

## Fiscal Service, Treasury

## § 240.1

designated depositories of the United States by accountable officers of the United States, that have been negotiated and paid on a forged or unauthorized indorsement.

[40 FR 6785, Feb. 14, 1975, as amended at 54 FR 35642, Aug. 29, 1989]

### § 235.2 Definition.

*Accountable Officers of the United States*, as used in these regulations, means disbursing officers authorized by the Secretary of the Treasury to maintain official accounts of the United States in depository banks located in the United States, its territories, and foreign countries, and to draw checks thereon in dollars or in foreign currencies.

### § 235.3 Settlement of claims.

Upon receipt of a claim by a payee or special indorsee on a check determined to have been paid on a forged indorsement under conditions satisfying the provisions set forth in 31 U.S.C. 3343, accountable officers of the United States, with respect to a check drawn on designated depositories of the United States, in dollars or in foreign currency, shall cause to be issued a settlement check in the appropriate currency to the payee or special indorsee.

[40 FR 6785, Feb. 14, 1975, as amended at 49 FR 47001, 47002, Nov. 30, 1984; 54 FR 35642, Aug. 29, 1989]

### § 235.4 Check Forgery Insurance Fund.

The Check Forgery Insurance Fund, established pursuant to 31 U.S.C. 3343, shall be available for use by the Commissioner, Financial Management Service, and accountable officers of the United States for the purpose of providing funding for settlements made to a payee or special indorsee pursuant to these regulations.

[40 FR 6785, Feb. 14, 1975, as amended at 49 FR 47001, 47002, Nov. 30, 1984]

### § 235.5 Reclamation amounts.

Amounts received by way of reclamation on forged checks shall be deposited to the credit of the Check Forgery Insurance Fund or to the appropriate foreign currency fund or other account charged for the settlement payment.

### § 235.6 Implementing instructions.

Procedural instructions implementing these regulations will be issued by the Commissioner of the Financial Management Service in volume I, part 4 of the Treasury Financial Manual.

[54 FR 35642, Aug. 29, 1989]

## PART 240—INDORSEMENT AND PAYMENT OF CHECKS DRAWN ON THE UNITED STATES TREASURY

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AUTHORITY: 5 U.S.C. 301; 12 U.S.C. 391; 31 U.S.C. 321, 3327, 3328, 3331, 3334, 3343, 3711, 3712, 3716, 3717; 332 U.S. 234 (1947); 318 U.S. 363 (1943).

SOURCE: 69 FR 61568, Oct. 19, 2004, unless otherwise noted.

### GENERAL PROVISIONS

#### § 240.1 Scope of regulations.

(a) The regulations in this part prescribe the requirements for indorsement and the conditions for payment of checks drawn on the

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United States Treasury. These regulations also establish procedures for collection of amounts due the United States Treasury based on claims arising from the breach of presentment guarantees by presenting banks and other indorsers of Treasury checks when checks bearing material defects or alterations or forged disbursing officer (drawer) signatures are presented for payment and are paid.

(b) Standards contained in this regulation supersede existing Federal common law to the extent that they are inconsistent with Federal common law rules relating to counterfeit checks. Under the provisions of this regulation, the risk of loss on certain counterfeit checks is placed on presenting banks and other indorsers unless Treasury fails to timely reclaim on a check payment in accordance with 31 U.S.C. 3712(a) and §240.8 of this regulation. Treasury will reclaim on counterfeit checks that are deemed paid under §240.6(d) of this regulation when a presenting bank or other indorser fails to make all reasonable efforts to ensure that a check is an authentic Treasury check.

(c) Nothing in this regulation supercedes the rights or obligations of Treasury or any other person that are set forth in Regulation CC, 12 CFR part 229, with respect to substitute checks, as defined therein.

### § 240.2 Definitions.

(a) *Administrative offset* or *offset*, for purposes of this section, has the same meaning as defined in 31 U.S.C. 3701(a)(1) and 31 CFR part 285.

(b) *Agency* means any agency, department, instrumentality, office, commission, board, service, or other establishment of the United States authorized to issue Treasury checks or for which checks drawn on the United States Treasury are issued.

(c) *Certifying agency* means an agency authorizing the issuance of a payment by a disbursing official in accordance with 31 U.S.C. 3325.

(d) *Check or checks* means an original check or checks; an electronic check or checks; or a substitute check or checks.

(e) *Check payment* means the amount paid to a presenting bank by a Federal Reserve Bank.

(f) *Counterfeit check* means a document that purports to be an authentic check drawn on the United States Treasury, but in fact is not an authentic check.

(g) *Days* means calendar days. For purposes of computation, the last day of the period will be included unless it is a Saturday, Sunday, or Federal holiday; the first day is not included. For example, if a reclamation was issued on July 1, the 90 day protest period under §240.9(b) would begin on July 2. If the 90th day fell on a Saturday, Sunday or Federal holiday, the protest would be accepted if received on the next business day.

(h) *Declination* means the process by which Treasury refuses to make final payment on a check, *i.e.*, declines payment, by instructing a Federal Reserve Bank to reverse its provisional credit to a presenting bank.

(i) *Declination date* means the date on which the declination is issued by Treasury.

(j) *Disbursing official* means an official, including an official of the Department of the Treasury, the Department of Defense, any Government corporation (as defined in 31 U.S.C. 9101), or any official of the United States designated by the Secretary of the Treasury, authorized to disburse public money pursuant to 31 U.S.C. 3321 or another law.

(k) *Drawer's signature* means the signature of a disbursing official placed on the front of a Treasury check as the drawer of the check.

(l) *Electronic check* means an electronic image of a check drawn on the United States Treasury, together with information describing that check, that meets the technical requirements for sending electronic items to a Federal Reserve Bank as set forth in the Federal Reserve Banks' operating circulars.

(m) *Federal Reserve Bank* means a Federal Reserve Bank (FRB) or a branch of a Federal Reserve Bank.

(n) *Federal Reserve Processing Center* means a Federal Reserve Bank center that images Treasury checks for