

# NORTHWESTERN Banker Newsletter

Vol. 4 No. 7

Des Moines, Iowa

June 16, 1975

## Direct Deposit of S. S. Checks Nears

The United States Treasury program for direct deposit of Social Security checks is moving on schedule at the pace announced earlier. Bankers in the midwest and mountain states are preparing at this time for the new service that will be based on Social Security checks going directly to the banks, rather than first to the recipients, then deposited by them in banks.

Phase I of the program started in December, 1974, as reported in the May NORTHWESTERN BANKER (p. 31), when S. S. recipients in Georgia were given the opportunity to have their checks deposited directly by the Treasury in the bank of their choice. Phase II extended the program to include beneficiaries in Florida during April of this year. Phase III is the one now underway in all other states.

To participate in the program, S. S. recipients are required to complete Treasury Form 1199 and this is strictly a voluntary step by recipients. This form is filed with the financial institution of their choice—commercial bank, s&l, mutual savings bank, credit union—which then forwards it to the Treasury.

Lloyd Morgan of the Treasury's operations planning and research staff in Washington, D. C., gave the NORTHWESTERN BANKER this timetable for Phase III:

- All banks west of the Mississippi River (except Minnesota) will receive their supply of Form 1199s by July 10. Minnesota and states



east of the Mississippi River will receive their 1199s by August 10, except New England states, and the latter will receive theirs by September 10.

- S. S. recipients west of the Mississippi (except Minnesota) will get a form letter by August 2-3 informing them of the program and that the 1199 can be completed at a financial institution. Recipients in Minnesota and states east of the Mississippi will get their form letters by September, and New England states by October.

- Direct deposit of S. S. paper checks will begin in October, and November at the latest.

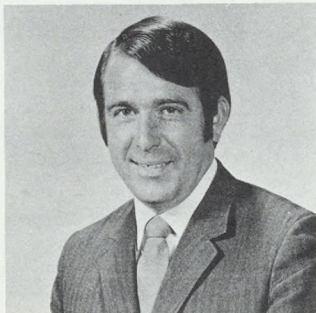
Mr. Morgan said Phase IV, which will be the direct deposit of electronic tapes representing S. S. checks, will commence in Georgia and Florida in January, 1976. Phase V, the same tape deposit

system, instead of paper checks, will commence at various times during 1976 in remaining parts of the nation.

In the Phase I program in Georgia, S. S. recipients themselves completed the Form 1199 and this resulted in 20% rejects of the forms for lack of data or improper filling in. When the Florida project was undertaken, the Treasury conducted an educational program with the financial institutions so their employees could assist recipients with the forms. The reject rate dropped to 2%. With refinement of the Treasury education program, and the increasing assistance offered by state associations, it is hoped this rate will drop even further.

A number of states have held or plan to hold in the near future some meetings to explain in detail to bankers the steps for completing Form 1199. Iowa Bankers Association has five meetings scheduled June 16-20 as outlined in the June 9 issue of the *Newsletter*. Nebraska Bankers Association will conduct an all-day seminar June 19 at the Cornhusker Hotel in Lincoln on this subject and Individual Retirement Accounts. Minnesota will announce meeting dates soon and it is expected that Illinois and other states

**DEPOSIT OF S. S. CHECKS. . . .**  
[Turn to back page, please]



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## Iowa News

**DES MOINES:** Charles W. Hanson has been elected to the board of directors of the Iowa-Des Moines National Bank. Mr. Hanson is executive vice president of Farmers Grain Dealers Association of Des Moines.

**FOREST CITY:** Manufacturers Bank and Trust Company of Forest City and Crystal Lake has announced the appointment of Glen S. Wilson as vice president and cashier. Mr. Wilson joined Brenton Banks in 1966 and most recently was vice president and a director at the Benton County Bank and Trust Company, Vinton.

**FREDERICKSBURG:** Dale Mohling has joined the First State Bank as agriculture representative and loan officer.

**HAMPTON:** The Board of Governors of the Federal Reserve System has announced approval of the

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application of Peoples Bancorporation here to become a bank holding company through the acquisition of Peoples Savings Bank of Elma.

**MAURICE:** Harlan De Jong has been named manager of the Northwestern State Bank of Orange City office here replacing the late Wes Holtdorf.

**TAMA:** The Tama State Bank has received permission to exercise limited trust powers.

## Nebraska News

The Nebraska Bankers Association is holding a special conference on the Social Security Direct Deposit Program and Individual Retirement Accounts on Thursday, June 19, at the Radisson Cornhusker Hotel in Lincoln. Registration begins at 9 a.m. and the program begins at 9:30.

**AURORA:** James W. McBride, president of The First National Bank, has announced the following promotions: Gary Wrage, assistant vice president; Robert Todd, cashier; Bonnie Rudy and Rita Petersen, assistant cashiers.

**LEXINGTON:** Richard Rogers has been elected trust officer of the Lexington State Bank & Trust Co. He previously was an attorney with the Nebraska Department of Revenue.

**LINCOLN:** The Nebraska Bankers Association has established a separate corporation called NETS,

Inc., to operate a proposed electronic funds transfer network of terminals and teller machines across the state. The NBA will be working closely with the NETS program.

The NBA and the Iowa Bankers Association have agreed to phase out the Mid-America Payments Study Committee, which was started last year to explore a joint venture EFT system combining the sharing of software costs within the two states. Officials of both groups stress that there may be a combination of the Iowa and Nebraska systems in the future, as EFT development progresses. For the immediate future, it seemed more practical for each state to finance its own EFT project separately, they said.

**SO. SIOUX CITY:** John Paulson has been promoted to executive vice president of the Nebraska State Bank. Randy Lanning has been elected assistant cashier.

**WEST POINT:** Frederic C. Meyer has been appointed agricultural loan officer at the First National Bank.

## Minnesota News

**ALBERT LEA:** James G. Brisbank has been promoted to assistant cashier and assistant manager of the instalment loan department of the Freeborn National Bank.

**BEMIDJI:** First Bemidji Holding Company has been approved to become a bank holding company through the acquisition of 80.1% or more of the voting shares of the First National Bank here.

**DULUTH:** John D. Chisholm was

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Direct Deposit of Federal Recurring Payments

Exhibit II-1

STANDARD FORM 1199 (FRONT)  
Authorization for Deposit of  
Social Security Payments

Standard Form 1199  
April 1975  
Department of the Treasury  
Fiscal Service

PLEASE PRINT  
(SEE OTHER SIDE FOR INSTRUCTIONS)

AUTHORIZATION FOR DEPOSIT OF SOCIAL SECURITY PAYMENTS  
PAYEE/BENEFICIARY TO COMPLETE ITEMS A THROUGH H

A NAME OF PAYEE(S)

I (we) \_\_\_\_\_ authorize and request the Social Security Administration to direct the net amount of the below indicated Federal recurring payment for crediting in my (our) account indicated at the financial organization designated below. This authorization is not an assignment of my (our) right to receive payment and revokes all prior payment direction notifications applicable to these payments. I (we) understand that the financial organization designated reserves the right to cancel this agreement by notice to me (us); however, this authorization will remain in effect with SSA until canceled by notice from me (us).

B NAME OF BENEFICIARY(IES) (The person(s) entitled to receive benefits from the Social Security Administration.)

C CLAIM NUMBER

D TYPE OF PAYMENT

F TYPE AND NUMBER OF DEPOSITOR ACCOUNT TO BE CREDITED  
Enter "C" if Checking Account or "S" if Savings Account  
DEPOSITOR ACCOUNT NUMBER

E PAYEE'S TELEPHONE NO.

G MAILING ADDRESS OF PAYEE (Number, Street, City, State, and Zip Code)

H SIGNATURE OF BENEFICIARY(IES) OR AUTHORIZED REPRESENTATIVE PAYEE OR WITNESSES (see instructions)

SIGNATURE

DATE

FINANCIAL ORGANIZATION TO COMPLETE BELOW THIS LINE

We, the below designated financial organization, hereby agree to receive and deposit sums for the payee(s) named herein, in accordance with 31 CFR Parts 240, 209, and 210. We understand that our account number shown for the payee(s) named herein will be included as additional identification on individual payment credits to his (their) account. We understand that the payee(s) named above has (have) the right to cancel this authorization and we reserve the right to cancel this agreement by notice to the payee(s).

NAME OF FINANCIAL ORGANIZATION

TYPE AND NUMBER OF DEPOSITOR ACCOUNT TO BE CREDITED  
Enter "C" if Checking Account or "S" if Savings Account  
DEPOSITOR ACCOUNT NUMBER

OFFICE ADDRESS (Number, Street, City, State, and Zip Code)

DEPOSITOR ACCOUNT TITLE

ROUTING NUMBER

CHECK DIGIT

BRANCH DESIGNATION, IF APPLICABLE

AUTHORIZED SIGNATURE OF FINANCIAL ORGANIZATION OFFICER

TELEPHONE NUMBER

DATE

NOTARIZATION OPTION: NOTARIZATION SPACE IS PROVIDED IF REQUIRED. THERE IS NO FEDERAL NOTARIZATION REQUIREMENT.  
The payee(s)/beneficiary(ies) whose signature(s) appears above personally appeared before me, presented satisfactory identification, and, after being duly sworn, acknowledged this to be his (her) (their) freely given act and deed.

Notary Public

Date

Seal

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FIRST NATIONAL LINCOLN

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named president of the Minnesota Bankers Association at the group's annual convention last week. Mr. Chisholm is president of Marquette Bank and Trust Company of Rochester. C. Paul Lindholm, senior vice president, Northwestern National Bank of Minneapolis, is the new vice president, and Elwood Thronrud, president, Northwestern State Bank, Ortonville, was reelected treasurer. A complete report with pictures will be featured in the July issue of the Northwestern Banker.

**ST. PAUL:** Governor Wendell Anderson has vetoed the CBF bill backed by the Minnesota Bankers Association. The legislation was intended to put state chartered banks on an equal basis with national banks in the area of electronic funds transfer systems.

### Illinois News

**CHICAGO:** Dallas H. Himm has been appointed assistant vice president of the Chicago City Bank and Trust Company. He formerly was with the Bank of Oak Brook Terrace.

**EAST ST. LOUIS:** FOB Corporation, Belleville, has filed an application for approval to acquire 100% of the voting shares of Illinois State Trust Company here.

**GLEN CARBON:** A charter has been issued to the Cottonwood Bank and Trust Company. The state bank's capitalization of \$1 million will consist of \$400,000 in both capital and surplus and \$200,000 in reserve. Officers are

Elmer H. Austermann, Jr., president and Frank B. Hamlin, cashier. Directors are C. Kenneth Anderson, Highland; Mr. Austermann, Glen Carbon; Rayhill J. Hagist, Nashville; Mr. Hamlin and Henry L. Malench, Edwardsville.

**LEWISTOWN:** Richard K. Lignoul, commissioner of banks and trust companies, has issued a charter to The Lewistown Bank as a result of its conversion from The Lewistown National Bank.

**PALOS HILLS:** A permit to organize has been issued to the 1st State Bank and Trust Company here. The state bank's total capitalization of \$1,500,000 consists of \$600,000 in both capital and surplus and \$300,000 in reserve. Organizers are: James T. Adams, Glenview; George J. Paetow and Marvin A. Siensa, Palos Heights; and Frank J. Salerno and George W. Salerno, Chicago.

### Montana News

The 72nd annual Montana Bankers Association Convention will be held June 19-21 at Jackson Lake Lodge in Moran, Wyo. A complete report will be featured in an upcoming issue of the Northwestern Banker.

### Colorado News

**DENVER:** An application by United Banks of Colorado, Inc., to acquire 80% or more of the voting shares of South Platte National Bank, LaSalle, has been approved.

**LAKEWOOD:** Westland Banks, Inc., has received permission to

acquire 100% of the voting shares (less directors' qualifying shares) of both Castle Rock National Bank, a proposed new bank, and Gunbarrel National Bank, Boulder.

### Wyoming News

**CASPER:** Jack D. Berry has been elected an assistant vice president of Security Bank and Trust Co.

**LARAMIE:** J. A. Guthrie, Jr., president and chairman of the Bank of Laramie, has announced the promotions of Donald L. Preston to vice president and trust officer and Dave Kahne to vice president and cashier.

**NEWCASTLE:** Bruce Brimmer has joined the First State Bank.

### South Dakota News

**ABERDEEN:** An application has been filed for approval to merge the Spink County Bank, Redfield, into the Aberdeen National Bank. The proposal, which has been approved by the boards of both banks, is subject to final approval of shareholders and regulatory agencies.

**MILBANK:** Dean Webb has joined the Dakota State Bank.

**SIOUX FALLS:** Dan Tanner has been appointed cashier of the new SunBank of South Dakota. He formerly was cashier of Empire National Bank of Canon City, Colo.

### North Dakota News

**MINOT:** Ted A. Byers has joined the First National Bank and will

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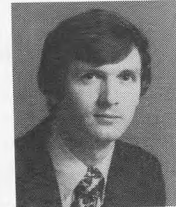
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Jim Peters  
Asst. Vice President  
Money Market Center  
234-2219

work in the marketing department.

**VALLEY CITY:** Marvin Rockstad has been named cashier of the First National Bank.

### Wyoming News

**RIVERTON:** Mark Stockton has been named assistant cashier at American National Bank.

### DEPOSIT OF S. S. CHECKS. . . . [Continued from page 1]

also will be announcing meeting dates soon.

A key to success of the program to get Form 1199s completed properly, according to the Treasury, is to have *one person* in each bank totally familiar with the program and the form. Other persons in the bank who then need assistance with a customer can turn to this one person for additional help.

The Central States Conference has just completed a sound/slide film, "Let Sam Do It," which is a 4-part film for bankers on direct deposits. It is now available for use by the 16 member states. A further excellent sound/slide film has been prepared by Lou Bradley's Sight & Sound, Inc., Omaha, outlining in detail the necessary steps for proper completion of the 1199.

In addition, the Treasury has made available to each bank a copy of what is commonly known now as "the green book" dated January,

1975, and titled "Direct Deposit of Federal Recurring Payments."

The Form 1199 establishes the necessary relationship between the S. S. recipient and the bank and need not be renewed annually. The "green book" and a careful look at instructions on the reverse side of the Form 1199 should resolve most questions. If further questions cannot be answered by these two sources, contact should be made with the Department of The Treasury, fiscal service, operations planning and research staff in Washington.

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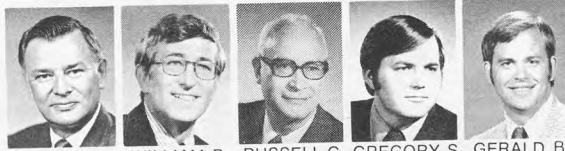
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Vol. 4 No. 7 Northwestern Banker Newsletter is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions 25 cents per copy, \$6 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579) manuscripts, mail items to above address.