

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. **4588**
April 9, 1958]

**NEGOTIATION OF GOVERNMENT CHECKS
UNDER POWERS OF ATTORNEY GRANTED BY INDIVIDUALS**

*To All Banks and Trust Companies
in the Second Federal Reserve District:*

The Acting Secretary of the Treasury has issued a notice to all banks and trust companies calling their attention to the Treasury's instructions applicable to the negotiation of Government checks under powers of attorney granted by individuals. The notice points out that many of these powers granted by residents of the Philippine Islands to banking institutions in the United States, covering checks representing pension and retirement payments, have not been executed in accordance with Treasury instructions.

A copy of the Treasury's notice is printed on the reverse side of this circular. Additional copies of this circular will be furnished upon request.

ALFRED HAYES,
President.

(OVER)



THE SECRETARY OF THE TREASURY
WASHINGTON

April 4, 1958

TO: ALL BANKS AND TRUST COMPANIES

This Department has determined that a substantial number of residents of the Philippine Islands entitled to pensions and retirement pay from the United States Government have arranged to have the Treasury checks issued to them for these payments delivered in care of banking institutions in the United States and have authorized the banks to negotiate such checks under powers of attorney. It has been determined also that in many cases the powers of attorney were not executed in accordance with Treasury instructions relating to such forms.

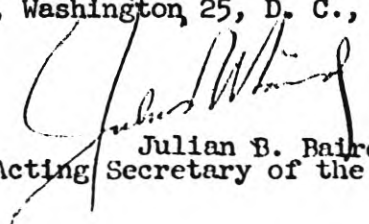
Treasury instructions (Treasury Power of Attorney Form No. 6711) applicable to the execution of powers of attorney for the collection of checks issued for these types of payments provide in pertinent part as follows:

"...This power of attorney must name a responsible banking institution or trust company as attorney, must be limited in duration to a specified 12-month period, and must recite that it is not given to carry into effect an assignment to the attorney, or to any other person, of the right to receive the payments therein described."

"This power of attorney should be acknowledged before a notary public or other officer authorized by law to administer oaths generally. If in a foreign country, the acknowledgment should be made before a United States diplomatic or consular representative. If such an officer is not available, it may be acknowledged before a notary or other officer authorized to administer oaths, but his official character and jurisdiction must be certified by a United States diplomatic or consular officer, under the seal of his office."

This matter is being brought to the attention of banks and trust companies in order that they may be in a position to guard against the acceptance of Treasury checks for collection under powers of attorney that are not proper in every respect. It is important to point out that in most cases which have come to the attention of this Department there is no personal contact between the payees of the checks and the banks; therefore, the possibility of checks being negotiated for a period of several months after the death of a payee and before notice of such happening has been received by the Treasury or the banks should be of concern to banks and trust companies.

If banks or trust companies have on file powers of attorney concerning which there may be questions, banks may, if they so desire, submit copies of same to the Treasurer of the United States, Washington, 25, D. C., for review.


Julian B. Baird
Acting Secretary of the Treasury