



Government Payments

PRESENTED BY:

MACHA/PAR

800-453-1843

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Agenda

Introduction

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**A Guide to
Federal Government
ACH Payments**



What is the Green Book?

Comprehensive Guide for Financial Institutions processing Federal Government ACH payments and collections

31 CFR (Code of Federal Regulations) Part 210 provides the basis for most information in the Green Book

Where is the Green Book?



The Green Book is available on-line



<https://www.fiscal.treasury.gov/reference-guidance/green-book/>



All chapters of the Green Book are available in pdf format for easier navigation and to facilitate downloading and printing

31 CFR-Part 210

Part 210 provides the regulatory foundation for use of the ACH system by agencies

Defines the rights and liabilities of agencies, federal reserve banks, financial institutions, and the public, in connection with ACH credit and debit entries and entry data originated or received by an agency through the ACH system



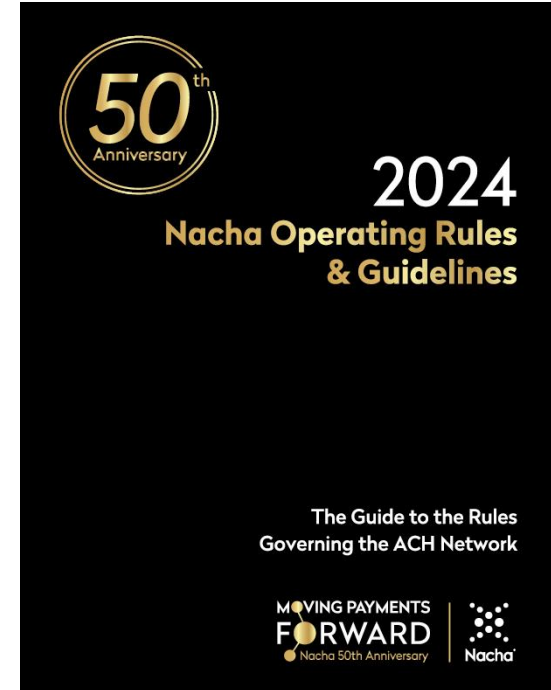
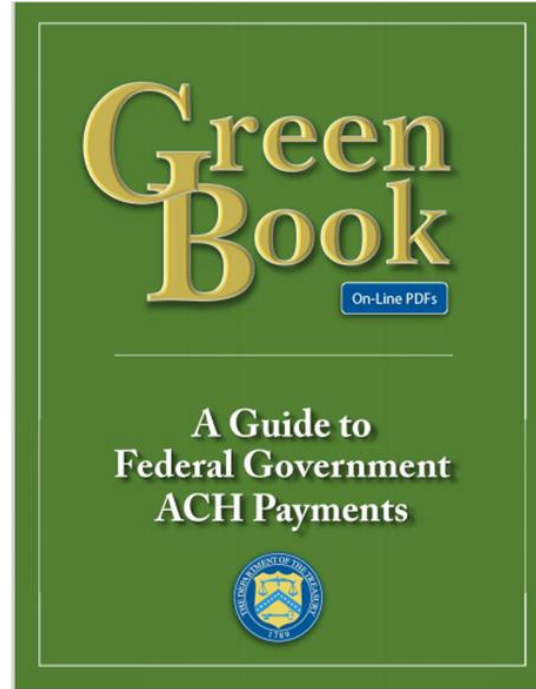
31 CFR-Part 210

Updated

210.2 – Definitions

- (a) Applicable ACH Rules means the 2021 ACH Rules, including Supplement #1-2021
- <https://www.ecfr.gov/current/title-31/subtitle-B/chapter-II/subchapter-A/part-210>

Green Book vs Nacha Operating Rules



Exceptions to Applicable ACH Rules

Treasury Opted-Out of Non-Applicable Provisions

Limiting the applicability of the ACH Rules to members of an ACH Association

Governing claims for compensation

Governing enforcement of the ACH Rules, including self-audit requirements

Governing the reclamation of benefit payments

Requiring that a credit entry be originated no more than two (2) banking days before the settlement date of the entry and a debit entry more than one (1) banking day prior to the settlement date

Exceptions to Applicable ACH Rules

Requiring that originating depository financial institutions (ODFIs) establish exposure limits.

Requiring reporting and reduction of high rates of entries returned as unauthorized

Requirements around IAT's


Convert whatever checks they see fit into an ACH item

Treasury Uses the Notice Equals Authorization Approach for All Transaction Types

Opted out of the ACH Contact Registry

Paper Check Conversion

Converting personal and business checks into electronic funds transfers



POP or ARC



Agency responsible to notify



<http://fms.treas.gov/otcnet/index.html>

Types of Federal Government Payments

Social Security Benefits (SSA and SSI)

Veterans Benefits

Railroad Retirement Benefits

Civil Service Retirement/Federal Salary/Travel Reimbursements

Disaster Assistance Payments

Vendor Payments

Tax Refunds

Grant Payments

Department of Defense (Non-Treasury Disbursed)

Types of Federal Government Collection Payments

Tax Payments (EFTPS)

- Consumer and Corporate

Electronic Check (POP, ARC, WEB and Image Cash Letter)

- Over-the-Counter, Lockbox, and Internet



Bureau of the Fiscal Service

Bureau of the Fiscal Service – Who are they? What do they do?

- US Government's Money Manager
- Provides centralized payment, collection and reporting services for the government
 - Provides cash management guidance to Federal program agencies
 - Serves as governments central debt collection agency, managing the governments delinquent debt portfolio
 - Collects more than \$5.04 billion per year in delinquent debts

Fiscal Service Use of ACH Network



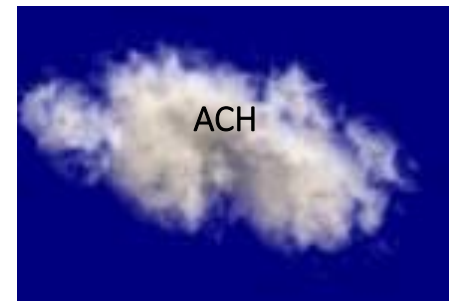
Originator - Agency



ODFI - Bureau of
Fiscal Service



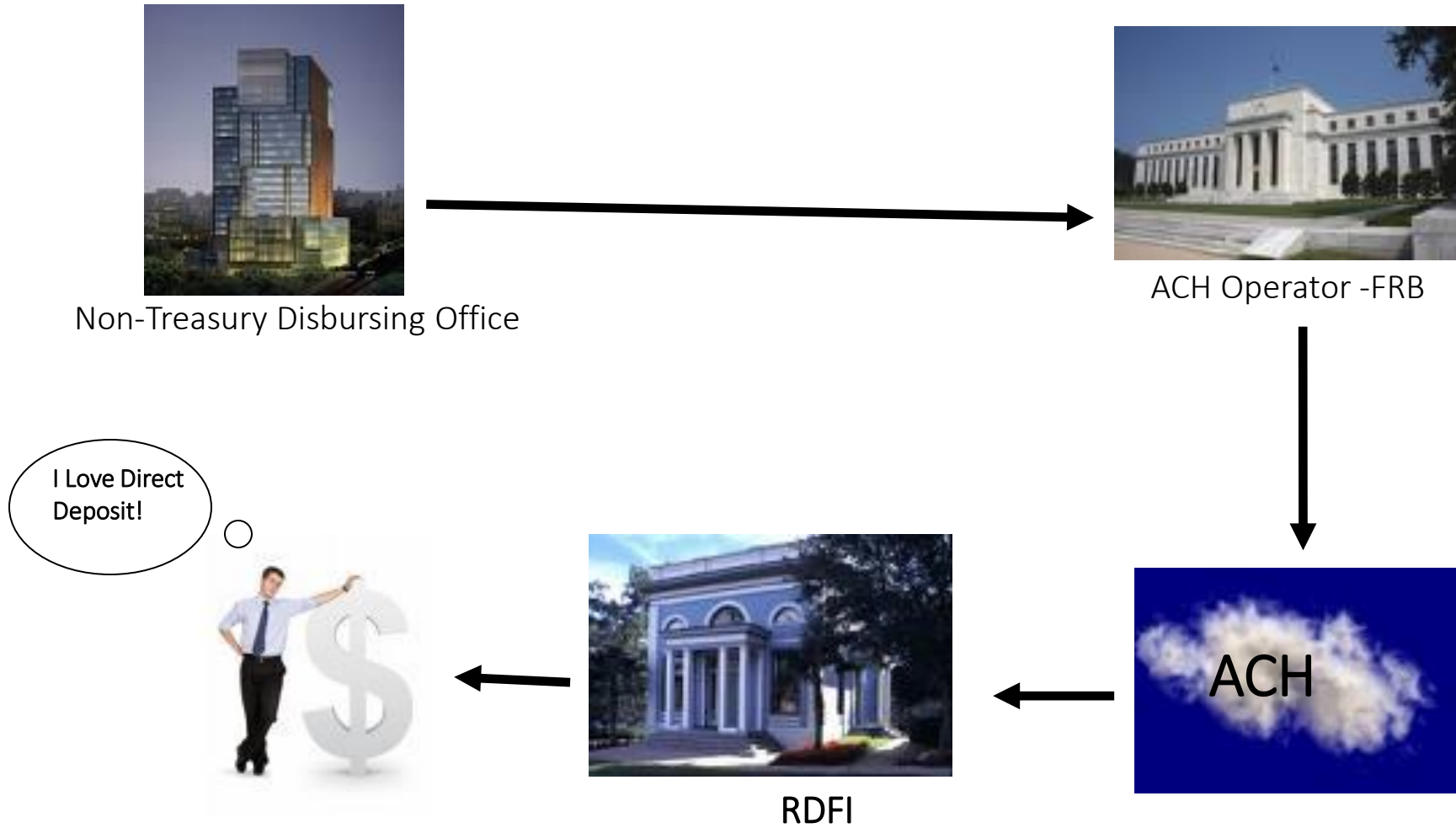
ACH Operator -FRB



RDFI



NTDO Use of ACH Network



Chapter 1 - Enrollment

In This Chapter....

- Go Direct
- Paper Enrollment, Fiscal Service FMS Form 1200
- Automated Enrollment (ENR)
 - Use of ACH network to enroll (by RDFI)
- Telephone
- Vendor Payments SF3881
- Termination of Enrollment

All Electronic Payments

According to the EFT provision of the Debt Collection Improvement Act of 1996, and amended in 2011, all recipients of non-tax federal government payments must be paid via EFT or loaded onto a reloadable debit card

There are 3 exemptions to this rule:

- Recipients born prior to May 1, 1921, who are receiving payments by paper check on March 1, 2013
- For payments not eligible for deposit to a Direct Express prepaid card account; and for recipients whose Direct Express card has been suspended or cancelled
- If Treasury grants a waiver

Direct Express Cards



Direct Express:

www.usdirectexpress.com

1-800-333-1795

Offers the “unbanked” a Mastercard[®] branded card which is loaded with monthly SSA/SSI benefit payment each month

Go Direct

Go Direct www.GoDirect.gov

- FIs can enroll on website - enter enrollments for customers

Go Direct 800 number:

- 1-(877) 874-6347
- FIs can call the toll-free number to assist their customers with immediate enrollment
 - Sponsored by the US Treasury and the Federal Reserve
 - FIs can create a secure User ID/password (profile) that will allow for repeated enrollments for customers.
 - Enrollments submitted through the Go Direct enrollment site will be verified and submitted to the respective paying agencies by the Go Direct Processing Center.

Go Direct Website

The screenshot shows the Go Direct website homepage in a browser window. The browser tabs include "Direct Deposit (Electronic Funds)" and "Go Direct® - Home". The address bar shows "godirect.gov/gpw/". The page header features the "GO DIRECT" logo, a search bar, and a language selector set to "En Español". The navigation menu includes links for "Home", "Enroll Now", "About Go Direct®", "Partners", "Paying Agencies", "Frequently Asked Questions", and "Tools and Resources".

The main content area features a large image of a smiling family (a woman, a man, and two children) on the left. To the right of the image is a grey box with the heading "Still getting paper checks?" and the following text: "Are you still receiving Social Security, VA or other federal benefits by paper check? If so, you are out of compliance with the law. The U.S. Department of the Treasury requires federal benefit payments to be made electronically – through direct deposit to a bank or credit union account or to the Direct Express® Debit Mastercard® card."

Below the image and text is a call to action: "Enroll Today!" followed by the text: "Switching is fast and easy. Your money will be in your account on time, every time."

The Windows taskbar at the bottom shows the search bar with "Type here to search", several application icons, the system tray with a temperature of 39°F, and the date/time "11:57 AM 4/7/2022".



Sign-Up Form for Direct Deposit of Federal Benefit Payments

FS Form 1200 (February 2012)

OMB No. 1520-0008

You may also sign up online today at www.GoDirect.gov or call **Go Direct** toll free at 1 (800) 333-1795 (for Social Security, Railroad Retirement Board, Civil (non-military) Retirement Payments or VA only).

DIRECTIONS

Please read the information on page 2 before completing this form. You must complete boxes A, B, C, D, E and F. Only complete this form to sign up for direct deposit if you are an individual, or a representative payee of an individual, who receives checks for the following types of federal benefits: Social Security, Supplemental Security Income, Railroad Retirement, Civil (non-military) Retirement, or VA (compensation or pension only). If you currently receive your payment by direct deposit you may not use this form. Please refer to page 2 for further instructions.

A. FEDERAL BENEFIT RECIPIENT INFORMATION

(print name(s) and address exactly as they appear on your benefit check)

NAME OF PERSON ENTITLED TO GOVERNMENT BENEFITS (RECIPIENT)	
REGULATORY SOCIAL (Last, first, middle initial)	NAME OF REPRESENTATIVE PAYEE (Last, first, middle initial)
ADDRESS (include suite, apt., apartment number)	
CITY (or APO/AFPO)	STATE ZIP CODE
DAYTIME TELEPHONE NUMBER	
SOCIAL SECURITY NUMBER OF PERSON ENTITLED TO GOVERNMENT BENEFITS (RECIPIENT)	

SAMPLE CHECK (bottom left corner) →

B. BANK OR CREDIT UNION INFORMATION

DEPOSITORY ACCOUNT TYPE (name of account)	
ACCOUNT TYPE	FDIC INSTITUTION (see sample check below)
Checking <input type="checkbox"/> Savings <input type="checkbox"/>	Routing Number
ACCOUNT NUMBER (see sample check below; do not include check number)	

* You may also attach a voided personal check. If you are depositing into a savings account, you may need to contact your financial institution to obtain the routing and account numbers.

ROUTING NUMBER	ACCOUNT NUMBER	CHECK NUMBER
----------------	----------------	--------------

C. TYPE OF PAYMENT (check only one)

You must complete a separate form for each type of federal payment.

<input type="checkbox"/> SOCIAL SECURITY	<input type="checkbox"/> SUPPLEMENTAL SECURITY INCOME	<input type="checkbox"/> VA (COMPENSATION ONLY)	<input type="checkbox"/> RAILROAD RETIREMENT (EMPLOYMENT)	<input type="checkbox"/> CIVIL (NON-MILITARY) RETIREMENT (EMPLOYMENT)
For military, federal salary, veterans benefits or other federal payments not available through Go Direct, please contact the paying agency (see page 2 for a partial list of paying agencies).			Annuity <input type="checkbox"/> Unemployment survivor benefit <input type="checkbox"/>	Retirement annuity <input type="checkbox"/> Survivor annuity <input type="checkbox"/>

D. IDENTIFICATION

CLAIM NUMBER	OR	In order to process your request, either the claim number (found on documents from your paying agency) or the check number from your last payment (found in the upper right-hand corner of your Treasury check) must be entered at left.
CHECK NUMBER (YOUR MOST RECENT PAYMENT)	←	

E. PAYMENT VERIFICATION

You must also enter the amount of your last benefit payment.

AMOUNT OF YOUR MOST RECENT PAYMENT

\$

F. CERTIFICATION

I certify that I am entitled to receive the payment identified above, and that I have read and understand the back of this form. In signing this form, I authorize this payment to be sent to the financial institution named in Part B above, to be deposited into the account above.

SIGNATURE _____ DATE _____

FOR JOINT ACCOUNT HOLDERS

I certify that I have read the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS on the back of this form.

SIGNATURE _____ DATE _____

Be sure to complete all sections of this form. Otherwise, the form cannot be processed. Return the completed form to:

Go Direct Processing Center
U.S. Department of the Treasury
P.O. Box 659527
Dallas, TX 75265-0527

This form is only to be used for switching from check payments to direct deposit of certain federal benefits listed in Box C. Use of this form for any other purposes will result in the form being rejected.

Contact your paying agency to:

- Update your name or address
- Change your account information if you already receive your payment by direct deposit, or
- Sign up for direct deposit for military, federal salary, veterans benefits, or other federal payments not processed by Go Direct

Fiscal Service 1200

Direct deposit form for SSA/SSI, RRB & OPM (civil non-military federal retirement)

[fms_form_1200_REV_Jul09.cdr\(treasury.gov\)](http://fms_form_1200_REV_Jul09.cdr(treasury.gov))

FS-1199A

All other non-vendor federal payments

Mailed to the issuing agency

[form-1199a.pdf \(treasury.gov\)](#)

Standard Form 1199A
(Rev. April 2021)
Prescribed by Treasury Department
Treasury Dept. Cl. 1578

OMB No. 1530-0006

DIRECT DEPOSIT SIGN-UP FORM

DIRECTIONS

- To sign up for Direct Deposit, the payee is to read the back of this form and fill in the information requested in Sections 1 and 2. Then take or mail this form to the financial institution. The financial institution will verify the information in Sections 1 and 2, and will complete Section 3. The completed form will be returned to the Government agency identified below.
- A separate form must be completed for each type of payment to be sent by Direct Deposit.
- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuitant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

SECTION 1 (TO BE COMPLETED BY PAYEE)

A NAME OF PAYEE (last, first, middle initial)	D TYPE OF DEPOSITOR ACCOUNT <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS
ADDRESS (street, route, P.O. Box, APO/FPO)	E DEPOSITOR ACCOUNT NUMBER
CITY STATE ZIP CODE	F TYPE OF PAYMENT (Check only one)
TELEPHONE NUMBER AREA CODE	<input type="checkbox"/> Social Security <input type="checkbox"/> Fed. Salary/Mi. Civilian Pay <input type="checkbox"/> Supplemental Security Income <input type="checkbox"/> Mi. Active <input type="checkbox"/> Railroad Retirement <input type="checkbox"/> Mi. Retiree <input type="checkbox"/> Civil Service Retirees (OPM) <input type="checkbox"/> Mi. Survivor <input type="checkbox"/> VA Compensation or Pension <input type="checkbox"/> Other (specify)
B NAME OF PERSON(S) ENTITLED TO PAYMENT	G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (if applicable)
C CLAIM OR PAYROLL ID NUMBER	TYPE AMOUNT
Prefix Suffix	
PAYEE/Joint PAYEE CERTIFICATION	JOINT ACCOUNT HOLDERS' CERTIFICATION
I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form, I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.	I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.
SIGNATURE DATE	SIGNATURE DATE
SIGNATURE DATE	SIGNATURE DATE

SECTION 2 (TO BE COMPLETED BY PAYEE OR FINANCIAL INSTITUTION)

GOVERNMENT AGENCY NAME	GOVERNMENT AGENCY ADDRESS
------------------------	---------------------------

SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

NAME AND ADDRESS OF FINANCIAL INSTITUTION	ROUTING NUMBER	CHECK DIGIT	
DEPOSITOR ACCOUNT TITLE			
FINANCIAL INSTITUTION CERTIFICATION			
I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 208, and 210.			
PRINT OR TYPE REPRESENTATIVE'S NAME	SIGNATURE OF REPRESENTATIVE	TELEPHONE NUMBER	DATE

Financial institutions should refer to the GREEN BOOK for further instructions.
THE FINANCIAL INSTITUTION SHOULD MAIL THE COMPLETED FORM TO THE GOVERNMENT AGENCY IDENTIFIED ABOVE.

GOVERNMENT AGENCY COPY Receipt

1199-207

Automated Enrollment (ENR)



Convenient method for Financial Institutions and Recipients

ENR is a non-dollar entry sent via ACH by the RDFI to a Federal Agency

Recipient is executing a NEW Authorization

- First time sign up
- Changing Financial Institutions

Should not be used for changes to existing Direct Deposit enrollments

- Use Notification of Change

Eligible Payments

- Specific types of benefit payments

ENR can only be used for these payment types:

- Social Security (SSA)
- Supplemental Security Income (SSI)
- Railroad Retirement Annuity and unemployment (RRB)
- Veterans Affairs compensation and pension (VA)
- Civil Service retirement

ENR Do's and Don'ts

Do use	the recipients Social Security number – even if there is a representative payee
Do NOT use	a claim number
Do use	the first 15 characters of the last name
Do use	the first 7 characters of the first name
Do make	sure that you are sending the information to the correct processor

ENR Rejects

Government Agency determines as unable to process

R40 – Non-Participating in ENR Program

R41 – Invalid Transaction Code

R42 – Routing Number/Check Digit Error

R43 – Invalid DFI Account Number

R44 – Invalid Individual ID Number

R45 – Invalid Individual Name/Company Name

R46 – Invalid Representative Payee Indicator

R47 – Duplicate Enrollment



Who is Liable?

During enrollment process, verify identity and name on account

- If your FI enrolls them, you are liable
- If your service provider enrolls them, you are liable

Enrollment - Authorizations

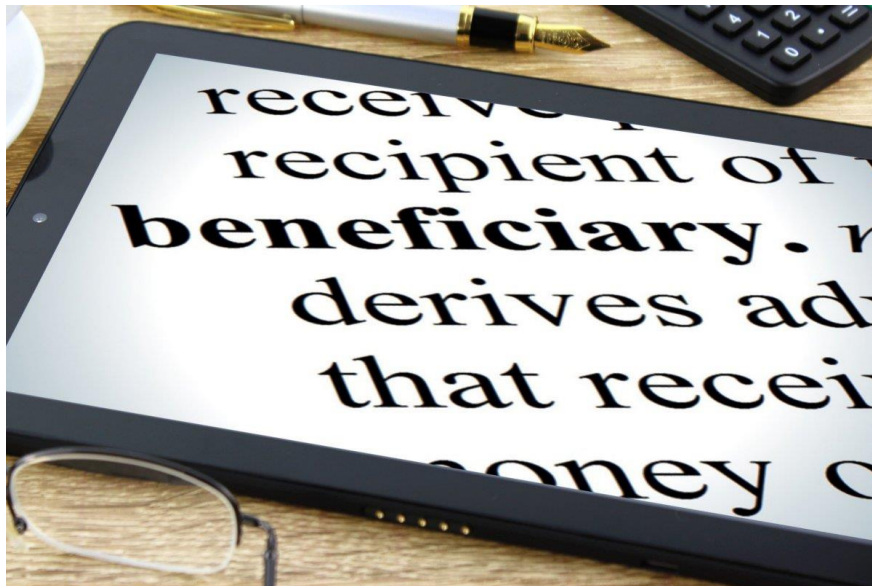
Each debit and credit entry shall be authorized in accordance with the ACH Rules and the following:

- The Agency or RDFI that accepts the recipient's authorization shall verify the identity of the recipient and if written authorization, validity of recipient's signature
- Unless authorized in writing or similarly authenticated by an agency, no person or entity shall initiate or transmit a debit entry to that agency, other than a reversal of a credit entry previously sent

When enrolling the recipient or beneficiary of a Federal Government Payment – you **MUST** verify the Identity of that individual

Beneficiary vs Representative Payee

A beneficiary is the person entitled to the benefits



A representative payee is a person or institution authorized by an authorizing Federal agency to accept payments on behalf of the beneficiary

- Who is incapable of handling his/her own financial affairs.
- Use Beneficiary's name and SSN, Rep Code "1" for ENR

Representative Payee is not Power of Attorney

Representative Payee

The Agency sets up a Representative Payee

- Must be on file as a representative at the agency
- Note: The Department of Veterans Affairs (VA) and the Office of Personnel Management (OPM) do NOT allow ENR enrollments for Rep Payees
- A person can't just decide on their own

Representative Payee CANNOT remove themselves from an account

- Must go through Agency's office



Account Requirements Rep Payee

When a Representative Payee is present, both names will appear on the benefit check

- Minor children receiving federal benefits should always have a Representative Payee (usually the parent)

The Federal Government requires that the title of accounts receiving Direct Deposit bear the name of the payment recipient and the beneficiary

- John Doe (Rep Payee) for Mary Smith
- John Doe by Mary Smith (Rep Payee)
- Mary Smith (Rep Payee) for John Doe

Representative Payee

Guide to Rep Payee on Social Security website

- <https://www.ssa.gov/pubs/EN-05-10076.pdf>

Exception to the Rule –

- Parents who are Rep Payees – A common checking account for all family members living in the same household who receive benefits may show the parent as owner of the account.....
- Children's Savings Accounts, however – MUST be held in a separate savings account for each child with the child's name as the owner of the account

SSA Payment Cycling

Since June 1997, the payment date for Social Security Beneficiaries is either the second, third or fourth Wednesday of the month

Reason for additional payment days was to alleviate the workload peaks for SSA, Bureau of the Fiscal Service and the financial and business communities

- If the beneficiary receives BOTH SSA and SSI payments, the payments will be issued on the standard 1st and 3rd

SSA Payment Cycling

For beneficiaries enrolled after 1997

If your birthday is

- 1st-10th = Payment on the Second Wednesday
- 11th-20th = Payment on the Third Wednesday
- 21st-31st = Payment on the Fourth Wednesday

NOTE: Can move from the 3rd to respective date of birth, but can not move back



Test Your Knowledge...

Your customer comes in and wants to be added as a Rep Payee to his/her father's account where he gets his social security directly deposited. What should you do?

Test Your Knowledge...

During the initial enrollment process for your account holder (beneficiary/recipient) and a Rep Payee, they want you to set up direct deposit to an account that bears the name of the Rep Payee.

Simplified Enrollment - IRS Tax Refunds

Not a permanent election
by taxpayer

- Must elect each year

Return if RDFI can't
properly post

- NOCs cannot be used to correct info

IRS Tax Refund Status

- [800-829-1954](tel:800-829-1954)
- www.irs.gov
- IRS2GO – Mobile App

Tax Refund Posts to Someone Else's Account...

IRS calls to check if funds were deposited to a specific account number, the funds were posted to the account number, but it is not the correct taxpayer. There are no funds in the account. What now?

The GREEN BOOK says if the funds are posted to a valid account that turns out to be the wrong account, the financial institution is not liable to the Government for the return of the funds

If the taxpayer or the taxpayer's agent gave the incorrect account information, neither Bureau of the Fiscal Service nor the IRS will assist the taxpayer with recovering the funds, and the taxpayer is free to pursue civil action

If, however, the IRS made the error, it will make the taxpayer whole
It is the Taxpayer/Preparer's responsibility to resolve issue with IRS
IRS is only responsible if they (IRS) made a key-entering error

Vendor Payments

Federal Financial EDI (FEDI)
Payments/Vendor Payments

Computer to computer
transmission of routine business
information in a standard format

The Federal Government uses
FEDI for payments it makes to
businesses which provide goods
and services to them

Provisions of the Debt Collection
Act of 1996 require a majority of
these payments be made by EFT

- Payments include corporate customers who provide goods and services regardless of the size of the company or the goods and services

ACH VENDOR/MISCELLANEOUS PAYMENT
ENROLLMENT FORM

OMB No. 1510-0046

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion. See reverse for additional instructions.

PRIVACY ACT STATEMENT
The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION	
FEDERAL PROGRAM AGENCY	
AGENCY IDENTIFIER	AGENCY LOCATION CODE (ALC)
ACH FORMAT: <input type="checkbox"/> CCD+ <input type="checkbox"/> CTE	
ADDRESS:	
CONTACT PERSON NAME	TELEPHONE NUMBER
ADDITIONAL INFORMATION:	

PAYEE/COMPANY INFORMATION	
NAME	SSN NO. OR TAXPAYER ID NO.
ADDRESS:	
CONTACT PERSON NAME	TELEPHONE NUMBER

FINANCIAL INSTITUTION INFORMATION	
NAME:	
ADDRESS:	
ACH COORDINATOR NAME	TELEPHONE NUMBER
NINE DIGIT ROUTING TRANSIT NUMBER: _____	
DEPOSITOR ACCOUNT TITLE:	
DEPOSITOR ACCOUNT NUMBER:	LOCKBOX NUMBER:
TYPE OF ACCOUNT: <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> LOCKBOX	
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator)	TELEPHONE NUMBER

AUTHORIZED FOR LOCAL REPRODUCTION

SF 3881 (Rev. 3/2003)
Prescribed by Department of Treasury
31 U.S.C. 3322, 31 CFR 210

SF-3881

- ▶ Enrollment form for corporate payments
- ▶ <C:\PERFORM\TREASURY\S3881.FRP>

Termination of Enrollment

An authorization shall remain valid until it is terminated or revoked:

Termination by Recipient at any time

- By notifying the Federal Agency
- By authorizing a new enrollment with another FI
- Recipient is not required to notify FI

The death or legal incapacity of a recipient of benefit payments or the death of a beneficiary

Termination by FI

- Must give 30 calendar day written notice to customer prior to closing an account
- Cases of fraud, account can be closed immediately

Agency Addresses and Phone Numbers



LISTING OF FEDERAL AGENCIES AND PHONE NUMBERS (WHERE APPLICABLE) ARE LISTED ON PAGES 1-31 TO 1-37

Chapter Two-ACH Payment Processing

Financial
Organization Master
File (FOMF)

Federal Government
ACH Processing

- Account Requirements
- Misdirected Payments

Federal ACH
Payment Schedule

Identifying Treasury
Disbursed Payments

Identifying Non-
Treasury Disbursed
Payments

Garnishments



Financial Organization Master File

Called the FOMF

Master list of FI's receiving Federal Government ACH payments

Contains RTN, single FI name and address for each RTN

Derived from FRB ACH Customer Directory

Updated monthly

Updating ACD

If an institution wants to update the information that appears on the file, they should submit a new Part 1 of the FedACH® Participation Agreement.

- Agreement to Terms and General Participant Information

If you have any questions in reference to updating data, you should contact FedACH Customer Service at:

- Toll Free: **(877) 372-2457**
- E-mail: FedACHChecksCS@atl.frb.org
- The FedACH Participation Agreement can be accessed on the FRB website:
<https://www.frbservices.org/forms/ach#fedachagreement>

Importance of Updating ACH Customer Directory (ACD)

Send financial institutions time sensitive correspondence

- Bottom line... make sure you update your address, as an RDFI, you're liable!

The Fiscal Service relies on the FOMF data to validate RTNs used to originate payments and to send financial institutions the following:

- reclamation notices
- trace inquiries
- marketing materials

Prenotifications

The federal government prenotification process is handled in accordance with Nacha Operating Rules and Guidelines. Social Security Administration originates prenotifications for Social Security benefits for Direct Deposit enrollments and changes

Account Requirements

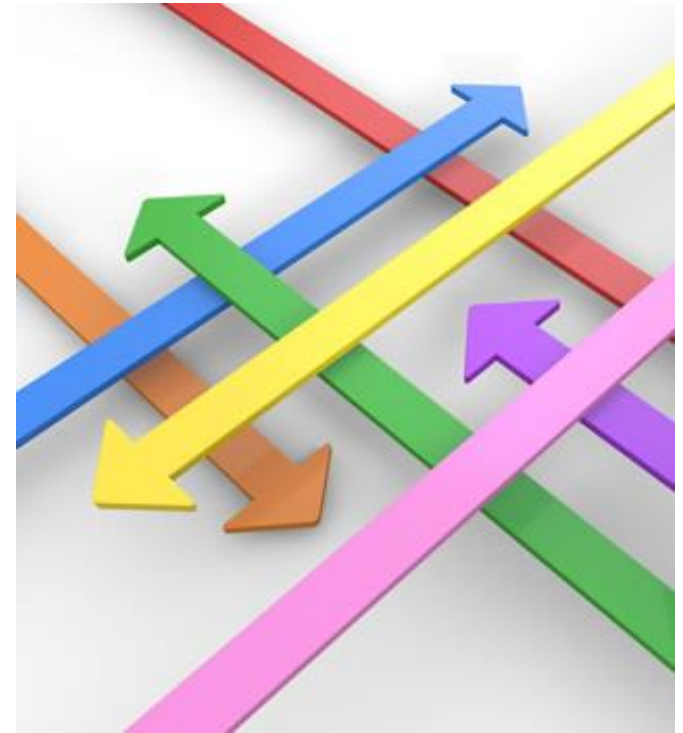
All Federal government benefit payment enrollments must be established for a deposit account at the financial institution that is in the name of the recipient or beneficiary EXCEPT...

- Where an authorized payment agent (representative payee) has been selected
- Where the payment is to be deposited into an investment account established through a securities broker or dealer registered with the Securities and Exchange Commission
- Where a federal payment is disbursed to a resident of a nursing facility
- Where a federal payment is disbursed to a member of a religious order who has taken a vow of poverty
- Where a federal payment is to be deposited to an account accessed by the recipient through a prepaid card
- Where Treasury has granted a waiver

Misdirected Payments

It is important to note that an FI is not required to manually verify that the name on the ACH entry matches the name on the account at the time the payment is posted.

An RDFI is only liable for posting the payment to the account in the ACH credit entry



Misdirected Payments

If an RDFI becomes aware that an agency has originated a credit entry to an account that is not owned by the payee whose name appears in the ACH payment information, the RDFI shall promptly notify the agency:

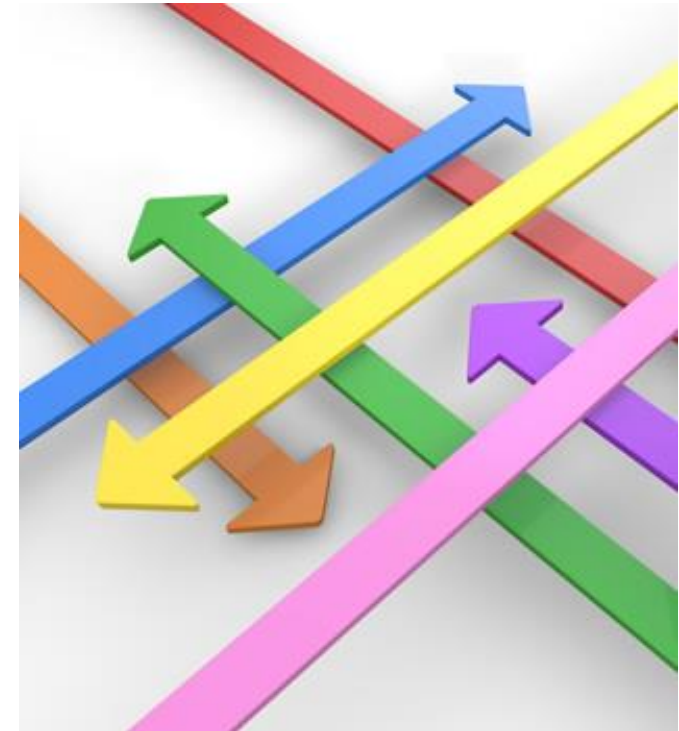
- Originate an NOC with correct account and/or routing transit number information
- Returns the original entry to the agency using the appropriate return reason code

By doing either of the above, the RDFI has satisfied their requirement to notify agency

Misdirected Payments

In some cases, the owner of an account to which a Federal payment was erroneously delivered has brought the error to the attention of the RDFI

- The RDFI, rather than “notifying the agency”, has removed the funds from the account to which they were credited and credited the funds to the account of the intended payee, based on payee name or individual ID number.....
- When an RDFI decides to transfer a Federal payment as above...they do so at their own risk and may be liable to the issuing agency if the RDFI’s judgment regarding the intended payee is incorrect and there is a resulting loss



Funds Availability



Any consumer credits made available to the RDFI by 5:00 PM local time on the banking day before settlement date, must be made available no later than 9 AM RDFI local time

- If the Federal government sustains a loss as a result of the financial institutions improper handling of an entry, the financial institution shall be liable to the Federal government for the loss, up to the amount of the entry

Cannot post debit entries prior to settlement date

Federal ACH Payment Schedule

Provides “actual” payment date for recurring Federal Payments

- Payment Date = Settlement Date

ACH Payment Schedule

- Listing available for viewing/downloading on Bureau of the Fiscal Service’s website:

<https://fiscal.treasury.gov/reference-guidance/green-book/ach-payment-schedule.html>



**January 2024 to January 2025 Schedule
For Treasury-Disbursed Recurring Benefit Payments**

Settlement Dates

Agency	Jan'24	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan'25
OPM Office of Personnel Management <i>Civil Service Retirement/Annuity</i>	1/2**	2/1	3/1	4/1	5/1	6/3**	7/1	8/1	9/3**	10/1	11/1	12/2**	1/2**
RRB Railroad Retirement Board <i>Railroad Retirement/Annuity</i>	1/2**	2/1	3/1	4/1	5/1	6/3**	7/1	8/1	9/3**	10/1	11/1	12/2**	1/2**
VA Department of Veterans Affairs <i>Compensation and Pension</i>	12/29*	2/1	3/1	4/1	5/1	5/31*	7/1	8/1	8/30*	10/1	11/1	11/29*	12/31*
SSA Social Security Administration <i>3rd of Month</i>	1/3	2/2*	3/1*	4/3	5/3	6/3	7/3	8/2*	9/3	10/3	11/1*	12/3	1/3
SSA <i>Cycle -2 2nd Wednesday</i>	1/10	2/14	3/13	4/10	5/8	6/12	7/10	8/14	9/11	10/9	11/13	12/11	1/8
SSA <i>Cycle -3 3rd Wednesday</i>	1/17	2/21	3/20	4/17	5/15	6/18*	7/17	8/21	9/18	10/16	11/20	12/18	1/15
SSA <i>Cycle -4 4th Wednesday</i>	1/24	2/28	3/27	4/24	5/22	6/26	7/24	8/28	9/25	10/23	11/27	12/24*	1/22
SSI Supplemental Security Income	12/29*	2/1	3/1	4/1	5/1	5/31*	7/1	8/1	8/30*	10/1	11/1	11/29*	12/31*
DOL-Black Lung (Legacy Payments)	1/3	2/2*	3/1*	4/3	5/3	6/3	7/3	8/2*	9/3	10/3	11/1*	12/3	1/3
DOL – Black Lung (New Enrollees)	1/12*	2/15	3/15	4/15	5/15	6/14*	7/15	8/15	9/13*	10/15	11/15	12/13*	1/15

* = Settlement Date Adjusted to the Preceding Business Day

** = Settlement Date Adjusted to the Following Business Day

Prepared by the U. S. Department of the Treasury/Bureau of the Fiscal Service

January 2024

Identifying Treasury Disbursed Payments

101 11111111 22222222229812151924B094101DALLASFRB AUSTIN DISB CTR FEDSA001
5220 DOJ TREAS 220 3333333333CCDMISC PAY 121698981216 2444444444000001

RFC Symbol - Field 3 - Company Name
RFC = Regional Financial Center

Disbursing Office	RFC	Contact Number
TREAS 303	Philadelphia Financial Center	(855) 868-0151
TREAS 310	Kansas City Financial Center	(855) 868-0151
TREAS 312	San Francisco Financial Center	(855) 868-0151

What is a Garnishment?

An execution, levy, attachment, or other legal process involving a written instruction issued by a court, a State or State agency, a municipality or municipal corporation or a State child support enforcement agency

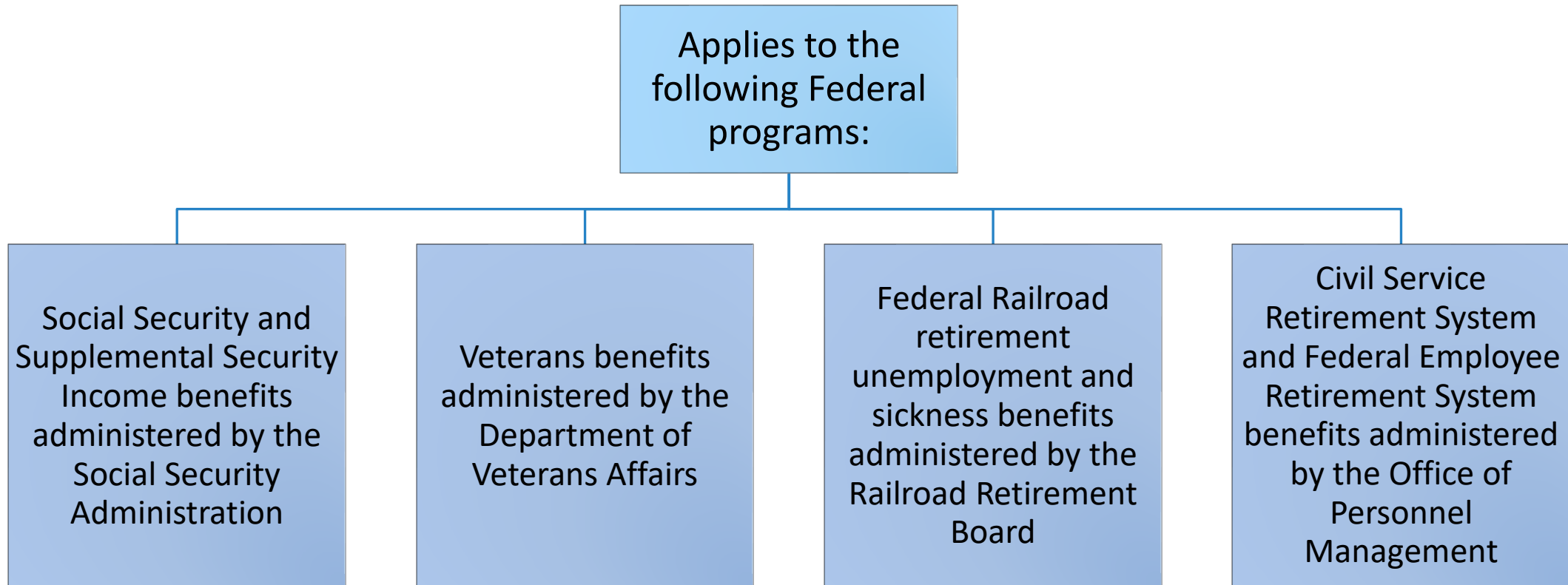
This includes a lien arising by operation of law for overdue child support or an order to freeze the assets in an account, to affect a garnishment against a debtor

Garnishment

Financial institutions that receive a garnishment order are required to determine the sum of protected Federal benefits deposited to the account during a two-month period

Ensure that the account holder has access to an amount equal to that sum or to the current balance of the account, whichever is lower

Garnishment



Identification of Exempt Federal Payments

Treasury will encode an “XX” in Positions 54 and 55 of the “Company Entry Description” Field of the Batch Header Record for exempt Automated Clearinghouse (ACH) benefit payments

Benefit Payment Type	Company Entry Description (Positions 54-63) – Prior to the Garnishment Rule	Company Entry Description (Positions 54-63) – With the Garnishment Rule
Social Security	SOC SEC	XXSOC SEC
Supplemental Security Income	SUPP SEC	XXSUPP SEC
Railroad Retirement	RR RET	XXRR RET

Benefit Payment

Revised to mean a direct deposit payment that includes not only an “XX” in positions 54 and 55 of the Company Entry Description field, but also the number “2” encoded in the Originator Status Code field of the Batch Header Record of the direct deposit entry



**Guidelines for Garnishment
of Accounts Containing
Federal Benefit Payments**

**In accordance with Title 31 of the Code of
Federal Regulations, Part 212**

Note: Appendix 1 shows the list of federal benefit payments protected under the regulation and the respective ACH Batch Header Record descriptions and garnishment exemption identifiers

March 2020

1

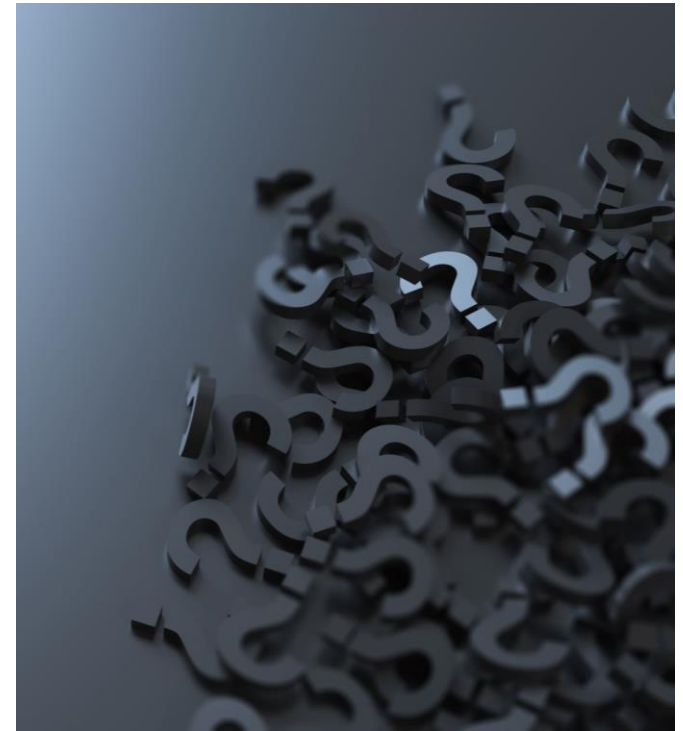
More Information on Garnishments

<https://fiscal.treasury.gov/files/eft/garnishment-guideline.pdf>

Chapter 3: Non-Receipt Claims

In This Chapter....

- Common Causes for Unnecessary Non-receipt Claims
- Recipient Non-Receipt Inquiry to FI's
- Non-Receipt Process



Common Causes

- Memo posting
- Early Posting
- Incorrect account information (exception item)

In certain instances, RDFI's can be held liable for ACH payments not processed timely or correctly.

Title 31 CFR 210.8(b) states:

- "If the Federal government sustains a loss as a result of the financial institutions failure in accordance with this part, the financial institution shall be liable to the Federal government for the loss, up to the amount of the entry."



Legal References Supporting Treasury Non-Receipt Investigation

12 USC 3413(k)(2): Disclosure Necessary for Proper Administration of Programs of Certain Government Authorities

- “Nothing in this title shall apply to the disclosure by the financial institution of information contained in the financial records of any customer to any Government authority that certifies, disburses, or collects payments, where the disclosure of such information is necessary to, and such information is used solely for the purpose of ... the investigation or recovery of an improper Federal payment...”

31 CFR Part 210.3(c): Federal Government Participation in the Automated Clearing House (ACH)

- “Any person or entity that originates or receives a Government entry agrees to be bound by this part and to comply with all instructions and procedures issued by the Service under this part including the Treasury Financial Manual and the Green Book.”



ACH Non-Receipt Claims Process

Fiscal Services will contact RDFI directly by Telephone, email, or fax

Will ask RDFI:

- Verification of Payment Status
- Verification that the intended payee received the payment
- Situations where the recipients name is not on the account
- Situations where recipient did not receive the payment on settlement date
- Payments posted manually, due to account closure or invalid account information

Manual Non-Receipt Claim Process

Used to trace non-benefit payments

Upon receipt of Fiscal Service 150.1 you should follow these steps:

- Verify status of the payment in question
- Credit the payment immediately – if not previously credited or returned
- Return the payment by ACH if it cannot be credited for any reason
- Complete the FINANCIAL INSTITUTION ACTION section within 3 business days of receipt of the form
- Return the DISBURSING OFFICE COPY to the Govt Disbursing Office identified on the form
- Use recipient's copy of Fiscal Service 150.1 to notify recipient of disposition of payment

DIRECT DEPOSIT COORDINATOR		DATE OF REQUEST _____
		☐ SECOND REQUEST _____
		DATE OF ORIGINAL REQUEST _____
Dear Financial Organization Representative: One of your customers has filed a claim for nonreceipt stating that their direct deposit payment has not been credited to their account. Your customer authorized the payment indicated below to be sent to your financial organization through Treasury's Direct Deposit Program.		
TRACE NO. _____	PAYMENT DATE _____	
RECEIVING FINANCIAL ORGANIZATION ROUTING NO. _____	TYPE OF PAYMENT _____	
INDIVIDUAL (Customer's Name) _____	AMOUNT _____	
DEPOSITOR'S ACCOUNT NO. _____	TYPE OF ACCOUNT _____	DISCRETIONARY CODE _____
PREFIX INDIVIDUAL ID (Customer's Claim No.) SUFFIX _____		
Treasury's records show that the payment was authorized and sent to your financial organization through the Federal Reserve Banking System. Please research your records, mark the block in the Financial Organization Action Section below that describes the action taken by your financial organization, sign the Financial Center Copy and return within 3 days to: <div style="text-align: right;"><i>Department of the Treasury</i> Bureau of the Fiscal Service Regional Financial Center P.O. Box _____ _____ <i>Director, Regional Financial Center</i></div>		
FINANCIAL ORGANIZATION ACTION		
<input type="checkbox"/> The payment described above was credited to the customer's account on (Date) _____		
<input type="checkbox"/> The CUSTOMER'S COPY of this form was completed and forwarded to the customer on (Date) _____		
<input type="checkbox"/> We received the payment listed above. The payment was returned to the Federal Reserve on (Date) _____		
<input type="checkbox"/> We have the payment listed above but cannot post it. We are returning the payment to the Federal Reserve on (Date) _____		
<input type="checkbox"/> Account Owner's name(s) does not match the above stated individual. Action being taken (Check box below):		
<input type="checkbox"/> Returning the funds through ACH per Reason Code R06		
<input type="checkbox"/> Returning the funds by an Official Bank Check		
<input type="checkbox"/> Funds are not available for Return		
<small>Note: In the Additional Remarks section, please provide the account holder information for the customer who received the payment. (This information is being requested, and may be disclosed, under the authority of 12 USC 3413 (a) - Disclosure Necessary for Proper Administration of Programs of Certain Government Authorities)</small>		
ADDITIONAL REMARKS _____		
PAPERWORK REDUCTION ACT AND PRIVACY ACT STATEMENT <small>This information is provided in compliance with the Privacy Act of 1974 (PL 93-502). All requested information is mandatory by authority of USC 501, 21 USC 335, and 31 CFR Part 210. This information will be used to determine if payments are being credited properly by financial organizations. Failure to provide the requested information may delay or prevent the settlement of claims for nonreceipt of payment to organizations through the Direct Deposit Program.</small>		SIGNATURE _____
BURDEN ESTIMATE STATEMENT <small>The estimate average burden associated with this collection is 8 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Bureau of the Fiscal Service, Forms Management Office, Parkersburg, WV 26106-1528. DO NOT SEND completed form to the above address; send to the address shown in the instructions.</small>		TITLE _____
FS Form 150.1		DATE _____
		FINANCIAL ORGANIZATION COPY

When Calling Bureau of Fiscal Service:

DO:

- Have all pertinent payment information (i.e., trace number, customer SSN, account number, etc.)
- Ask to verify payment posting
- Ask to verify that payee's name matches accountholder's
 - If name does not match, will request funds be returned or accountholder's information
- Try to resolve claim over the phone – but will have to fax request
- Only provide accountholder's information to the originating program agency
- Relay information to the customer (most often via a letter)

DO NOT:

- Have the customer on the line
- Indemnify the financial institution in situations where funds need to be returned
- Mail the request to the financial institution (SSA/SSI only)



Introducing the Exception Resolution Service (ERS)

A new portal for FIs to receive inquiries regarding non-receipt claims and respond

For more information, reach out to Fiscal Service at PFC.Teletrace@fiscal.treasury.gov

Chapter 4-Returns

In This Chapter....

- General Return Information
- Returns via ACH
- Partial Returns
- Dishonored Returns
- Obtaining a Refund from the Government



If You Return a Payment.....

Automatically revokes the Direct Deposit authorization and may stop further payments

- Return should be by ACH



When should a Payment be Returned?

Enrollment is terminated

Beneficiary or Representative has died or become legally incapacitated

- Actual or constructive knowledge

FI receives a DNE

Account is closed

- By FI or recipient

No account

Any reason the FI is unable to credit – if in doubt, return it!

Government Return Reason Codes

Government can accept all Nacha return reason codes

These are the most used return reason codes

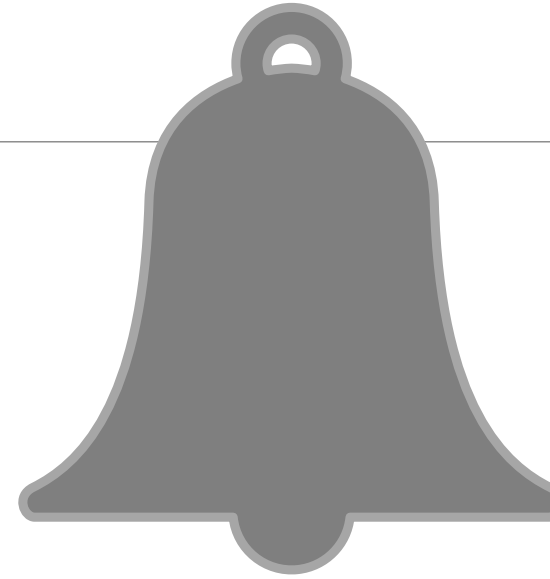
- R02 Account Closed
- R03 No Account/Unable to locate account
- R04 Invalid Account Number
- R06 Returned per ODFIs Request
- R14 Representative Payee Deceased or Unable to Continue in that Capacity
- R15 Beneficiary or Account Holder Deceased
- R16 Account Frozen
- R17 File Record Edit Criteria (Specify) or Questionable
- R20 Non-Transaction Account

Field	1	2	3	4	5
Data Element Name	Record Type Code	Addenda Type Code	Payment Related Information	Special Addenda Sequence Number	Entry Sequence Number
Field Inclusion Requirement	M	M	0	M	M
Comments	'7'	'05'	Alphanum:	Numeric	Numeric
Length	1	2	80	4	7
Position	01-01	02-03	04-83	84-87	88-94

"DATE OF DEATH * MMDDYY*CUSTOMER SSN* nnnnnnnn*AMOUNT*\$\$\$\$.cc\"

The addenda record will contain the date of the customer's death (month, day, and year), followed by the customer's Social Security number. This 9 digit number is the deceased individual's own Social Security number and may or may not be the number that appears in the Entry Detail Record. Finally, SSA will include the amount of the next scheduled benefit payment.

Example: DATE OF DEATH*082793*CUSTOMER SSN*555667777*AMOUNT*0528.00\"



Where do I find DNEs?



DNE Problems

20% of payments
returned after
receipt of a DNE
are INCORRECT!

Mostly joint account problems

3-6 months to get these corrected

Doing these wrong INCREASES your liability (you made the error)

You Received a DNE or Knowledge of Death...Now What?

<p>Flag Accounts</p> <ul style="list-style-type: none">• Be Careful with Joint Accounts	<p>Review ALL accounts for ALL federal government payments</p>
<p>Monitor for incoming payment</p>	<p>Return any payments that come in after date of death</p>

Manual Posting of Payments

Financial institutions may conduct a manual search of their unpostable ACH payments to determine if the payment can be posted





NO!

Holding
Payments

No Current Account

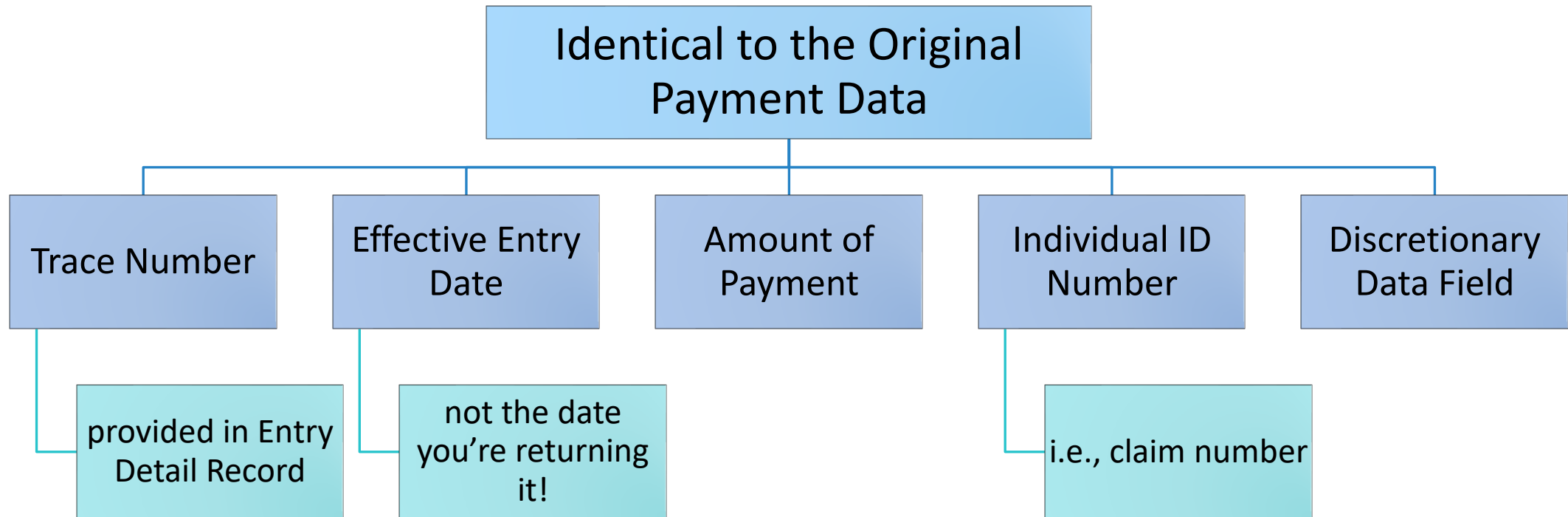
A financial institution should not open a new account in response to an un-postable payment

If a recipient's account has been closed, the financial institution must return any subsequent payments made by the Federal agency to the account. Do not reopen their old account and "force post" it!

If the recipient closes the account and opens a new account, the recipient must establish a new Direct Deposit authorization



Returning Payments via ACH



Claim Number Structure Table

The following table represents correct claim number structures used in formatting returns.

Agency	Claim Number Structure	Example
Social Security Administration	999999999XX 999999999X 999999999	123456789C1 123456789A 123456789
Office of Personnel Management	Xb9999999bXb Xb9999999b9b	F_1234567_W_ A_1234567_0_
Department of Veterans Affairs	999999999b99b99 999999999b99b99	162306890_10_01 12345678_00_06
Railroad Retirement Board		
Retirement/Annuity	XXX999999999b9b Xbb9999999bbbb9b XXbZZZZZ9bbbb9b	WCA123456789_7_ A_123456 ___ 1_ WD_000006_____ 8_
Unemployment/Sickness	bbb999999999	___123456789
Department of Labor	999999999XXbXXb	123456789LW_MB_

Key: X = alphanumeric, 9 = numeric, b = blank, Z = zero filled, _ = space

Returning Partial Payments

FI Receives Notice of Reclamation



Not enough money in account to honor the full reclamation amount

FI can only send a partial payment

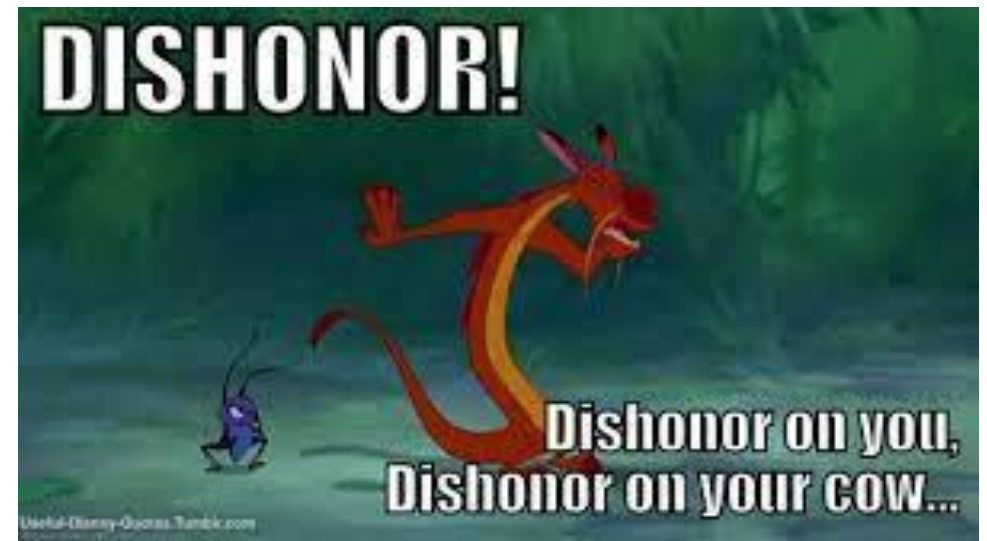
Partial payments may be returned via direct debit of Fed account

Dishonored Returns

ACH return items will be dishonored by the Government Disbursing Office if discrepancies exist between the data on the return item and the data on the original payment.

Most Common Errors

- 1. trace number (provided in addenda record)
- 2. effective entry date (i.e., payment date)
- 3. amount of payment
- 4. individual ID number (i.e., claim number)



Dishonored Returns

R61 – Misrouted Return

R67 – Duplicate Return

R68 – Untimely Return

R70 – Permissible Return Entry Not Accepted

- Discretionary data field should be left blank ONLY if it was blank in the original entry – remember all information should be identical to original entry. If return is dishonored, FI to correct and send a new return

R69 – Field Errors (The error(s) will be identified in the addendum record on the dishonored file positions 59-79. The two-digit code, separated by an asterisk, will be written for each error found.)

01 - Incorrect DFI Account Number

02 - Incorrect Original Entry Trace Number

03 - Incorrect Dollar Amount

04 - Incorrect Individual ID Number/ID Number

05 - Incorrect Transaction Code

06 - Incorrect Company Identification Number

07 - Invalid Effective Entry Date



Payments Returned in Error

Duplicate Returns

The authorizing Federal Agency will restore funds after researching and verifying request.

Restoration will be made via the appropriate method – mutually agreed on by the Fed Agency, FI and Recipient

IF...	Then...	And...
Two identical ACH returns are made for the same payment	The Government Disbursing Office will automatically return the duplicate return	No further action is required by the financial institution
<p>An ACH return was sent, and the same payment was returned by check ----- The financial institution has been debited (TFS, Notice of Debit) for a payment that was already returned</p>	<p>The financial institution should promptly write a letter of explanation to the Federal agency that authorized the payment and include copies of the following:</p> <ol style="list-style-type: none"> 1. FI's claim for a refund 2. Debit advice 3. Other documentation that confirms the duplicate return/debit action 	<p>The financial institution awaits further notification from the authorizing Federal agency.</p> <p>Note: Only the Federal agency that authorized the payment can make a refund.</p>

Chapter 5-Reclamations

In This Chapter....

What is a
Government
Reclamation?

Liability of
the RDFI

Reclamation Procedures

Errors in
Death

Notification
of Death

Notice of
Reclamation

ARPS

Government Reclamation

A PROCEDURE USED BY THE FEDERAL
GOVERNMENT TO RECOVER BENEFIT PAYMENTS



Payments Subject to Reclamation



Social Security
benefit or disability
(SSA)

Supplemental
Security Income
(SSI)

Black Lung
disability (Dept. of
Labor)

Military and Coast
Guard retirement,
including allotments
from military retired
pay (DFAS)

Civil Service
annuity (OPM)

Veterans benefits
(VA)
Railroad retirement
annuity (RRB)

Central Intelligence
Agency annuity
(CIA)

Workers'
compensation (FECA)
Longshore and
Harbor Workers'

Compensation Act
(Dept. of Labor)

Any other Federal
retirement or
annuity

Payments Not Subject to Reclamation



Federal salary,
allotments, and
travel payments

U.S. savings bond
payments

Vendor/
miscellaneous
payments

IRS tax refunds

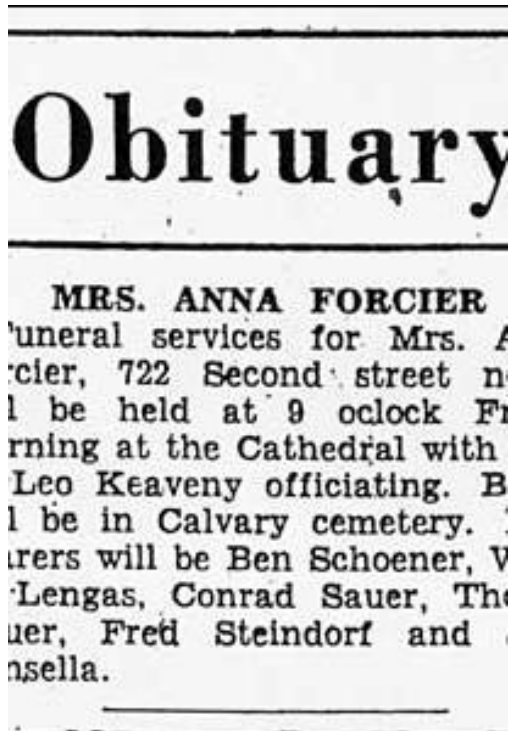
Discretionary
Allotments

Public Debt
payments
(TreasuryDirect)

Other types of
Federal ACH
payments

Stimulus Payments

Notification of Death



- DNE (Death Notification Entry)
- Notice of Reclamation
- Contact from or Reference to an Estate...
- Reference from Probate Court, Funeral Director or Letters of Testamentary
- Oral or Written report of death
- Personal awareness by staff
- Obtained by inquiry by RDFI

Requirement to Return Post-Death Benefit Payments

It is important to understand that once a payment has been credited to payee's account, it becomes the property of the account holder. In the case of post-death payments, the payments become property of the joint account holder or decedent's estate. The government cannot legally authorize or direct an RDFI to take funds already credited to an account and send them to the government. This is the reason that RDFIs are directed only to return post-death payments that they receive after they become aware of the payee's death, using an R14 or R15 code. Such returns are legally permissible because the payments have not been credited to the recipient's account and therefore have not become property of the joint account holder or decedent's estate.

It is up to each RDFI to consider its policy as an institution as to what steps it may wish to take, if any, upon learning of the death of a recipient in order to preserve funds in the account pending receipt of a Notice of Reclamation. Some RDFIs, upon becoming aware of an account holder's death, perform an account analysis before receiving an NOR and voluntarily return post-death payments that were credited to the account before the RDFI learned of the death. RDFIs are cautioned that Fiscal Service does not authorize or direct RDFIs to debit or otherwise affect the account of a recipient, including to return post-death payments already credited to an account. However, Fiscal Service will accept pre-NOR returns of post-death payments provided that they are made electronically using an R14 or R15 code

Return Codes

R15 Beneficiary Deceased

- The beneficiary is the person entitled to the benefits. In this case, there is no representative payee or guardian involved, or they are still alive

R14 Representative Payee (or Guardian) Deceased or Incapacitated

- The representative payee (or guardian) is the person who receives benefit payments on behalf of the (under aged or incapacitated) beneficiary. E.g., payment is payable to "John Doe, for [another person]". In any event, the beneficiary is not deceased



Liability of RDFI

Reclamations-Liability of RDFI



Full Liability

- An RDFI is liable for ALL benefit payments received after the death or legal incapacity of a recipient or death of a beneficiary
- AN RDFI has no right to limit its liability with respect to post-death benefit payments received after it knows of the death and has had a reasonable opportunity (one business day) to act on that knowledge
- The RDFI must immediately notify the paying agency if the RDFI learns of the death from a source other than notice from that agency
- An RDFI must immediately return any post death benefit payments received after learning of the death, regardless of how the death was discovered

Limiting Liability

An RDFI may qualify to limit its liability if it:

certifies it did not have actual or constructive knowledge* of the recipient's death or incapacity at the time of the deposit of any post-death benefit payments,

returns all post-death benefit payments it receives after it learns of the recipient's death (but not post-death benefit payments it received before it learned of the death), and

responds to the Fiscal Service Form FS 133, "Notice of Reclamation" completely and adequately, so that it is received by the government disbursing office within 60 calendar days from the date of the notice.

Calculating the Limited Liability Amount



If an RDFI qualifies for limited liability, the RDFI will only be debited for the ACH 45-day amount

The ACH 45-day amount is the dollar amount of the post-death benefit payments received within 45 calendar days following the death

Note: The limited liability amount may not exceed the outstanding total on the Notice of Reclamation. The outstanding total is the total amount of all the post-death payments

Test Your Knowledge

Your customer, Joe Smith dies on January 4

May 14, you receive a reclamation

You look at the account and see that he has received payments on Feb 3, March 3, April 3 and May 3.

The payments are \$400 each

The amount on the reclamation is \$1600

None of the payments have been returned

What is the dollar amount of your liability?

Test Your Knowledge

Your customer, Joe Smith dies on September 29

December 14 you receive a reclamation

You look at the account and see that he has received payments on Oct 1, Nov 1, and Dec 1

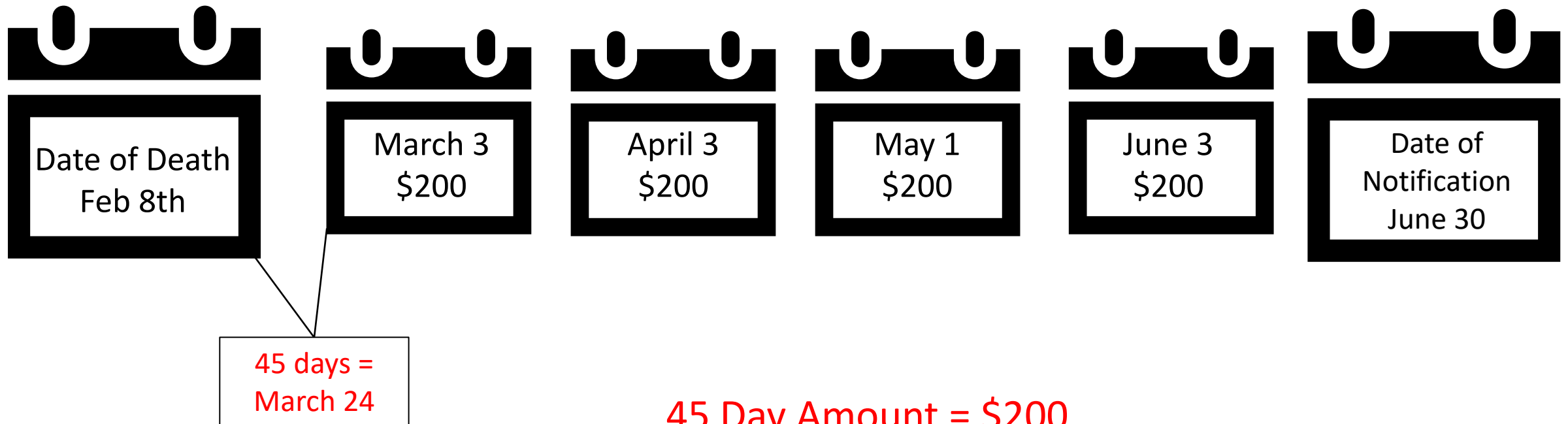
The payments are \$900 each

The amount on the reclamation is \$2700

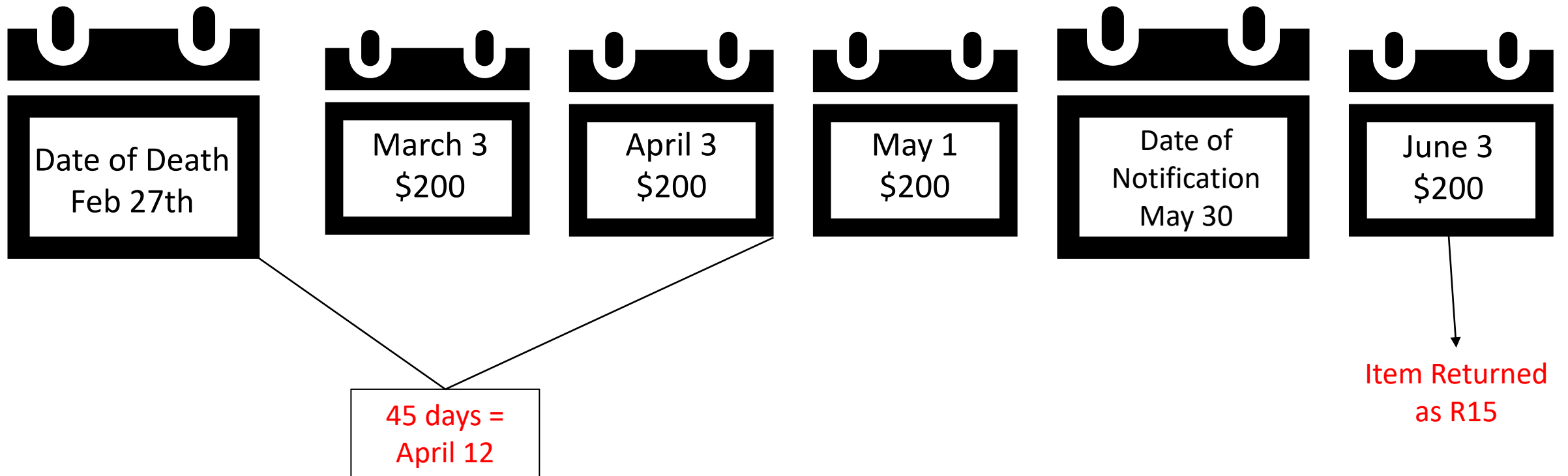
None of the payments have been returned

What is the dollar amount of your liability?

Example of 45 Day Amount



Example of 45 Day Amount



DIRECT DEPOSIT ELECTRONIC FUNDS TRANSFER FEDERAL RECURRING PAYMENTS		FROM:			
NOTICE OF RECLAMATION 		DATE: _____ TICKET #: _____			
RECIPIENT AND/OR BENEFICIARY NAME		CLAIM NUMBER	DATE OF DEATH		
DATE OF PAYMENT	AGENCY AND JOB TYPE OF PAYMENT	TRACE NUMBER	TYPE OF ACCOUNT	DEPOSITOR ACCOUNT NUMBER	AMOUNT
OUTSTANDING TOTAL					
A Immediately mail NOTICE TO ACCOUNT OWNERS (last copy of this form) to current address of the account owner. Inform the account owner(s) of any actions your financial institution has taken or intends to take. Sign Certification No. 1 on the back of the DISBURSING OFFICE COPY.					
B Correct any error in the fact of death, date of death and/or outstanding total on the back of the DISBURSING OFFICE COPY.					
C Take, as appropriate, one of the four steps below:					
1 If the outstanding total was previously returned to the Government, attach copies of the front and back of the cancelled checks and/or proof that the payment was returned by ACH. Proceed with step D below.					
2 If the amount in the account is equal to or exceeds the outstanding total, prepare one ACH return for each full payment, described above. The ACH return method should always be used when returning one or more full payments. Proceed with step D below.					
3 If the amount in the account is less than the outstanding total, and there is... a.(1) only one payment listed above, then return the partial payment by check. (See 3b). a.(2) more than one payment listed above, then prepare ACH return(s) for amount(s) equal to each full payment. Any remaining amount that does not equal a full payment must be returned by check. (See 3b). b. Prepare a check made payable to: _____ ONLY FOR AMOUNTS LESS THAN ONE FULL PAYMENT. (Note: The amount in the account includes any additions to the account balance made after the receipt of this NOTICE.) Provide the names and addresses of the withdrawers on the back of the DISBURSING OFFICE COPY. If it is a true statement of fact, you must sign Certification No. 2 on the back of the DISBURSING OFFICE COPY. Proceed with Step D below.					
4 If the amount in the account is zero and no funds are available to return to the Government, provide the names and addresses of the withdrawers on the back of the DISBURSING OFFICE COPY. If it is a true statement of fact, you must sign Certification No. 2 on the back of the DISBURSING OFFICE COPY. Proceed with Step D below.					
D Unless the outstanding total is returned by ACH within 45 days of the date on this NOTICE, return the PROGRAM AGENCY and DISBURSING OFFICE COPIES of this form to the disbursing office address shown in the upper right hand corner of the form.					
YOUR FINANCIAL INSTITUTION IS LIABLE TO THE GOVERNMENT FOR THE ABOVE PAYMENT(S) AND FOR ALL GOVERNMENT BENEFIT PAYMENTS RECEIVED AFTER THE DEATH OR LEGAL INCAPACITY OF THE RECIPIENT OR THE DEATH OF THE BENEFICIARY AS SET FORTH IN 31 CFR PART 210. YOU MUST TAKE THE APPROPRIATE STEPS OUTLINED IN A THROUGH D ABOVE AND IN THE GREEN BOOK INSTRUCTIONS IN ORDER TO LIMIT YOUR LIABILITY. (See GREEN BOOK: RECLAMATIONS CHAPTER for detailed instructions.)					
IF YOU DO NOT RESPOND APPROPRIATELY WITHIN 60 DAYS FROM THE DATE OF THIS REQUEST, YOU WILL NOT LIMIT YOUR LIABILITY AND YOUR FEDERAL RESERVE ACCOUNT OR THE ACCOUNT OF YOUR CORRESPONDENT WILL BE DEBITED FOR THE OUTSTANDING TOTAL .					
ROUTING NUMBER: TO:		TO BE COMPLETED BY PROGRAM AGENCY \$ _____ \$ _____ Amount Recovered Amount to Recover			
		Signature _____ Date _____			
<small>DEPARTMENT OF THE TREASURY FISCAL MANAGEMENT SERVICE PROGRAM MANAGEMENT DIVISION FMS 133 (6-97)</small>					

Fiscal Service 133 Form

Automated Reclamation Processing System

- Effective January 1, 2023: All reclamation responses must be submitted through the Automated Reclamation Processing System (ARPS) located in Treasury's Pay.gov web portal
 - except for responses by DFAS and any Treasury-approved exceptions
- Exceptions must be approved on a case-by-case basis by Bureau of the Fiscal Service and requests may be sent to: pfc-reclamations@fiscal.treasury.gov

Automated Reclamation Processing System

- Web-based application operated by the Department of the Treasury
- Allows users to submit responses to a Notice of Reclamation
- Allows the Financial Institution to make payments to government agencies by electronic means by authorizing a debit
- Pay.gov uses 128-bit SSL encryption to protect users' transaction information while logged into Pay.gov
- An electronic version of the FS-133 form, Notice of Reclamation
- Financial Institutions may use Pay.gov to complete and submit FS-133 forms and to authorize a partial or full debit as payment for the reclamation
- Financial Institutions may also use Pay.gov to file a protest based on the 120-day rule, correct a date of death, or let the Department of Treasury know that the payee is still alive
- Pay.gov will close a reclamation once it has been fully satisfied
- The Bureau of Fiscal Service will process the form and debit a Financial Institution's master account for the amount authorized on the form FS - 133, typically within 2 business days

ARPS Registration

<https://www.pay.gov/public/form/start/840100754>

- Financial institutions must enroll by creating a profile for the financial institution
 - This is a self-enrollment process
- Financial Institutions are responsible for designating authorized personnel to establish Pay.gov user credentials
- Fiscal Service has published a resource for the Automated Reclamation Processing System – ARPS User Guide
- Financial institutions will continue to receive their Notices of Reclamation via their current delivery method

Using the ARPS

- User will log in, Search **NOR** and select **Continue**
- This will access FS Form 133, Notice of Reclamation
- User will type in the **Reclamation ticket number** (found on the Notice of Reclamation) and then type it again to confirm
- Complete your response to the form – 133 by filling in all the required fields and click **Continue**
- When the total amount of the Reclamation is received, there is no further action needed
- The system will populate a message stating that the reclamation is complete

Using the ARPS

- Click **OK** then fill in the required fields, which is the FI contact information and hit **Submit** to complete form -133
- Users can view all NOR responses as PDFs, which can be saved or printed
- Any supporting documentation related to the Notice of Reclamation response (payee alive, incorrect date of death, etc.) must be emailed to PFC-Reclamations@fiscal.treasury.gov within 15 business days.
- Other actions:
 - Incorrect date of death-check the box and enter the correct date of death listed on the death certificate
 - An official copy of the Death Certificate **must** be provided, sent to PFC-Reclamations@fiscal.treasury.gov within 15 days
 - Protesting Notice of Reclamation under the 120 Day rule-check the box, provide additional notes on question #8 (optional)

ARPS FAQs

- Are we able to set up the Pay.GOV account with a shared email address? **Yes**
- Will PAY.GOV change the mechanism in which we receive our Notices of Reclamation? **No**
- Which account type should we set up? **Company Account**
- If we set up a Company Account can more than one person have access? **Yes**
- How long will the responses within Pay.Gov remain available? **The site holds up to 500 submissions**

Response to Notice of Reclamation

Outstanding total previously repaid to the Government then:





Response to Notice of Reclamation

NOTIFY THE ACCOUNT
OWNER(S) OF ANY ACTION
YOU HAVE TAKEN, OR PLAN
TO TAKE, AGAINST THE
ACCOUNT



Follow-Up Notice

TFS 2942 Will be Sent If:

- No response received within 30 days
- Response is incomplete or rejected

Time Limits for Federal Reclamations

Initiation of Reclamation (120-Day Protest)

Scope of Reclamation-6 years

Coinciding with Date of Death

RDFI Reaction Time-1 business day

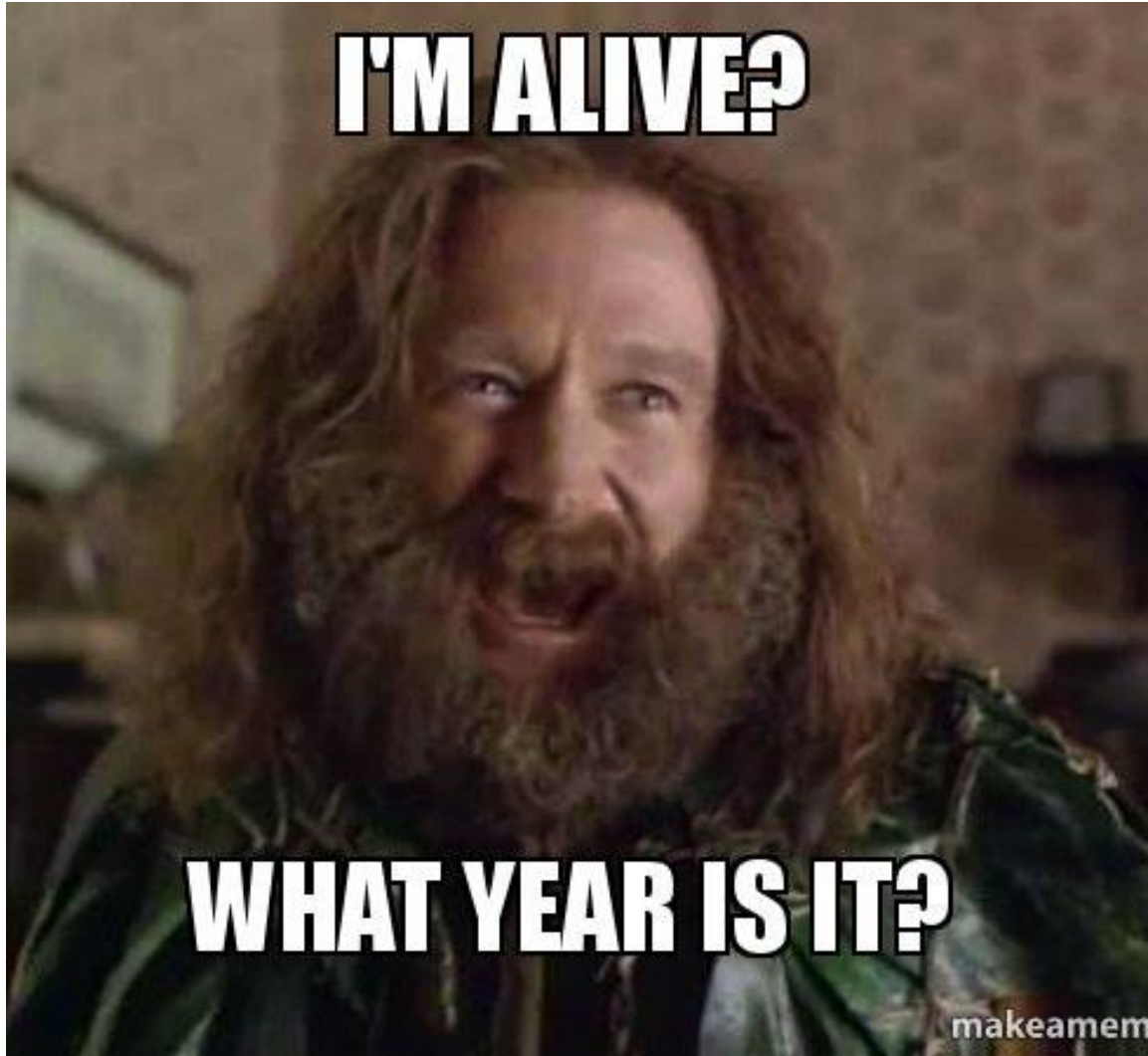
RDFI Response Deadline-60 calendar days





What if I don't
respond?





If the
Person did
not Die

The Date of Death is Wrong

Wrong Day

- FI provide copy of death certificate
- Respond to reclamation timely



Wrong Month/Year

- Enter correct date in the appropriate field
- Complete Certification 1 and/or 2
- Complete timely



Identifying a Debit

Snapshot of Federal Reserve Account Statement

BR	BATCH	REF	OFFSET	FI	DEBIT
9914	(215)	516-8154	57190	Treas ACH Rec Auto	
03884	7502	051000033	0000003456	500.00	
03890	7503	051000033	0000003459	250.00	
03892	7504	051000033	0000003181	367.00	



Reclamation Ticket Number

Chapter 6-Notification of Change

In This Chapter....

Introduction to Notification of Change

- When should you send an NOC?
- When NOT to send an NOC?
- Notification of Change Codes
- Processing Timeframes
- What if an Agency doesn't respond to an NOC?

Refused NOC

Common NOC Errors



Chapter 6: Notification of Change

- When to Use CORs, ENRs, or Other Ways to Change Recipient Information

When to use CORs, ENRs, or Other Ways to Change Recipient Information

<i>To change</i>	<i>Recipient would</i>
Title/ownership of account	
Interest of the recipient or beneficiary in the account	Complete a new enrollment
From one financial institution to another	
New bank account number at the existing financial institution	Submit ENR or COR
Name of recipient or change of mailing address	Contact the federal agency that authorized the payment
Account information for one-time payments	One-time payments require a new authorization

Liability of NOCs

Liability shifts from Originator to RDFI

An entry comes in trying to post to account 12345 but rejects due to an invalid account number. An employee does some research and sees the account number should be 12346. She creates an NOC to this effect, but when keying the NOC entry, she keys 12348, which happens to be a live account at the FI. The NOC goes to the Originator who does the change and the next month the \$10,000 deposit posts to account 12348. The owner of account 12348 takes the money and runs. The next day the owner of account 12346 come in and wants the \$10,000 deposit which should be in his account

Who is liable?

When not to send an NOC

To change the title/ownership of account

To change interest of the recipient or beneficiary in the account

Change from one financial institution to another by the recipient

Account information for one-time payments

Change the name of a beneficiary

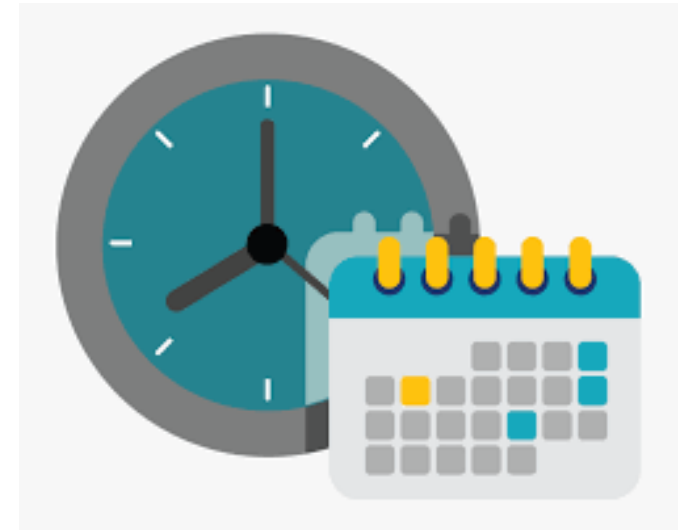
- e.g. following marriage

No!

NOC Processing Timeframes

Generally, NOCs will be processed for the next ACH transaction

- Some operational limitations may require two (2) payment cycles
- Treasury and Federal Agencies continue to work to improve the NOC process



No Agency Response to NOC

If government agency does NOT respond to an NOC within two (2) payment cycles -

- Verify the NOC was properly formatted
 - Contains CORRECT original RDFI routing number
- If properly formatted, contact your Bureau of the Fiscal Service RFC (Regional Financial Center) – Chapter 7 (Contacts)
- Make sure any rejected NOCs are acknowledged and resolved



Federal Government NOC Codes

Federal Gov't will process only 6 NOC codes:

- C01 – Incorrect Account Number
- C02 – Incorrect Routing Number
- C03 – Incorrect RTN and Incorrect Account Number
- C05 – Incorrect Transaction Code
- C06 – Incorrect Account Number & Incorrect Transaction Code
- C07 – Incorrect RTN, Incorrect Account Number and Incorrect Transaction Code

The ONLY Transaction Codes recognized are:

- Checking (Demand) – 22 (credit) and 27 (debit)
- Savings – 32 (credit) and 37 (debit)

Financial Institutions not using NOC

Financial Institution's not using NOCs may continue to submit:

- Corrected Direct Deposit sign-up forms (SF 1200) to Federal Agencies
- Letters to Federal Agencies requesting changes
- Visit the SSA website at <http://www.socialsecurity.gov/deposit/>
- You may call or visit any Social Security Office to switch to Direct Deposit

Refused NOC Codes

Six refused NOC codes authorized for Federal government ACH entries

- C64 – Incorrect individual identification
- C65 – Incorrectly formatted corrected data
- C66 – Incorrect discretionary data
- C67 – Routing Number not from original Entry Detail Record
- C68 – DFI Account Number not from original Entry Detail Record
- C69 – Incorrect Transaction Code

NOTE: Social Security Administration (SSA), the Railroad Retirement Board (RRB) and the Office of Personnel Management (OPM) are the ONLY federal agencies processing refused NOCs at this time

Chapters 7 – Contact Information

Contact Information

- Bureau of the Fiscal Service Customer Assistance Staff (CAS)
- Additional Bureau of the Fiscal Service ACH Contacts
- Collections/EFTPS Contacts
- General Agency Contact Information
- Defense Finance and Accounting Service (DFAS) Contacts
- DFAS myPay Contacts



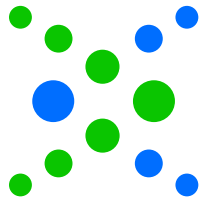
Chapters 8 – Glossary



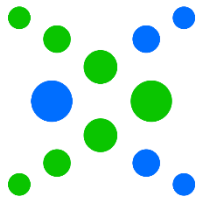
Chapter 9: Forms

Appendix #	Form	Title
1.	ES Form 133	Notice of Reclamation Form
2.	ES Form 150.1	Payment Trace Request Form
3.	FS Form 1199A	Direct Deposit Sign-Up Form
4.	FS Form 1200	Direct Deposit Sign-Up Form
5.	FS Form 2942	Follow-Up To Notice of Reclamation
6.	SF 3881	ACH Vendor/Miscellaneous Payment Enrollment Form

QUESTIONS



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