

Gold Book: The Check Reclamation Guide

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Section 1: Introduction

Overview

General Information

Introduction: Check reclamation is a recovery procedure used by the Financial Management Service (FMS) to obtain refunds (reclamations) from a presenting financial institution for paid federal government checks.

Payments affected: All U.S. Treasury checks, regardless of the payment type, are subject to check reclamation procedures.

Conditions: Reclamation actions may be initiated against the presenting financial institution when the...

- Check was presented for payment over a forged or unauthorized endorsement, or,
- When a benefit check was negotiated after the payee's death, or,
- When the check has been materially altered

Time limitation on reclamation action: The table below shows how long the Financial Management Service (FMS) has to reclaim funds from the presenting financial institution.

If the payee is:	Then FMS has:
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Deceased	One year from the day the check was presented for payment
Not deceased	One year and 180 days from the date the check was presented for payment, providing that the payee has filed a timely claim.

The presenting financial institution is liable for the following:

- The principal amount of the check; and if applicable
- accrued interest, penalties, and administrative fees.

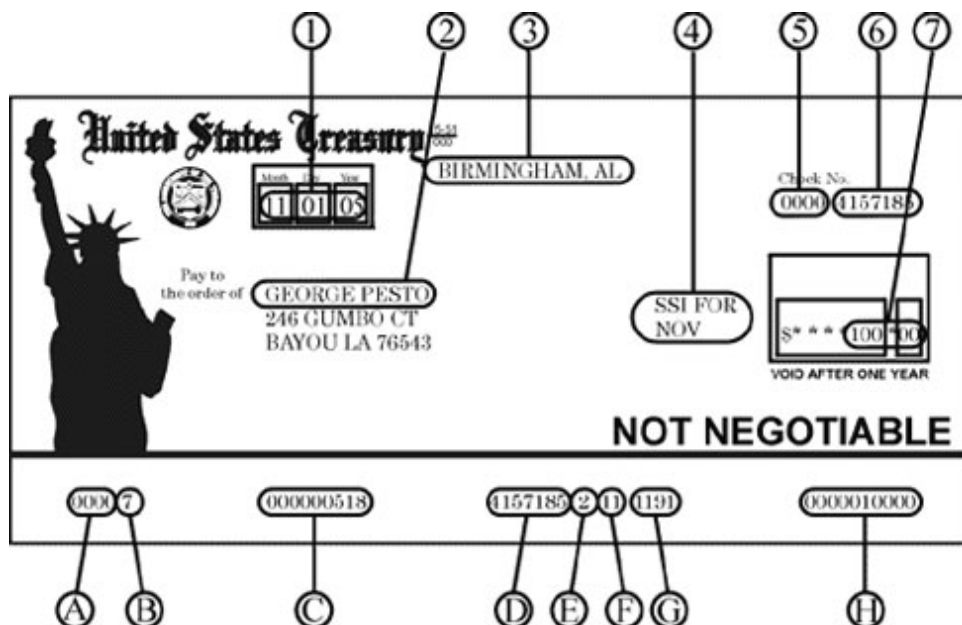
The presenting financial institution's should be aware that:

- Their liability is not contingent upon its ability to collect from prior endorsers
- It is their responsibility to pay reclamations timely in order to avoid accruing interest, penalties, and administrative fees
- FMS will only accept reclamation protests from their financial institution, and not their customers or other correspondents

Note: It is the financial institution's responsibility to pay reclamations timely in order to avoid accruing interest, penalties and administrative fees.

Check Information

Sample: Below is a sample of a federal government check:



Description: Check

The table below describes where information is located on a federal government check. The reference numbers correspond to the above sample.


1	Issue Date
2	Payee Name
3	Issuing Government Finance Center
4	Issue Type
5	Check Symbol
6	Check Number
7	Issue Amount

Description: MICR Line

The table below describes where information is located on the Magnetic Ink Character Recognition (MICR) line. The reference letters correspond to the above sample.

A	Check Symbol
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B	Check Digit
C	Routing Number Unique to Treasury checks
D	Check Serial Number
E	Check Digit
F	Federal Agency Code
G	Issue Date
H	Paid Amount

To view security features of the Treasury Check please click [here](#) .

Section 2: Request for Refund (Check Reclamation)

Overview

Introduction: The presenting financial institution will receive...

- An initial Request for Refund (Check Reclamation); and as necessary,
- A Summary of Debt Statement.

The Request for Refund (Check Reclamation) and the Summary of Debt Statements are generated by the Federal Reserve Bank of Richmond.

In this section: This section consists of the following topics:

Request for Refund (Check Reclamation)
 How to Respond to a Request for Refund (Check Reclamation)
 Summary of Debt Statement
 Reclamation Status Codes

Request for Refund (Check Reclamations)

Sample: Below is a sample of a Request for Refund (Check Reclamation):

REQUEST FOR REFUND (CHECK RECLAMATION)	
	Tracking No:
	Request No:
	Reclamation Date:
PLEASE MAKE REFUND IN THE AMOUNT OF THIS REQUEST OR AUTHORIZE A DEBIT TO THE FFB OF RICHMOND TREASURY CORE OPERATIONS C-LEVEL P.O. BOX 2111 RICHMOND, VA 23221. DO NOT REMIT DIRECTLY TO THE DEPARTMENT OF TREASURY OR THROUGH THE TREASURY GENERAL ACCOUNT (TGA).	
NOTE: REQUEST FOR DUPLICATE RECLAMATIONS AND WRONG BANK PROTESTS SHOULD BE SENT TO THE FEDERAL RESERVE BANK OF RICHMOND. ALL OTHER PROTESTS MUST BE RECEIVED BY THE TREASURY DEPARTMENT, FINANCIAL MANAGEMENT SERVICE, RECLAMATION BRANCH, ROOM 7000, P.O. BOX 1349, HYATTSVILLE, MD 20782, NO LATER THAN 90 DAYS FROM THE RECLAMATION DATE (SEE 31 CFR 240)	
Check No:	Symbol:
Date:	Payee:
Reclamation Amount Due:	Total Remitted Including Interest Penalty and Administrative Fees: \$
Reason for Request:	FAE ID Number:
Bank Address:	ALC

Purpose: The Request for Refund (Check Reclamation) is the initial notice sent to the presenting financial institution advising it of the amount requested and reason for the reclamation action.

Attachments: The following item(s) will be attached to the Request for Refund (Check Reclamation):

- Copy of the paid check; and as appropriate,
- Copy of the payee's claim; and as appropriate,
- Information from the Federal Reserve Bank to assist in identifying the presenting financial institution.

How to Respond to the Request for Refund (Check Reclamation)

Response Time: Financial institutions have 60 days from the date of the Request for Refund (Check Reclamation) to make payment without accruing any additional charges to the principal amount.

Interest Accrual

Interest will begin to accrue on the 61st day after the reclamation date. It will continue to accrue until the reclamation is paid by the financial institution or the reclamation action is abandoned by the Financial Management Service.

Administrative Fees

Beginning on the 61st day from the reclamation date an additional administrative fee per month per delinquent reclamation will be charged. This fee covers the administrative costs Treasury incurs as a result of the delinquent debt.

Penalty

Penalty charges will begin to accrue on the 91st day after the reclamation date. Penalty charges will continue to accrue until the reclamation is either paid by the financial institution or the reclamation action is abandoned by the Financial Management Service.

Offset, Including Treasury Check Offset

Reclamations become eligible for offset action 120 days after the reclamation date. The offset against the financial institution will include the reclamation amount, interest, penalty and administrative fees.

Refer to [Section 6](#) for further information about Offsets.

Procedure: The table below shows how the financial institution should respond to a Request for Refund (Check Reclamation).

Step	Action	
1	Verify that it is the financial institution's endorsement stamp.	
	IF the endorsement stamp is...	THEN the financial institution...
	legible but does not belong to the financial institution	<p>must return the entire reclamation package to the Federal Reserve Bank of Richmond for regeneration to the correct bank. (Note that the U.S. Treasury Department holds the presenting financial institution liable, not their financial institution's prior endorser. Therefore, any request to regenerate the reclamation to a prior endorser will be rejected.)</p> <p>Mail to:</p> <p style="text-align: center;">Federal Reserve Bank of Richmond Treasury CORE Operations C-Level P.O. Box 85111 Richmond, VA 23285</p> <p>or e-mail to: core@rich.frb.org</p>
	Illegible	<p>may request source of receipt or a clearer check copy from the Federal Reserve Bank of Richmond.</p> <p>Refer to How to Request Clearer Check Copies.</p>
2	Verify all information on the Request for Refund (Check Reclamation)	
	If there is any erroneous information, then the financial institution may protest the reclamation action. Refer to Protests .	

3	<ul style="list-style-type: none"> Write a check, payable to the Federal Reserve Bank of Richmond, for the total amount due; or, Authorize the Federal Reserve Bank of Richmond to debit the financial institution's reserve account for the total amount due. Include interest, penalty and administrative fees that appear on the Summary of Debt Statement for that reclamation item, as applicable. <p>Note: Please reference the reclamation number, check symbol & serial, and the Summary of Debt bill number (if appropriate) on your cashier's check.</p>
4	Retain a copy of the Request for Refund for the financial institution files.
5	<p>Mail or fax the ...</p> <ul style="list-style-type: none"> Check or authorizations Copy of the Request for Refund <p>to the Federal Reserve Bank of Richmond Treasury CORE Operations C-Level P.O. Box 85111 Richmond, VA 23285</p> <p>Fax: (804)-697-2607</p> <p>DO NOT SEND TO THE FINANCIAL MANAGEMENT SERVICE.</p>

Summary of Debt Statement

Sample: Below is a sample of a Summary of Debt Statement:

Please authorize a debit or submit payment to the Federal Reserve Bank of Richmond, Treasury CORE Operations C-Level, P.O. Box 85111, Richmond VA 23285 along with a copy of this statement or Reclamation Refund Request. DO NOT remit directly to the Department of the Treasury or through the Treasury General Account (TGA). Your bank address and Taxpayer Identification Number (TIN) should be verified. Please provide us with your TIN if it is not stated on this bill. You may make the necessary address correction(s) on this bill and fax it to the Financial Management Service - Fax # (202) 874-8503.

For reclamation protests, please call: (202) 874-7770. For duplicate reclamations and information on how to pay, please call: (804) 697-2605

FINANCIAL MANAGEMENT SERVICE
SUMMARY OF DEBT OWED TO THE US TREASURY ON CHECK RECLAMATIONS
 BILLING DATE: 02/27/06

DATE PREPARED: 02/27/06
 TO:

BILL NUMBER:
 TAXPAYER ID#(TIN):

1	2	3	4	5	6	7	8	9	10	11	12
CHECK SYM SERIAL	PAYER NAME		RECLAMATION DATE \$ NUMBER		PRINCIPAL	INTEREST RATE	DUE	PENALTY DUE	ADMIN FEE DUE	TOTAL AMOUNT DUE	
1502 31680870	JOSEPH A DULKA		021706	0425494	802.00	.00	.00	.00	.00	802.00	
1502 32642155	WILLIAM W KENNE		021806	0424802	314.00	.00	.00	.00	.00	314.00	
7032 13039244	ROGER G & TERRY WILMONT		122705	0417633	4752.00	2.00	.52	.00	7.96	4760.48	
TOTALS :					6,468.00		.52	.00	7.96	6,476.48	

Purpose: The Summary of Debt Statement is a follow-up notice sent to the presenting financial institution. It includes the following for each outstanding Request for Refund (Check Reclamation):

- Identifying check information
- Reclamation information
- Additional charges associated with the reclamation (interest, penalties, and administrative fees)
- Status of reclamation

Multi-part form: The Summary of Debt Statement consists of the following parts:

- Listing of outstanding reclamation(s) and associated information
- FMS Collection Regulations
- Explanation of columns on the Summary of Debt Statement

Column explanation: The table below describes the type of information included in each column on the Summary of Debt Statement.

Reference No.	COLUMN	EXPLANATION
1-2	Check Sym/Serial	Check Symbol number and Check Serial number appearing on the check for which there is a reclamation action.
3	Payee Name	Name of the person to whom the check was issued for which there is a reclamation action.
4	Reclamation Date	Date shown on the Request for Refund (Check Reclamation).
5	Reclamation Status Code (Headed with the designation of "S" on the Summary of Debt Statement)	Current status of the reclamation by code. (Refer to Reclamation Status Codes .)
6	Reclamation Number	Request number which appeared on the Request for Refund (Check Reclamation).
7	Reclamation Principal	Reclamation amount due which appears on the Request for Refund (Check Reclamation).
8	Interest Rate	Interest rate being charged on the item because it has remained unpaid for over 60 days. Note: The rate of interest assessed is the rate of the current value of funds of the U.S. Treasury. Although the interest rate varies, the initial rate charged on reclamation is the rate that remains until it is paid.
9	Interest Amount	Amount of interest due per item as of the current Summary of Debt Statement.
10	Penalty Due	Late payment penalty charges owed by the financial institution on reclamation items as of the current Summary of Debt Statement. Note: Penalty is calculated at 6% per annum and does not vary. It is assessed at the 91st day.
11	Admin Fee Due	Administrative fee charged to the financial institution for each delinquent reclamation. The amount is based on the cost to the government for collection of delinquent items and is assessed at the 61st day.
12	Total Amount Due	Total of the... <ul style="list-style-type: none"> • reclamation principal • interest due • penalty due administrative fee due as of the current Summary of Debt Statement

Reclamation Status Codes

Introduction: Requests for Refunds (Check Reclamations) that are outstanding for at least 90 days, may be annotated by the letter A, B, or C in the Reclamation Status column on the Summary of Debt Statement.



Codes: The table below shows the reclamation status codes and what each code means when it is used on the Summary of Debt Statement.


CODE	IDENTIFIES items...
A	at least 90 days old. Note: Items will become eligible for offset if payment is not received by the Federal Reserve Bank prior to the 25th day of the month in which the billing statement is received.
B	for which a protest is being considered. Note: This code will remain on the statement and additional charges WILL continue to accrue until the protest is resolved. "B" coded items are not eligible for offset.
C	unpaid for at least 120 days and are now eligible to be referred for collection by administrative offset, and then for Treasury Check Offset.

Electronic Documents

Financial institutions have the option of receiving their Check Reclamations and Summary of Debt statements electronically through FRB Fedmail.

Registering to Receive Documents Electronically: In order to receive the documents by this method complete the form below.

[PDF file](#)  (17 kb) | [Word file](#)  (28 kb)

(The PDF file above requires [Adobe Acrobat Reader](#)  to view and fill out the form online. The Reader is free to download and use.)

The form can be sent to the FRB by mail to:

Federal Reserve Bank of Richmond
Treasury CORE Operations C-Level
P.O. Box 85111
Richmond, VA 23285

Or fax the form to: TCORE at (804) 697-2607

Or e-mail the form to: CORE@rich.frb.org

Once the FRB receives and processes your form, you will begin to receive your documents electronically.

Instructions to Print Your Electronic Summary of Debt Statement: You must have Microsoft "Notepad" or similar word processing software on your personal computer to print the statement.

1. Launch the e-mail attachment (If Notepad is loaded, it will open that software)
2. Choose EDIT and then verify that Word Wrap does not have a check beside it. If "Word Wrap" is selected, turn off the option.
3. Choose EDIT and then Set Font. Choose the Courier font size 8.
4. Choose FILE and then Page Setup and choose the Landscape Orientation then click OK.
5. Choose FILE and then Print.

Any questions related to this service may be directed to the FRB Richmond by e-mail to CORE@rich.frb.org, or by phone at (804) 697-2605.

Section 3: Information Requests

Overview

This section consists of the following topics:

- How to Request Clearer Check Copies and Duplicate Reclamations
- Requesting Other Types of Information

How to Request Clearer Check Copies and Duplicates

Introduction: FRB Richmond will provide the financial institutions with the following.

- A copy of the original Request for Refund (Duplicate)
- A copy of the paid check; and if appropriate
- A copy of the claim; and if necessary
- Information used to identify the presenting financial institution

Conditions: Before requesting a clearer check copy or any other types of information, the financial institution must be aware of the following items:

Interest, penalties, and administrative fees will continue to accrue while the request is being processed.

- FRB Richmond will only accept requests if the financial institution's stamp is not legible due to the quality of the copy. If the financial institution's stamp is illegible due to the quality of the stamp, then another copy will not be provided.
- FRB Richmond will not provide a clearer copy if the Federal Reserve Bank identified the financial institution from their source of receipt.

Requesting Other Types of Information

Acceptable requests: Listed below are some examples of other types of requests that should be forwarded to FRB Richmond.

- Requests that the FRB Richmond debit your account.
- The check accompanying the reclamation does not bear your financial institution's stamped endorsement.
- Requests to remove paid reclamations still appearing on the Summary of Debt Statement.
- Requests for checks lost in transit.
- Requests for source of receipt.
- Requests for information regarding the validity of a check.

Unacceptable requests: Listed below are some examples of other types of requests that should not be forwarded to the FRB Richmond.

- Requests that the FRB Richmond re-direct their reclamation to the financial institution's customer.
- Disputes regarding the validity of the reclamation.
- Requests for death certificates.
- Requests for encoding error adjustments. (These requests should be directed to the appropriate Federal Reserve Bank that processed the check.)
- Requests for information regarding declined payments. (These requests should be directed to the appropriate Federal Reserve Bank that processed the declination.)

All unacceptable requests will be returned immediately.

Procedure: The table below shows how to request a clearer check copy, claim copy, duplicate Request for Refund or other types of information from the FRB Richmond.

Note: Interest, penalties, and administrative charges will continue to accrue while the request is being processed.

STEP	ACTION
1	Write a letter to the FRB Richmond stating specifically what information is needed. The letter must include the check number and the check symbol so the check can be identified on the FRB files.
2	Retain a copy of the Request for Refund (Check Reclamation)

3	<p>Send to:</p> <p style="text-align: center;">Federal Reserve Bank of Richmond Treasury CORE Operations C-Level P.O. Box 85111 Richmond, VA, 23285</p> <p>Fax: 804-697-2607</p> <p>E-mail: Core@rich.frb.org</p>
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Section 4: Protests

Overview

This section consists of the following topics:

- General Information
- How to Protest a Check Reclamation

General Information

Protest: A protest is a request that the Financial Management Service review its decision regarding the financial institution's liability for a check reclamation.

It raises a valid legal or factual question and includes...

- A written statement; and,
- Supporting documentation which proves that the financial institution is not liable for the reclamation.

Interest, penalties, and administrative fees will continue to accrue while the protest is under review.

The check reclamation can be paid by the financial institution to avoid interest, penalties, and administrative fees while the protest is under review. If the protest is substantiated, the amount paid will be returned to the financial institution, if appropriate.

Note: Unpaid Reclamations which are under protest are identified by a code B in the Reclamation Status column on the Summary of Debt Statement.

Unacceptable Protests: Listed below are examples of unacceptable protests.

- Protests that are received 90 days after the reclamation date.
- Protests that include no or insufficient documentation to substantiate the protest.
- Protests that attempt to transfer liability from the financial institution to the financial institution's prior endorser.
- Protests from any other entity than the financial institution to which the reclamation was directed.

How to Protest a Check Reclamation

Procedure: The table below shows the actions to take to protest a check reclamation.

STEP	ACTION
1	<p>Write a letter to the Reclamation Branch requesting a review of its decision regarding the financial institution's liability for the check reclamation.</p> <p>The letter must include the check number and the check symbol so that the record can be identified on the FMS file.</p>

2	<p>Attach documentation to support the claim.</p> <p>Documentation may include, but is not limited to...</p> <ul style="list-style-type: none"> • Signed statements from payees or other individuals. • Signature cards reflecting opening and closing dates for relevant accounts. • Deposit slips. • Account statements. • Evidence regarding the death of the payee. • Proof that the payee benefited from the check proceeds. • Power of attorney. • Release of claim signed by the payee. • Evidence that the deceased payee's estate reimbursed the federal agency for the full amount of the check. <p>If documentation is not provided, the letter of protest will be returned without consideration.</p>
3	<p>Retain a copy of the Request for Refund (Check Reclamation) while the reclamation protest is being considered.</p>
4	<p>Mail or fax the protest to:</p> <p style="padding-left: 40px;">Department of the Treasury Financial Management Service Reclamation Branch P.O. Box 515 Philadelphia, PA 19106</p> <p>Fax: (215)-574-4163</p>

FMS Response: Financial institutions will be notified in writing within 60 days of receiving the protest regarding the outcome of the protest or will be notified of the delay if a decision is not possible within that time frame.

IF the protest was...	And the reclamation was...	Then...
substantiated	paid	The accumulated credit will be returned to the financial institution.
substantiated	not paid	The reclamation will be abandoned and a disregard notice will be sent to the financial institution.
not substantiated	paid	A denial letter will be sent to the financial institution and the case will be closed.
not substantiated	not paid	A denial letter will be sent to the financial institution. The financial institution will remain liable for the reclamation principal, interest, penalty, and administrative fees. The amount owed must be paid within 30 days of the date of the letter or it will be referred for offset action.

Section 5: Overpayments

Procedure: The table below shows what to do if the financial institution overpaid a Request for Refund (Check Reclamation).

STEP	ACTION
1	<p>Write a letter to the Reclamation Branch stating that the Request for Refund (Check Reclamation) was overpaid.</p> <p>The letter must include the reclamation number, the check number and the check symbol so the check can be identified on the FMS file.</p> <p>This information can be obtained from financial institution's file copy of the Request for Refund (Check Reclamation).</p>
2	<p>Attach a copy of the cashier's check (both front and back) or other proof of duplicate payment.</p>
3	<p>Mail or fax letter to...</p> <p style="text-align: center;">Department of the Treasury Reclamation Branch P.O. Box 515 Philadelphia, PA 19106</p> <p>Fax: (215)-574-4163</p>

Restoring Funds: After researching and verifying the request, the Financial Management Service, will promptly refund the amount of the duplicate payment. Treasury may refund the amount either by applying the amount to another reclamation debt in accordance with applicable law, or by returning the amount to the financial institution.

Section 6: Offsets, Including Treasury Check Offsets

Introduction: Offset is a collection method in which the federal government withholds funds payable by the federal government to the financial institution, and applies the withheld funds to a debt owed to the government. The Financial Management Service (FMS) may initiate an offset to collect a reclamation debt by referring the debt to the [Treasury Offset Program \(TOP\)](#). In addition, FMS may direct the Federal Reserve Bank to withhold credits from presenting financial institutions for application to a delinquent reclamation debt, a process known as Treasury Check Offset (TCO). Funds payable by the federal government that may be offset include federal tax refunds, vendor payments, and credits from the Federal Reserve Bank for a Treasury check.

Conditions: Unpaid items will be eligible for collection by offset through the Treasury Offset Program if ...

- A Request for Refund (Check Reclamation) and/or accrued interest, penalties, and administrative fees relating to that reclamation remains unpaid for 120 days after the reclamation date; and,
- The presenting financial institution was sent at least one Summary of Debt Statement informing them that FMS intends to collect the reclamation by offset.

Unpaid items will be eligible for Treasury Check Offset after FMS has attempted collection through other types of offset for a period of 60 days.

Note: Reclamations which are eligible for an offset are identified by a code **"C"** in the Reclamation Status column on the Summary of Debt Statement.

The Summary of Debt Statement informs the financial institution of the nature and amount of the reclamation debt and FMS' intention to collect the debt by offset. In addition, the Summary of Debt Statement advises the financial institution that it may inspect and copy FMS' records related to the reclamation debt, and request a review of FMS' decision about the debt.

Example

Reclamation amount: The presenting financial institution owes \$400.00, including interest, penalty and administrative fees for a reclamation item that is over 120 days old.

Federal Agency Payment/reimbursement: The presenting financial institution is currently receiving a \$2,000.00 Tax Refund from the IRS.

Offset action: The Financial Management Service requests that the Treasury Offset Program (TOP) offset the reclamation amount from the Financial Institution's tax refund.

Treasury Offset Program (TOP) will divert \$400.00 of the tax refund reimbursement to FMS and send \$1600.00 to the presenting financial institution, along with a notice explaining the offset action.

DESCRIPTION	CALCULATION
IRS Tax Refund to the financial institution.	\$2000.00
Reclamation amount referred by FMS to TOP for offset action.	\$400.00
Amount financial institution will receive after offset action.	\$1600.00
OFFSET: Amount TOP will divert to FMS to settle the reclamation item.	\$400.00

Making a Payment: If a financial institution chooses to pay a reclamation which was referred for offset, then it should call the Reclamation Branch as soon as possible to avoid the possibility of a duplicate payment.

Please have available the check number and check symbol so that the check can be identified on the FMS file.

Refer to [Assistance](#) for the telephone number.

Offsets in error: The table below shows what happens if an offset is executed in error.

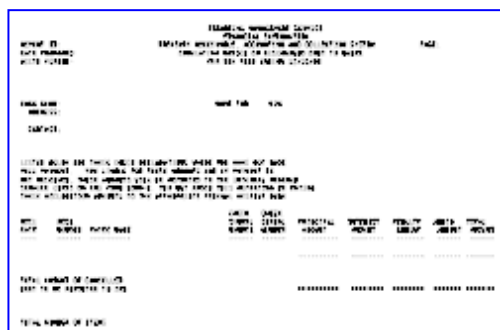
IF	AND...	THEN...
a reclamation is collected by an offset	it is later determined that the financial institution... <ul style="list-style-type: none"> • • paid the reclamation or, • filed a timely protest and is not liable for the amount of the reclamation 	FMS will promptly refund the amount of the offset to the financial institution, if appropriate.

Section 7: Notice of Discharged Debt and Reporting to the IRS and IRS Form 1099-C

IRS Reporting: Under 31 CFR 240.8 FMS has the right to recover interest, administrative collections cost, late payment penalties and fees. Where collection action has been consistently attempted and the reclamation still remains unpaid, the legitimate debt will then be reported to the Internal Revenue Service on IRS Form 1099-C.

Purpose: The Cumulative Notice of Discharged Debt is sent to financial institutions monthly to notify them of their canceled debt that will be reported to the Internal Revenue Service on Form 1099C.

CCTRR343: Below is a sample of the Cumulative Notice of Discharged Debt to Banks (CCTRR343). [Click on the image to see a larger view of the Notice:](#)



Payment: If a financial institution elects to pay a discharged debt rather than having that debt reported to the Internal Revenue Service, then

their payment should be directed to the Federal Reserve Bank along with a copy of the Discharged Notice (CCTRR343) no later than December 31st.

Section 8: Legal Basis

Introduction: This section cites the laws and regulations governing the check reclamation process.

Regulations for Electronic Funds Transfer do not apply to checks.

31 U.S.C. 3712:

- Establishes the Financial Management Service's right to demand a refund from a presenting financial institution when, after the check is paid, forgery is established or the payee's entitlement stopped with his/her death.
- Establishes Treasury Check Offset.

31 U.S.C. 3701-3720E

- Establishes the government's right to collect debts using various collection tools, including offset.
- Establishes the rates at which a federal agency must assess interest, penalties, and administrative fees on delinquent debts.

31 CFR 240

- Establishes the process by which FMS will add interest, penalties and administrative fees to delinquent reclamation debts.
- Establishes the process by which FMS will refer reclamation debts for collection by offset.
- Establishes that FMS will take such action as may be necessary to collect delinquent reclamation debts.

Title 31

4 CFR Part 102

- Standards for federal agencies when collecting by offset.
- Rates at which a federal agency must assess interest, penalties and administrative fees.

Limited Payability: The Competitive Equality Banking Act of 1987 (Public Law 100-86), referred to as Limited Payability, significantly reduced the time period for...

- Cashing federal government checks to one year from the check issue date.
- Filing nonreceipt claims to one year from the check issue date.
- Initiating a reclamation action against the presenting financial institution to one and a half years from the date the check is paid.

Exception: In cases of deceased payees, reclamation action must begin within one year from the date the check is paid.

Section 9: Assistance

Contact List

Reclamation Branch	For assistance regarding a specific check reclamation write... Department of the Treasury Check Resolution Division P.O. Box 515 Philadelphia, PA 19105 Phone: (202) 874-7770 Fax: (215) 574-4163
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FRB Richmond	<p>Reclamation payments should be made directly to the FRB Richmond ONLY.</p> <p>FRB Richmond Treasury CORE Operations C-Levels P.O. Box 85111 Richmond, VA 23285</p> <p>Phone: (804) 697-2605</p> <p>Fax: (804) 697-2607</p>
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Section 10: Glossary

Check reclamation A procedure used by the Financial Management Service to obtain a refund from a financial institution when a federal government check is presented for payment over a forgery or unauthorized endorsement.

Federal agency
Any United States Government agency.

Federal Reserve Bank
Serves as the nation's central bank. Functions include the handling of federal government deposits and checks, transferring funds through the Automated Clearing House network and Fedwire, and supervising and regulating federally-chartered financial institutions.

Fedmail
Fedmail is an application that receives large files for distribution via e-mail or fax to customers depending on how the customer prefers to receive the information.

Financial Institution
A bank, savings bank, savings and loan institution association, credit union or similar institution.

Offset
A collection method in which the federal government withholds funds payable by the United States to the financial institution, and applies the withheld funds to a debt owed to the government. The Financial Management Service (FMS) may initiate an offset to collect a reclamation debt by referring the debt to the Treasury Offset Program or to another federal agency currently making payments to the presenting financial institution. In addition, FMS may direct the Federal Reserve Bank to withhold credits from presenting financial institutions for application to a delinquent reclamation debt, a process known as Treasury Check Offset. Funds payable by the United States that may be offset include federal tax refunds, vendor payments, and credits from the Federal Reserve Bank for a Treasury check.

Presenting financial institution
A financial institution that directly presents checks to a Federal Reserve Bank and receives credit from the Federal Reserve for the check payment;
or,

A depository which is authorized to charge checks directly to Treasury's General Account and present them to the Department of the Treasury for payment through a designated Federal Reserve Bank.

Protest
A written statement to the Financial Management Service requesting a review of its decision that the financial institution is liable for a check reclamation. It raises a valid legal or factual question and includes any supporting documentation which proves the financial institution is not liable.

Reclamation date
The date on which the Request for Refund (Check Reclamation) was prepared.

Reclamation (Request for refund)
Initial notice sent to the presenting financial institution advising it of the amount due and the reason for the reclamation.

Summary of Debt Statement
A follow-up notice sent to the presenting financial institution listing their outstanding check reclamation debt.

TCORE
Treasury Check Operations Reengineering Effort - an area at the FRB of Richmond that operates and transmits reclamation notices and

other forms to the financial institution.

For questions, contact:

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