

consigned to it in accordance with all regulations and instructions issued by the Department of the Treasury.

[54 FR 40830, Oct. 3, 1989, as amended at 59 FR 10536, Mar. 4, 1994]

§ 317.8 Remittance of sales proceeds and registration records.

An issuing agent shall account for and remit bond sales proceeds and registration records promptly in accordance with regulations and instructions issued by the Department of the Treasury, either directly or through the designated Federal Reserve Banks. Failure to comply with these instructions may subject an agent to penalties, including termination of its qualification as an issuing agent.

APPENDIX TO § 317.8—REMITTANCE OF SALES PROCEEDS AND REGISTRATION RECORDS, DEPARTMENT OF THE TREASURY CIRCULAR, PUBLIC DEBT SERIES NO. 4-67, THIRD REVISION (31 CFR PART 317), FISCAL SERVICE, BUREAU OF THE PUBLIC DEBT

Subpart A—General Information

1. *Purpose.* This appendix is issued for the guidance of organizations qualified as issuing agents of Series EE and I United States Savings Bonds under the provisions of Department of the Treasury Circular, Public Debt Series No. 4-67, current revision. Its purpose is to supplement the provisions of § 317.8 of the Circular relating to the remittance of savings bond sales proceeds and registration records, including the interest charge to be collected for late remittances.

2. *Definition of terms.* As used in this appendix:

(a) *Issue Date* is the date as of which a bond begins to earn interest. It is the date entered by the issuing agent in the upper right corner of the bond.

(b) *Validation Date* is the date as of which a bond is actually inscribed for issue. It is entered by the issuing agent immediately below the "Issue Date" in the area marked "Issuing Agent's Dating Stamp".

(c) *Over-the-counter sale* means any sale of savings bonds other than payroll sales.

(d) *Payroll sale* includes all issues of savings bonds paid for with deductions withheld from the pay of employees of organizations which maintain (i) payroll savings plans or (ii) thrift, savings, vacation, or similar plans.

(e) *Issuing agent*, as provided in § 317.1(c) of the Circular, refers to an organization that has been qualified by a designated Federal Reserve Bank or the Commissioner of the Bureau of the Public Debt to sell savings bonds.

(f) *Immediately available funds* are remittances of funds which are available for the use by the Department of the Treasury immediately upon receipt by the Department or its fiscal agents, and include, but are not limited to:

(1) A change to the remitter's (or a correspondent depository institution's) reserve account with a Federal Reserve Bank;

(2) A Federal funds check;

(3) A United States Government check; or

(4) A postal money order.

(g) *Financial institutions* refers to banks, trust companies, credit unions, and savings institutions chartered by or incorporated under the laws of the United States, or those of any State or Territory of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(h) *Nonfinancial institutions* refers to any issuing agent not described under paragraph (g) of this appendix.

3. *Determination of issue date.* The obligation of the United States to pay interest on a savings bond is determined by its issue date. That date is the first day of the month in which a qualified issuing agent receives or accumulates the full purchase price of the bond. In the case of a bond purchased under a payroll savings plan operated by an organization which is not an issuing agent, the issue date should be fixed as of the month in which the organization accumulates the full purchase price of the bond. Such funds must, however, be remitted to the issuing agent in time to permit such dating.

4. *Forms of remittance.* Issuing agents shall remit sales proceeds in timely fashion as follows:

(a) Issuing agents which are financial institutions must remit in immediately available funds.

(b) Issuing agents which are nonfinancial institutions should remit in immediately available funds.

(c) The Commissioner of the Public Debt, as designee of the Secretary of the Treasury, may waive or modify this provision. The Commissioner may do so in any particular case or class of cases for the convenience of the United States or in order to relieve any agent or agents of unusual hardship:

(1) If such action would not be inconsistent with law or equity,

(2) If it does not impair any existing rights, and

(3) If the Commissioner is satisfied that such action would not subject the United States to any substantial expense or liability.

5. *Remittance date.* Sales proceeds should be remitted on the date shown on the transmittal document, i.e., PD F 3252-OC or PD F 5255-RDS for over-the-counter sales or PD F 4848 for payroll sales. If there is a significant time difference between the date on the transmittal document and the date of receipt

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in the designated Federal Reserve Bank, the transmittal date may be determined, for purposes of this appendix, by the postmark, if the remittance is mailed, or the receipt date, if the remittance is forwarded by courier, messenger, or similar means.

Subpart B—Over-the-Counter Sales

1. *Regional Delivery (RDS) participants.* An agent participating in the Regional Delivery System (RDS) is authorized to sell bonds over-the-counter. It will accept and review customer purchase orders, but it will not inscribe the bonds. Purchase order information will be forwarded to a designated Federal Reserve Bank for inscription of the bonds. An authorized RDS participant shall remit sales proceeds and purchase orders (on paper or in an electronically processible format) to a designated Federal Reserve Bank within five (5) business days of receipt from the customer.

2. *Issues-on-Tape Program participants.* An agent that has been authorized by the Bureau of the Public Debt to inscribe bonds sold over-the-counter and report such sales on magnetic tape shall remit sales proceeds and electronic issue records no less often than once a week on a schedule established by the designated Federal Reserve Bank.

Subpart C—Remittance of Payroll Sales Proceeds

1. *Application of requirements.* The remittance requirements for payroll sales apply only to issuing agents. An employer that maintains a payroll savings plan but does not issue bonds shall be notified by the servicing issuing agent that it must remit sales proceeds to the issuing agent in sufficient time to permit compliance with the requirements.

2. *Remittance of payroll sales deductions.* Issuing agents shall remit sales proceeds throughout the month shown in the issue date as soon as the full amount of the purchase price of the bonds has been received or accumulated. In no case should such proceeds be remitted later than the second business day of the month following the month shown in the issue date. The issuing agent shall ensure that its system properly accounts for and recognizes when the full purchase price has been received, or has been accumulated, so that timely remittance can be made. The issuing agent shall transmit registration records in an electronically processible format within thirty (30) days following the month shown on the issue date.

Subpart D—Interest on Late Remittances

1. *Rate of interest.* Interest will be assessed for each day's delay in the remittance of sales proceeds, based on the actual date of remittance. The rate of interest to be used

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will be the current value of funds to the Department of the Treasury, as set forth each quarter in the Treasury Financial Manual. The rate applied will be that in effect during the entire period in which the remittance is late. The interest assessment will be collected by the designated Federal Reserve Bank.

2. *Waiver.* Interest will be waived in the situations described below as well as in any specific case where, in the judgment of the Commissioner of the Public Debt, the circumstances warrant such action. The Commissioner's decision on any waiver action shall be final.

(a) *Bonds inscribed by issuing agent—(i) Payroll sales.* If, during any three (3) month period, the interest assessed on an issuing agent's late remittance of proceeds from payroll savings plan sales or thrift, savings, vacation, or similar plan sales accumulates to less than \$50 for each type of sales, the interest assessed for the first month will be waived. The interest assessed for each type of sales for the remaining two (2) months will then be carried forward to the next period of three (3) consecutive months.

(ii) *Over-the-counter issues.* The interest assessed on an agent's late remittance of over-the-counter sales proceeds transmitted during a given month will be waived if it is less than \$50.

(b) *Bonds inscribed by the designated Federal Reserve Bank.* The interest assessed on late remittance of all sales proceeds transmitted during a given month will be waived if it is less than \$25.

(c) *Suspension of waiver.* The Commissioner may suspend the application of the waiver in the case of any agent that consistently fails to meet the remittance requirements.

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§317.9 Role of Federal Reserve Banks.

(a) *Role as fiscal agents.* In their capacity as fiscal agents of the United States, the Federal Reserve Banks referred to below are authorized to perform such duties, including the issuance of instructions and forms, as may be necessary to fulfill the purposes and requirements of these regulations.

(b) The following Federal Reserve Offices have been designated to provide savings bond services: