

**FEDERAL RESERVE BANK
OF NEW YORK**
Fiscal Agent of the United States

[Circular No. **4457**]
May 8, 1957]

INDORSEMENT AND PAYMENT OF GOVERNMENT CHECKS

*To All Banking Institutions in the
Second Federal Reserve District:*

At the request of the Treasury Department, we are enclosing a copy of the Second Amendment, dated March 13, 1957, to Treasury Department Circular No. 21 (Revised September 5, 1946), containing the regulations governing the indorsement and payment of checks drawn on the Treasurer of the United States. Among other things, the amendment provides in effect that certain classes of Government checks which formerly could be negotiated only under a specific power of attorney executed after the issuance of each check and describing it in full may now also be negotiated under a special power of attorney limited to a period not exceeding twelve months and executed in favor of a bank.

ALFRED HAYES,
President.

REGULATIONS GOVERNING THE INDORSEMENT AND PAYMENT
OF CHECKS DRAWN ON THE TREASURER
OF THE UNITED STATES

1957

Department Circular No. 21
(Revised September 1946)
(Second Amendment)

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, D. C.

Fiscal Service

Office of the Treasurer, U. S.

MAR 13 1957

To all Banks and Bankers and Others Concerned:

Treasury Department Circular No. 21, (Revised) dated September 5, 1946, as amended, is hereby further amended by revising paragraphs 5 and 6 to read as follows:

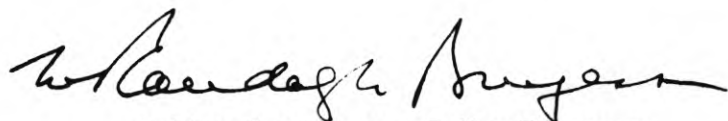
5. Checks indorsed by an attorney in fact. Checks indorsed by an attorney in fact for the payee and presented for payment by a bank will be paid by the Treasurer without the submission to the Treasurer of documentary proof of the authority of the attorney in fact. A general power of attorney in favor of an individual, bank or other appropriate entity is acceptable as authority for the indorsement of checks issued for the following purposes:

1. Principal or interest on public debt obligations or obligations guaranteed by the United States.
2. Tax refunds.
3. Payments for goods and services.

Other classes of checks drawn on the Treasurer of the United States may be negotiated only under a specific power of attorney executed after the issuance of the check and describing it in full, except that such classes of checks may be negotiated also under a special power of attorney naming a bank as attorney in fact, limited to a period not exceeding twelve months and reciting that it is not given to carry into effect an assignment of the right to receive payment, either to the attorney in fact or to any other person. Powers of attorney are revoked by the death of the grantor and may also be revoked by notice from the grantor to the parties concerned. Notice of revocation to the Treasury will not ordinarily serve to revoke the power.

6. Incompetent payees. Where the payee of a check of any class not listed in paragraph 4(a) has been declared incompetent, the check should not be indorsed by a guardian or other fiduciary but, instead, should be returned to the drawer, or to the administrative office which authorized the issuance of the check, with information as to the incompetency of the payee and submission of documentary evidence showing the appointment of the guardian, in order that the particular check, and others to be issued subsequently, may be drawn in favor of the guardian. If a guardian has not been and will not be appointed the full circumstances should be stated.

Checks of the classes listed in paragraph 4(a) indorsed by a guardian or other fiduciary and presented for payment by a bank will be paid by the Treasurer without the submission to the Treasurer of documentary proof of the authority of the guardian or other fiduciary. If a guardian has not been and will not be appointed, the check should be forwarded for advice to the Treasurer of the United States, Check Claims Division, Washington 25, D. C.



Acting Secretary of the Treasury