

**Functional Series 600
Budget and Finance**

INTERIM UPDATE 03-03

SUBJECT: Implementation of the Treasury Pilot Paper Check Conversion Program, to be included in ADS 630

NEW MATERIAL: USAID is participating in a Treasury Department pilot cash management program. The pilot will start January 31, 2003, and will initially only be used at USAID/W.

EFFECTIVE DATE: 01/31/2003

POLICY

**USAID/General Notice
M/MPI
01/22/2003**

Subject: Implementation of the Treasury Pilot Paper Check Conversion Program, to be included in ADS 630

Effective Date: January 31, 2003

USAID is participating in a Treasury Department pilot cash management program. The program automates the payment receipt/collection process. It converts paper checks into an electronic facsimile, strips the payment information from the document, and eliminates the need to ship the check to the bank for processing. The electronic submission eliminates the "float" period; collection (the reduction in the presenter's account) generally will occur within 24 hours. In addition to making the collection more efficient, it facilitates Agency reconciliations with Treasury.

The pilot will start January 31, 2003, and will initially only be used at USAID/W. The attachments to this Notice advising customers/vendors of the new procedures must be posted in the immediate Cashier area and be provided to vendors. This pilot program will affect any check payments made by employees to the Cashier as well.

Attachments

1. Notice to Customers Presenting Checks
2. Notice to Customers Making Payment by Check

Point of Contact: Any questions concerning this Notice may be directed to Eirdis Davis, M/FM/CAR, (202) 712-4807.

Notice 0132

PCC Check Conversion Pilot

NOTICE TO CUSTOMERS MAKING PAYMENT BY CHECK

AUTHORIZATION TO CONVERT YOUR CHECK: If you send us a check to make your payment, your check will be converted into an electronic fund transfer. "**Electronic fund transfer**" is the term used to refer to the process in which we electronically instruct your financial institution to transfer funds from your account to our account, rather than processing your check. By sending your completed, signed check to us, you authorize us to copy your check and to use the account information from your check to make an electronic fund transfer from your account for the same amount as the check. *If* the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy *of* your check.

INSUFFICIENT FUNDS: The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, make sure there are sufficient funds available in your checking account when you send us your check. *If* the electronic fund transfer cannot be completed because *of* insufficient funds, we may try to make the transfer up to two times.

TRANSACTION INFORMATION: The electronic fund transfer from your account will be on the account statement you receive from your financial institution. However, the transfer may be in a different place on your statement than the place where your checks normally appear. For example, it may appear under "**other withdrawals**" or "**other transactions**." You will not receive your original check back from your financial institution. For security reasons, we will destroy your original check, but we will keep a copy *of* the check for recordkeeping purposes.

YOUR RIGHTS: You should contact your financial institution immediately *if* you believe that the electronic fund transfer reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protections under a Federal law called the Electronic Fund Transfer Act for an unauthorized or incorrect electronic fund transfer.

PCC Check Conversion Pilot

NOTICE TO CUSTOMERS PRESENTING CHECKS

CONVERSION OF CHECKS - If you are presenting a check to the cashier, your check will be converted into an electronic fund transfer. When you hand your completed, signed check to the cashier, your check will be copied. The account information from your check will be used to make an electronic fund transfer from your account in the amount of the check. The cashier will void the check and return it to you.

INSUFFICIENT FUNDS - The electronic fund transfer from your account can occur faster than a check is normally processed. Do not present a check to the cashier unless there are sufficient funds available in your checking account. If the electronic fund transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two more times.

AUTHORIZATION - By presenting your check to the cashier you authorize the conversion of your check into an electronic fund transfer. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your original check.

MORE INFORMATION - A pamphlet with more information about this process, including information about your rights under Federal law, is available from the cashier. You may also call Eirdis Davis, M/FM, at 202 712-4807 or visit the Treasury internet site at <http://www.pcc.gov> for detailed information.

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