



Treasury Financial Manual

Transmittal Letter No. 11

Volume V

To: Domestic Depositories

1. Purpose

This transmittal letter releases new Treasury Financial Manual (TFM) Volume V, Part 1, Chapter 4000: Reimbursement of Depositories and Financial Agents. This chapter prescribes the procedure for financial institutions to obtain reimbursement for services performed on behalf of the Financial Management Service.

2. Page Changes

Remove

Table of Contents for Volume V (T/L 9)

Table of Contents for Part 1 (T/L 10)

Insert

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V TFM 1-4000

3. Effective Date

This transmittal letter is effective immediately.

4. Inquiries

Direct questions concerning this transmittal letter to:

Director, Bank Policy and Oversight Division
Federal Finance
Financial Management Service
Department of the Treasury
401 14th Street, SW.
Washington, DC 20227
Phone: 202-874-7055

Date: March 28, 2012

David A. Lebryk
Commissioner

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Part 1—Chapter 4000

REIMBURSEMENT OF DEPOSITARIES AND FINANCIAL AGENTS

This Treasury Financial Manual (TFM) chapter prescribes the procedure for financial institutions to obtain reimbursement for services performed on behalf of the Financial Management Service (FMS).

Section 4010—Scope and Applicability

FMS designates certain financial institutions to act as financial agents and depositaries of the United States (depositaries). This chapter applies to all depositaries that perform services for which they are reimbursed by FMS, except for depositaries maintaining a Treasury General Account (TGA) or International Treasury General Account (ITGA). Depositaries maintaining a TGA or ITGA account will continue to use CASHLINK II for reporting expenses until CASHLINK II is deactivated. At that time, FMS will issue a TFM release notifying TGA and ITGA depositaries of this chapter's applicability to them. The requirements of this chapter supersede all compensation, reimbursement, or bank management requirements in existing TFM chapters, bulletins, announcements, and supplements issued as of the date of this chapter, for depositaries whose reimbursement is covered by this chapter. Additional inquiries or questions should be directed to the points of contact listed on the Contacts page.

Section 4015—Authorities

See, *inter alia*, 12 U.S.C. §§ 90, 265-266, 1464(k), 1789a, 2013, 2122, 3101-3102; 31 U.S.C. §§ 3303 and 3336.

Section 4020—Background and Preliminary Steps

Bank management generally refers to the processes covering the monthly submission of expenses (and other related information as FMS may require) by depositaries to FMS for subsequent review and reimbursement by FMS. The Bank Management Service (BMS) contains functionality that provides depositaries the ability to report expenses every month. BMS is also a tool for FMS analysts and program managers to review those expenses every month and to approve those expenses online in order to compensate the depositaries accurately and timely.

Before depositaries provide services to FMS, a formal agreement between each depositary and FMS is signed. As part of that agreement, a listing of the services and/or dedicated resources that will be provided by the depositaries is created and used to determine future compensation that FMS will pay to the depositaries. Those services and/or dedicated resources are assigned industry-standard product codes. FMS sets up those codes and the related pricing in BMS under individual accounts that have been created to reflect each agreement established with depositaries. Therefore, the depositaries are only required to report the activity volumes associated with each service and/or dedicated resource in order to be

reimbursed for expenses incurred on behalf of FMS.

Section 4025—Setting Up Users in BMS

Before depositaries can initially submit monthly expenses into BMS, they need to follow a process whereby they can designate their employees to perform certain functions in BMS. Instructions for successfully completing this process are given to the depositaries after an FMS program manager has designated and authorized the depositary to provide services to FMS. This process includes issuing credentials to the users and assigning specific functions to these users.

Section 4030—Reporting Expenses in BMS

In order to be compensated for the expenses incurred while providing authorized services to FMS, depositaries must report their expenses to BMS every month. Between the first business day of the month and 9:00 p.m. eastern time on the seventh business day of the month, depositaries should report the expenses incurred during the prior month. They only report activity volumes associated with industry-standard product codes and the related pricing pursuant to agreements between the depositaries and FMS. A depositary is not compensated

without monthly expense reporting to BMS. If there are no unresolved issues with expense information that is reported timely, the depositary may receive the

appropriate compensation by the last business day of the month following the month in which the depositary provided service. For specific instructions on

expense reporting in BMS, depositaries should refer to the BMS User Guide that can be found under the "Help" menu option of BMS.

Contacts

Direct questions regarding this chapter to:

Director, Bank Policy and Oversight Division
Federal Finance
Financial Management Service
Department of the Treasury
401 14th Street, SW.
Washington, DC 20227
Phone: 202-874-7055

Direct questions about BMS to:

Billing CBAF Unit
FRB Atlanta – Central Billing Services
1000 Peachtree Street, NE.
Atlanta, GA 30309
Phone: 678-948-8129

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TREASURY FINANCIAL MANUAL

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