



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

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FINANCIAL ADMINISTRATION MEMORANDUM NO. 91 - 023 (II.J.)

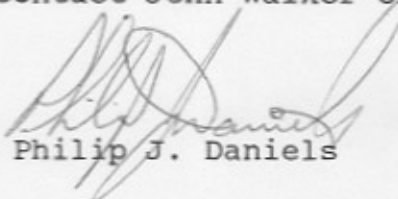
To: Bureau Assistant Directors, Administration
Director, Administrative Services
Bureau Finance Officers
Chief, Division of Fiscal Services

From: Chief, Division of Financial Administration
Office of Financial Management

Subject: Deposit of U.S. Government Checks

Attached is a letter from the Department of the Treasury concerning the deposit of U.S. Treasury checks. Treasury regulations stipulate that Treasury checks totaling \$5,000 or more must be deposited at a Federal Reserve bank or branch rather than a commercial depository. The deposit of Treasury checks into commercial banks (including those in the Treasury lockbox network) creates a loss of overnight funds to the Government.

If you have any questions, please contact John Walker on (202) 208-5223.


Philip J. Daniels

Attachment



DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
WASHINGTON, D.C. 20227

April 22, 1991

TO: AGENCY CASH MANAGEMENT POLICY OFFICIAL

It is very important that we receive your assistance in notifying all personnel directly involved in handling deposits for your agency of the regulations governing the deposit of U.S. Treasury checks. Volume I of the Treasury Financial Manual, Part 5, Chapter 2000 (I TFM 5-2050.10) stipulates that Treasury checks totaling \$5,000 or over must be deposited at a Federal Reserve bank (FRB) or branch rather than a commercial depository.

In February 1988, the Financial Management Service (FMS) notified the Cash Management Policy Officials of all Federal agencies, by memorandum, of this requirement. Apparently, our instructions were not passed along to all appropriate personnel as we have recently experienced an increase in the number of Treasury checks being improperly deposited. We are especially concerned about some very large check deposits, individually or cumulatively totaling in the millions of dollars.

The deposit of Treasury checks into commercial banks (including those in the Treasury lockbox network) creates a loss of overnight funds to the Government since the bank receives credit for these checks on the day of deposit and does not pass credit to the Treasury until the following business day. When deposit occurs on a Friday, the Government may lose the use of its own funds for three days. Additionally, failure to process Treasury checks through the FRBs has a significant impact on the Government's cash forecasting, monitoring, and reporting.

Your cooperation in disseminating this information to the appropriate personnel throughout your agency will be greatly appreciated. If you have any questions relating to this matter, please have your staff call Julie Smith of my staff at 202-287-0745.

Sincerely,

A handwritten signature in cursive script, reading "Betty H. Lane".

Betty H. Lane
Director
Cash Management Division

cc: Inspector General