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St. Louis Fed, Treasury Roll Out New Software to Track Tax Payments, Manage Treasury Tax and Loan Funds

ST. LOUIS, Mo. — The U.S. Treasury's ability to manage its tax collections received via corporate tax payments from 10,000-plus U.S. banks took a big leap forward this week. The reason: implementation of new software applications at the Federal Reserve Bank of St. Louis, which supports, as Treasury's fiscal agent, the management of Treasury's cash.

An enhancement to the Treasury Tax and Loan program, the TIP & PATAX software applications were developed by the St. Louis Federal Reserve and underwent months of extensive testing and customer education before being brought online on Monday, Oct. 23. "TIP" stands for "Treasury Investment Program," which lets financial institutions borrow excess tax funds until Treasury needs them. "PATAX" refers to the Paper Tax System, which collects and reports all paper-based federal corporate tax deposits. Together, the two systems help in reporting and tracking over \$2 trillion annually in federal taxes.

"We have a strong working relationship with the Treasury and a great deal of technical expertise in designing and supporting the new systems," said Judie Courtney, the St. Louis Federal Reserve's assistant vice president for treasury relations and systems support. "We're very pleased that we can provide an even better level of service to the Treasury and give Treasury and U.S. financial institutions new advantages in managing their tax funds," she said.

The St. Louis Federal Reserve also set up new call centers to enable financial institutions to get answers to questions and forward tax payments they've received from businesses.

Richard L. Gregg, Commissioner of the Department of Treasury's Financial Management Service, agreed that the new centralized systems bring benefits to managing the Department's cash. "The TIP and PATAX systems help reduce risk to Treasury funds and provide more options to financial institutions," he said. "Importantly, we also get more real-time information on the status of our funds, enabling us to manage our funds more effectively."

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