

(As of July 2011)

31 CFR Part 355

Regulations Governing
Fiscal Agency Checks

**PART 355—REGULATIONS GOV-
ERNING FISCAL AGENCY
CHECKS**

Sec.

355.0 What does this part cover?

355.1 Do any other regulations cover fiscal agency checks?

355.2 What special terms do I need to know to understand this part?

355.3 Where can I cash my fiscal agency check?

355.4 Is there a time limit on cashing a fiscal agency check?

355.5 What warranties does a presenting bank make?

355.6 What happens if the presenting bank breaches its warranty?

355.7 What notice should I give if I do not receive my check or if a check is lost, stolen, or destroyed?

355.8 How can I get a replacement fiscal agency check?

355.9 What should I do if I recover a check reported as lost, stolen, destroyed, or not received?

355.10 What happens if I present my check to the payor Reserve Bank more than six months after the issue date of the check?

355.11 What should I do if the endorsement on my check is forged or unauthorized?

355.12 What requirements apply if the check is payable to two or more persons?

355.13 Are there any additional requirements related to fiscal agency checks?

355.14 Can these regulations be waived?

355.15 Can these regulations be amended?

AUTHORITY: 12 U.S.C. 391; 31 U.S.C. Ch. 31.

SOURCE: 65 FR 65700, Nov. 1, 2000, unless otherwise noted.

§ 355.0 What does this part cover?

This part governs checks issued for payments in connection with United States securities. These checks, referred to as “fiscal agency checks,” are issued by a designated Federal Reserve Bank in its capacity as fiscal agent of the United States. The checks are drawn on the payor Federal Reserve Bank in its banking capacity. The drawer of a fiscal agency check is the United States, and the drawee is a Federal Reserve Bank. The rights and liabilities of the United States, the Federal Reserve Banks, and others are set out in this part.

§ 355.1 Do any other regulations cover fiscal agency checks?

The regulations governing checks drawn on the United States and on des-

ignated depositories of the United States do not apply to fiscal agency checks, unless a statute specifically provides differently, or unless we state differently in this part. If a definition or matter pertaining to fiscal agency checks is not specifically covered in this part, we will apply the provisions of Regulations J of the Board of Governors of the Federal Reserve System, at 12 CFR part 210. To the extent not otherwise covered by this part or by Regulation J, we will apply the provisions of the Uniform Commercial Code (U.C.C.)

§ 355.2 What special terms do I need to know to understand this part?

Depository institution means:

(1) Any insured bank, mutual savings bank or savings bank as defined in 12 U.S.C. 1813, or any institution eligible to become an insured bank under 12 U.S.C. 1815;

(2) Any insured credit union as defined in 12 U.S.C. 1752, or any credit union eligible to become an insured credit union under 12 U.S.C. 1781;

(3) Any member as defined in 12 U.S.C. 1422; and

(4) Any savings association as defined in 12 U.S.C. that is an insured depository institution as defined in the Federal Deposit Insurance Act, 12 U.S.C. 1811 et seq., or is eligible to become an insured depository institution under that Act.

Fiscal agency check means a check for a payment in connection with a United States security drawn upon a Reserve Bank and issued on our behalf by the Reserve Bank in its capacity as fiscal agent of the United States.

Payee (or “you”) means the person or persons to whom a fiscal agency check is made payable.

Payor Reserve Bank means the Reserve Bank on which a fiscal agency check is drawn.

Presenting bank means a depository institution that sends a fiscal agency check directly to a Reserve Bank for payment or collection.

Reserve Bank or Federal Reserve Bank means any Federal Reserve Bank or any branch of a Federal Reserve Bank.

Security, for the purpose of this part, means a direct obligation of the United

§ 355.3

States, including a Treasury bill, note, bond or savings bond/note.

We (or “*us*”) refers to the Secretary of the Treasury and the Secretary’s delegates at the Treasury Department and the Bureau of the Public Debt. The term also extends to any fiscal or financial agency acting on behalf of the United States when designated to act by the Secretary or the Secretary’s delegates. The term does not refer to a United States Savings Bond issuing or paying agent.

§ 355.3 Where can I cash my fiscal agency check?

Presentment of a fiscal agency check must be made to the payor Reserve Bank. The payor Reserve Bank will only cash a fiscal agency check presented by the payee who can be identified to the satisfaction of the Reserve Bank. Otherwise, a fiscal agency check must be presented through banking channels. A refusal to accept or to pay fiscal agency check presented by a person other than the payee, or by a payee who is not reasonably identified, does not constitute dishonor.

§ 355.4 Is there a time limit on cashing a fiscal agency check?

A payor Reserve Bank may refuse to pay a fiscal agency check presented more than six (6) months after the issue date of the check. If the check is not presented within this time, you must follow the procedures in § 355.10.

§ 355.5 What warranties does a presenting bank make?

(a) A presenting bank makes the warranties required of a sender under subpart A of regulation J (12 CFR part 210). This paragraph does not limit any warranty by a presenter or other party arising under State law.

(b) We are not barred from recovering on a breach of warranty solely because:

(1) Our negligence contributed to a fraudulent endorsement or material alteration;

(2) We did not promptly discover an unauthorized signature or alteration;

(3) An impostor fraudulently caused the issuance of a fiscal agency check in the name of any existing payee; or

31 CFR Ch. II (7–1–11 Edition)

(4) Our employee fraudulently caused the issuance of a fiscal agency check in the name of any existing payee.

§ 355.6 What happens if the presenting bank breaches its warranty?

If the presenting bank breaches its warranty, the payor Reserve Bank may either return the check to the presenting bank or send notice of the breach to the presenting bank. If the presenting bank does not make prompt restitution when it receives the returned check or notice of breach, we may begin appropriate collection procedures.

§ 355.7 What notice should I give if I do not receive my check or if a check is lost, stolen, or destroyed?

If a fiscal agency check is not received within a reasonable time after a payment is due, or if a check is lost, stolen, or destroyed, you must provide prompt written notification. Your written notice may be sent to us or to the payor Reserve Bank. You may give notice by telephone, but we will not issue a replacement check until you confirm the notice in writing. The written notice must provide enough information for us to identify the account and the security to which the payment relates. We will stop payment on the fiscal agency check if we have a reasonable time to act before final payment.

§ 355.8 How can I get a replacement fiscal agency check?

The payor Federal Reserve Bank will issue a replacement fiscal agency check if:

(a) You submit written notice;

(b) The check is unpaid;

(c) We determine that recovery of the original check is unlikely; and

(d) The payee and endorsee, if any, of the check execute the required indemnification agreement.

§ 355.9 What should I do if I recover a check reported as lost, stolen, destroyed, or not received?

If you recover the original check you must notify us in writing. If we have not yet issued a replacement check, we will remove the stop payment order against the original check. If we have

Fiscal Service, Treasury

already issued a replacement check, you must return the original check to us.

§ 355.10 What happens if I present my check to the payor Reserve Bank more than six months after the issue date of the check?

If the payor Reserve Bank refuses payment on a fiscal agency check solely because it is presented more than six (6) months after the issue date of the check, a replacement check will be issued if you:

- (a) Surrender the original check; and
- (b) Execute the required indemnification agreement.

§ 355.11 What should I do if the endorsement on my check is forged or unauthorized?

If we verify the existence of a forged or unauthorized endorsement on a paid fiscal agency check, the payor Reserve Bank will issue a replacement check to the person entitled. The payee or endorsee must execute an affidavit that there has been a forged or unauthorized endorsement. We may also require an indemnification agreement.

§ 355.12 What requirements apply if the check is payable to two or more persons?

If the fiscal agency check is payable to two or more persons, the requirements of this part apply to all designated payees.

§ 355.13 Are there any additional requirements related to fiscal agency checks?

We may require an indemnification agreement, with or without surety. You must provide any additional evidence we consider necessary. We will require any information necessary for the protection of the interests of the United States.

§ 355.14 Can these regulations be waived?

We reserve the right, in our discretion, to waive any provision of the regulations in this part in any case or class of cases for the convenience of the United States, or to relieve any person of unnecessary hardship, if the waiver is not inconsistent with law and

will not subject the United States to substantial expense or liability.

§ 355.15 Can these regulations be amended?

We may, at any time, supplement, amend, or revise the regulations in this part.