

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

[ Circular No. 7680  
July 30, 1975 ]

**Amendments to Treasury Department Circular No. 21**

*To All Banks, and Others Concerned,  
in the Second Federal Reserve District:*

Enclosed are copies of two amendments, and their accompanying transmittal memoranda, to Treasury Department Circular No. 21, Revised October 9, 1967, governing the endorsement and payment of United States Treasury checks. It should be noted that Treasury Department Circular No. 21 now appears as Title 240, rather than Title 360, of the Code of Federal Regulations.

One amendment to that Circular, designated Treasury Department Circular No. 21, Second Amendment, dated January 16, 1974, pertains to the use of general powers of attorney for the negotiation of checks issued by the Treasury for payments of tax refunds, and clarifies the procedures under which taxpayers may instruct the Internal Revenue Service to mail tax refund checks to someone other than the taxpayer.

The other amendment, designated Treasury Department Circular No. 21, Third Amendment, dated November 19, 1974, removes the 12-month time limitation heretofore imposed on special powers of attorney for negotiating United States Treasury checks, and modifies the conditions under which such powers of attorney must be obtained or acknowledged before a notary public or other officer authorized by law to administer oaths generally.

Any questions regarding these materials may be directed to our Check Processing Department. Additional copies of the enclosures will be furnished upon request.

ALFRED HAYES,  
*President.*



TREASURY DEPARTMENT

WASHINGTON, D.C. 20220

FISCAL ASSISTANT SECRETARY

MAY 28 1974

TRANSMITTAL MEMORANDUM

Department Circular No. 21, Revised  
Second Amendment

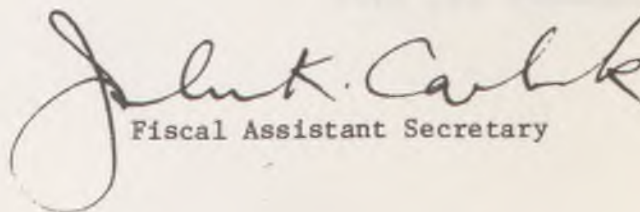
TO: All Federal Reserve Banks and Branches, Financial Institutions  
and Others Concerned

The attached amendment to Treasury Department Circular No. 21, Revised (also appearing as 31 CFR Part 360), governing the endorsement and payment of United States Treasury checks, was effected by publication in the Federal Register dated January 22, 1974, 39 FR 2480.

The amendment is designed to make it clear that section 360.12(b)(2) of Part 360, relating to the use of general powers of attorney for the negotiation of checks issued for payments of tax refunds, does not purport to authorize delivery of checks to others than the payees, but must be read in conjunction with Internal Revenue Service regulations on delivery of Federal income tax refund checks to a taxpayer's representative. Those regulations (26 CFR 601.502(c)(1)(i) and 601.506(b)(1)) permit a taxpayer to execute a power of attorney (IRS Form 2848) to authorize delivery of an income tax refund check to his representative, but defer specifically to the Treasury regulations (31 CFR Part 360) for the power-of-attorney requirements covering the endorsement and payment of a Treasury check after delivery to the taxpayer or his representative.

In the past, taxpayers and their representatives have sometimes thought that the Fiscal Service general power-of-attorney form (Standard Form 231) could be used to instruct the Internal Revenue Service to mail a tax refund check to someone other than the taxpayer. This was not correct. Only the IRS power-of-attorney form (Form 2848) may be used for this purpose. The amendment is designed to put taxpayers and preparers of Federal Income tax returns on notice of this.

Instructions on the reverse of the Standard Form 231 will be changed to state explicitly that it cannot be used to authorize delivery of an income tax refund check to a taxpayer's representative.

  
Fiscal Assistant Secretary

(over)

TITLE 31 - MONEY AND FINANCE: TREASURY

CHAPTER II - FISCAL SERVICE, DEPARTMENT OF THE TREASURY

SUBCHAPTER C - OFFICE OF THE TREASURER OF THE UNITED STATES

PART 360 - INDORSEMENT AND PAYMENT OF CHECKS DRAWN ON THE  
TREASURER OF THE UNITED STATES

/Department Circular No. 21 (Second Revision, Second Amendment)/

Part 360, Subchapter C, Chapter II of Title 31 of the Code of Federal Regulations /also appearing as Treasury Department Circular No. 21, Revised, dated October 9, 1967 is hereby amended effective January 16, 1974 in the following ways:

1. Section 360.12(b)(2) is amended to read:

Section 360.12 Powers of Attorney.

\* \* \* \* \*

(b) General Powers of Attorney. \* \* \*

(2) Payments for tax refunds, but subject to the limitations concerning the mailing of internal revenue refund checks contained in 26 CFR 601.506(b);

\* \* \* \* \*

2. The instructions on the reverse of Standard Form 231 will be revised when the current supply is exhausted in 1974 and a new edition becomes necessary.

Fiscal Assistant Secretary

Dated: January 16, 1974



# THE DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

FISCAL ASSISTANT SECRETARY

## TRANSMITTAL MEMORANDUM

Department Circular 21, Revised  
Third Amendment

TO: All Federal Reserve Banks and Branches, Financial Organizations  
and Others Concerned

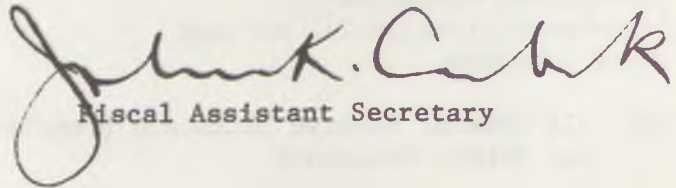
Treasury Department Circular No. 21, Revised (also appearing as 31 CFR Part 240), governing the indorsement and payment of United States Treasury Checks is amended in the following manner. Present regulations of the Treasury Department contained in Section 240.12 (formerly Section 360.12) of this circular set forth the requirements for the use of powers of attorney in negotiating United States Treasury Checks. The approval of the Comptroller General of the United States was solicited and obtained for certain changes which will eliminate certain requirements for special powers of attorney and will simplify the execution of all power of attorney forms.

Section 240.12(c), setting forth the requirements for special powers of attorney, and the Appendix thereto prescribing Standard Form 233 as the required special power of attorney form, contain provisions which limit the authority conferred by the special power of attorney to a period not exceeding 12 months. The Comptroller General ruled that recent court cases provide adequate protection to the United States where checks are accepted by indorsers after the death of the payee. Therefore, the time limitation provides no current benefits to the United States. The requirement for annual renewal does, however, present problems to financial organizations. The amendment eliminates the time limitation and as a consequence, the renewal requirement as well. As a result, all special power of attorney forms (Standard Form 233) executed after the effective date of this amendment will be regarded as being unlimited as to duration, even though they will, on their face, be limited to a 12 month duration, pending revision in connection with the next printing of the form.

Section 240.12(f) now requires all powers of attorney to be acknowledged before a notary public, or other officer authorized by law to administer oaths generally. Similarly, Section 240.12(g) requires, in conjunction with 240.12(f), that seals or commission date certificates of attesting officers shall be placed on the power of attorney forms.

Since acknowledgment before notaries public or other authorized officers on powers of attorney is not required under Federal law, or the law of all states and foreign countries, the power of attorney forms need to be attested to only where required or desirable under law of the state, locality, or country. The forms continue to contain the acknowledgment

portion, but with appropriate notation to the instructions on the reverse stating that the acknowledgment portion of the power of attorney form should be executed only where required or desirable under law.

  
Fiscal Assistant Secretary

Attachment

TITLE 31 - MONEY AND FINANCE: TREASURY

CHAPTER II - FISCAL SERVICE, DEPARTMENT OF THE TREASURY

SUBCHAPTER A - BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

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

[Department Circular No. 21, (Revised, Third Amendment)]

Part 240, Subchapter A, Chapter II of Title 31 of the Code of Federal Regulations (also appearing as Treasury Department Circular No. 21, Revised, dated October 9, 1967) is amended in the following manner:

1. Section 240.12(c) is revised to read:

Section 240.12 Powers of Attorney

(c) Special powers of attorney.-Under decisions of the Comptroller General of the United States, classes of checks other than those specified in paragraph (b) of this section may be negotiated under a special power of attorney which names a financial organization as attorney in fact, and recites 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.

2. The first sentence of Section 240.12(f) is revised to read:

Section 240.12 Powers of Attorney

(f) Acknowledgment of powers of attorney.-Where desirable or where required by foreign, state or local law, powers of attorney shall be acknowledged before a notary public or other officer authorized by law to administer oaths generally.

3. The first sentence of Section 240.12(g) is revised to read:

Section 240.12 Powers of Attorney

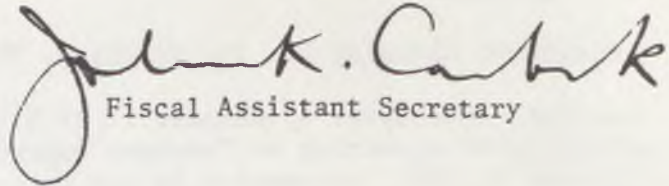
(g) Seal or certificate of attesting officers.-Where acknowledgment of powers of attorney is desirable or required pursuant to paragraph (f), seals of attesting officers shall be impressed or stamped upon the power of attorney form, or the power of attorney shall be accompanied by a certificate from an appropriate official showing that the officer was in commission on the date of acknowledgment.

4. The Appendix containing the Standard Forms for Power of Attorney and Their Application is amended by revising the description of Standard Form 233 to read as follows:

Standard Form 233.--A special power of attorney on this form naming a financial organization as attorney in fact and reciting that it is not given to carry into effect an assignment of the right to

receive the payment, either to the attorney in fact or to any other person, may be used for classes of payments other than those shown under Standard Form 231.

5. Changes in the text of the power of attorney forms and instructions on the reverse effected by this regulation will be accomplished when the present supply of these forms is exhausted.

  
Fiscal Assistant Secretary

Dated: NOV 19 1974