

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-120  
October 11, 1983

## ANNOUNCEMENT

### LARGE FEDERAL VENDOR PAYMENTS

TO ALL DEPOSITORY INSTITUTIONS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

The U.S. Treasury Department has announced that its Bureau of Government Financial Operations (BGFO) will require most federal agencies to make vendor payments of \$25,000 or greater through the Treasury Financial Communications System (TFCS) beginning October 1, 1983. This system is the Treasury's link to the Federal Reserve Communications System. The BGFO, responsible for disbursing most federal payments and managing federal monies, estimates civilian agencies alone account for the disbursement of over \$20 billion of such large dollar vendor payments annually. The move to electronic funds transfer is expected to improve both the timing and control of federal vendor payments.

Companies will realize several benefits from the use of the TFCS to make vendor payments. First, since the TFCS has the capability to make payment on exact due date, vendors will receive payments in a more timely manner. Second, payments can be made directly to vendors' accounts at financial institutions, eliminating the uncertainty and time associated with postal delivery and check processing. Third, since vendors will be confident that payments will be made in a more timely manner, they will be in a better position to forecast cash flows. Other information such as the invoice and contract number needed to identify payments will continue to be furnished in the actual payment message provided to the vendors' financial institutions.

Federal agencies will be required to obtain key financial institution data from vendors to make payments by TFCS. Financial institutions that have access to the Federal Reserve Communications System will be asked to supply the following information to vendors:

- Financial institution 9-digit ABA routing number
- Telegraphic abbreviation of financial institution
- Account number to which funds should be credited

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Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

Financial institutions that receive funds through a correspondent bank will be asked to supply the above and the following information to vendors:

- Name of the correspondent financial institution through which the institution receives messages
- Address of correspondent financial institution
- Correspondent financial institution 9-digit ABA routing number

Additional information about this program may be obtained by contacting the Timely Bill Payment Project Team, Treasury Department, Bureau of Government Financial Operations, Treasury Annex #1, PB 704, Washington, D.C., 20226. The telephone number is (202) 634-5770.

Additional copies of this circular will be furnished upon request to the Public Affairs Department, Extension 6289.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace".

William H. Wallace  
First Vice President