



FEDERAL RESERVE BANK
OF DALLAS

TONY J. SALVAGGIO
FIRST VICE PRESIDENT

July 5, 1991

DALLAS, TEXAS 75222

Notice 91-59

TO: The Chief Operating Officer of
each financial institution in the
Eleventh Federal Reserve District

SUBJECT

**Implementation of Treasury Receivable Accounting
and Collection System**

DETAILS

Effective August 1, 1991, the Financial Management Service, a bureau of the U.S. Department of the Treasury, will implement the Treasury Receivable Accounting and Collection System (TRACS). TRACS is the new accounting and collection system developed to handle all check claims-related activities.

ATTACHMENTS

Attached are FACT SHEETS provided by the Treasury that relate to the implementation of TRACS. These FACT SHEETS will assist both Federal Reserve Banks and depository institutions in understanding how the new system will operate.

MORE INFORMATION

Questions concerning the implementation of TRACS should be directed to Jackie Young, (214) 651-6342, at the Dallas Office; Jane Pyke, (915) 521-8244, at the El Paso Branch; Louis Moore, (713) 652-1581, at the Houston Branch; or Martin Ramsey, (512) 978-1500, at the San Antonio Branch.

For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 651-6289.

Sincerely,

Federal Reserve Banks

F A C T S H E E T

Financial Management Service

Department of the Treasury

TREASURY RECEIVABLE ACCOUNTING AND COLLECTION SYSTEM

The Financial Management Service (FMS), a bureau of the Department of the Treasury, will implement the Treasury Receivable Accounting and Collection System (TRACS) on August 1, 1991. TRACS is the new accounting and collection system developed to handle all check claims related activities. There will be certain changes that will impact Federal Reserve Banks (FRBs), as they relate to the Reclamation ticket, and the payment method associated with reclamation transactions.

- o Effective August 1, 1991, FMS will start using its revised Reclamation and Declination tickets.
- o Federal Reserve Banks will now receive all payments of principal, interest, penalty, and administrative fees directly from financial institutions, as opposed to current procedures.
- o The Reclamation Ticket has been revised to reflect:
 - A space for the "Reclamation Amount Due", which will be typed, and will correspond with the reclamation principal indicated on the monthly Interest Billing Statement, and
 - The "Total Remitted" must be picked up from the monthly Interest Billing Statement, and must correspond, in total to the principal, interest, penalty, and administrative fees due (reflected in column marked "Total Amount Due"). The total amount due must be entered in the space provided, IN WRITING.
- o The Declination Ticket has been revised to computerize the form and provide space for a Federal Reserve Bank address at the bottom.

Commercial Banks

F A C T S H E E T

Financial Management Service

Department of the Treasury

TREASURY RECEIVABLE ACCOUNTING AND COLLECTION SYSTEM

The Financial Management Service (FMS), a bureau of the Department of the Treasury, will implement the Treasury Receivable Accounting and Collection System (TRACS) on August 1, 1991. TRACS is the new accounting and collection system developed to handle all check claims related activities. There will be certain changes that will impact the financial community, as it relates to the Interest Billing Statement and the Reclamation Ticket.

- o Effective August 1, 1991, FMS will start using its revised Interest Billing Statement and Reclamation Ticket.
- o The Interest Billing Statement has been revised to include additional information not previously captured, such as:
 - Payee names,
 - Penalty fees,
 - Administrative fees,
 - FMS Collection Regulations; and an
 - Explanation of statement categories.
- o Penalty and administrative fees will be levied on banks with delinquent reclamation payments due that are more than 120 days old, and must be collected through offset, or other third party mechanisms.
- o All payments of principal, interest, penalty, and administrative fees must now be sent directly to the regional Federal Reserve Bank serving the respective financial institution.

(over)

- o The Reclamation Ticket has been revised to reflect:
 - A space for the "Reclamation Amount Due", which will be typed, and will correspond with the reclamation principal indicated on the monthly Interest Billing Statement, and
 - The "Total Remitted" must be picked up from the monthly Interest Billing Statement, and must correspond, in total to the principal, interest, penalty, and administrative fees due (reflected in column marked "Total Amount Due"). The total amount due must be entered in the space provided, IN WRITING.