Section Title	Summary of Change
N/A	Introduction	Adjusted language to include check reclamations; added last bullet "Improperly negotiated". NOTE: Chapter 7100, Check Reclamations is being rescinded.
7010	Scope and Applicability	Added last bullet on processing reclamations
7020	Definition of Terms	Added the following terms from Chapter 7100: Administrative Offset, Delinquent Debt, Direct Debit, Interest, Partial Credit, Penalty, Reclamation, Reclamation Date
7020	Definition of Terms	Adjusted the names of the following terms: Certifying Official, U.S. Treasury Check, U.S. Treasury Check Number, U.S. Treasury Check Symbol Number, U.S. Treasury Check, Paid U.S. Treasury Check, Unavailable U.S. Treasury Check
7020	Definition of	Adjusted the definition of Forgery Claim

	Terms	
7030	Available Check Cancellation Processing	Added the last sentence of the section discussing voiding a range of checks.
7070	Check Reclamations	Added all of Section 7070, Check Reclamations, including the subsections.