



Economic Impact Payments Operational FAQs for Financial Institutions

Treasury's Bureau of the Fiscal Service (Fiscal Service)

1. Payment Methods, Volume, and Timing

1.1. When will Treasury send economic impact payments and what will be the effective pay date? What ACH and check volume can financial institutions expect?

Under the American Rescue Plan Act of 2021, on March 12, 2021, Fiscal Service began processing economic impact payments (EIPs) for deposit by March 17, 2021. Additional batches of payments will be sent in the coming weeks by direct deposit and through the mail as a check or debit card. The vast majority of these payments will be by direct deposit. Fiscal Service's economic impact payment check printing capacity is approximately 5 million to 7 million checks each week. Fiscal Service's financial agent can mail approximately 2.5 million to 3 million debit cards each week.

Visit www.irs.gov/coronavirus/economic-impact-payments for information about EIP issuance.

1.2. What routing transit numbers (RTNs) will Treasury use for distribution of economic impact payments and how will they be processed? How can financial institutions identify economic impact payments?

See the latest Treasury notice dated March 11, 2021, providing RTNs and information describing the indicators for tax refunds, and the EIPs delivered under the American Rescue Plan Act of 2021.

1.3. Is Fiscal Service using prenotification for accounts before sending live entries?

Fiscal Service will not be using prenotes.

1.4. Will Fiscal Service use Same Day ACH for economic impact payments?

Fiscal Service will not routinely use Same Day ACH for economic impact payment processing because the volume of payments is simply too large. Same Day ACH may be considered on a case-by-case basis in an emergency where an individual did not receive their payment as expected. Fiscal Service supports the use of Same Day ACH and emerging faster payments options, when feasible and appropriate.

2. ACH Payment Processing and Post-Payment

2.1. How will payment processing exceptions be handled?

Unless subsequent Fiscal Service guidance provides direction otherwise, all exception processing for economic impact payments is the same as for tax refunds.

2.2. What should RDFIs do with Direct Deposits sent to closed accounts?

Because of the speed at which the IRS is issuing the third round of payments, some payments may have been sent to an account that may be closed or no longer active. The financial institution should comply with Treasury regulations at 31 CFR Part 210, and either return the payment with the appropriate ACH return reason code or use the Notification of Change (NOC) process, as appropriate.

2.3. What is Treasury's plan for processing rejected transactions, especially those using older routing information? How will rejected transactions ultimately be delivered to the consumer?

The IRS and Fiscal Service plan to reissue returned economic impact payments authorized by the American Rescue Plan Act of 2021. If an ACH payment is returned and it meets the criteria for reissuance (e.g., closed account, invalid account, etc.), the payment will be reissued as a paper check.

2.4. Is Treasury anticipating that RDFIs send a Notification of Change (NOC) if they have to research and repair an ACH entry in order to post it to a recipient's account?

RDFIs may choose to use NOCs. When NOCs are used, financial institutions should do so in the same way as they would for tax refund payments.

2.5. My operations are impacted due to work at home procedures. How do I send non-receipt responses and other post-payment correspondence via mail or fax?

Procedures for post-payment correspondence have not changed, except as otherwise announced by Treasury. We have set up an email box for ACH non-receipt that banks can send responses to securely. The ACH non-receipt mailbox is PFC.teletrace@fiscal.treasury.gov.

2.6. How should RDFIs treat payments to deceased payees?

Unless the account is closed, you should generally post the funds in accordance with the payment instructions.

EIP recipients are responsible for returning to the IRS a payment made to someone who may not be eligible for such payment under program specifications in accordance with IRS guidance at www.irs.gov/coronavirus/economic-impact-payments.

For more information on how recipients can return economic impact payments to the IRS, visit www.irs.gov/coronavirus/economic-impact-payments.

2.7. What should RDFIs do if an economic impact payment by ACH is being made to parties who the RDFI is aware are now divorced?

Unless the account is closed, RDFIs should process the payment in accordance with the payment instructions.

2.8. Will the economic impact payments be subject to reclamation as a government benefit payment?

The economic impact payments are not government benefit payments, so they are not subject to reclamation in the event that the payee is deceased.

EIP recipients are responsible for returning to the IRS a payment made to someone who may not be eligible for such payment under program specifications in accordance with IRS guidance at www.irs.gov/coronavirus/economic-impact-payments.

2.9. How will economic impact payments be made when ACH payments are rejected or when account information is not available?

To learn more, visit www.irs.gov/coronavirus/economic-impact-payments.

3. Checks

3.1. How can we identify economic impact payment checks?

Fiscal Service will be using Treasury check stock as is typical for tax refunds and other Federal payments, except that the checks will have identifying text in the memo field stating Economic Impact Payment. As usual, the checks will be signed by a Fiscal Service disbursing official.

For Coronavirus Aid, Relief, and Economic Security (CARES) Act payments, see Treasury notice dated May 1, 2020 (which updates an April 20, 2020 notice and an April 17, 2020 notice) for more information, including a sample image of an economic impact payment check.

For payments under the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, see Treasury notice dated December 29, 2020.

For payments under the American Rescue Plan Act of 2021, see Treasury notice dated March 12, 2021.

You can also learn more about Treasury check security features at <https://fiscal.treasury.gov/files/reference-guidance/gold-book/check-security-features.pdf>.

3.2. If recipients are joint filers, will the check be in one party's name or will it be made out to both recipients?

In these cases, checks are made payable to both payees (e.g., to Payee A and Payee B).

3.3. How should financial institutions treat checks made payable to the deceased?

IRS has determined who is eligible for an economic impact payment (EIP), including when payment should be made to an individual who is deceased.

Some outstanding EIP checks issued under the CARES Act to recipients who may not be eligible for such program payments, including those that may be deceased, have been cancelled.

Fiscal Service encourages financial institutions to determine the status of EIP checks by using the Treasury Check Verification Service (TCVS) for single queries, and bulk queries using an automated programming interface (API).

If a financial institution inadvertently negotiates a cancelled EIP check, Treasury will not request or demand recovery from financial institutions, unless there is an additional reason to do so, for example the check was not properly endorsed. Checks that are not properly endorsed are not payable and should be returned.

EIP recipients are responsible for returning to the IRS a payment made to someone who may not be eligible for such payment under program specifications in accordance with IRS guidance at www.irs.gov/coronavirus/economic-impact-payments.

3.4. Where can financial institutions send checks?

Economic impact payment checks that are not properly payable can be returned to the address below. Financial institutions should include correspondence explaining the reason for return, which will be forwarded along to the IRS.

U.S. Department of the Treasury
Bureau of the Fiscal Service
Philadelphia Financial Center
P.O. Box 51320
Philadelphia, PA 19115

3.5. Tax refund checks could potentially be presented to a financial institution a few days before the pay date on the check. Will Treasury honor legitimately cashed checks before the pay date?

The possibility of a check being presented for payment before the pay date stems from a common practice in tax refund check processing, that is, the mailing of checks is timed to reach the payee by the pay date. Unless there are other issues, Treasury does not intend to dishonor a check that is cashed a few days before the pay date. Fiscal Service encourages financial institutions and check cashiers to verify the security features of a U.S. Treasury check and to use the Treasury Check Verification Service (<https://tcvs.fiscal.treasury.gov>).

3.6. What security features are available for Treasury checks? What tools does Treasury offer to help financial institutions to verify checks?

Visit <https://tcvs.fiscal.treasury.gov> to learn about the security features of U.S. Treasury checks and about the Treasury Check Verification Service (TCVS).

TCVS is a tool to help the financial industry verify U.S. Treasury checks and assist in fraud detection. TCVS provides the capability for single queries, and for bulk queries using an automated programming interface (API). TCVS is available 24 hours a day, 7 days a week.

Financial institutions are liable for the payee's endorsement. Financial institutions using TCVS still need to verify the security features of a U.S. Treasury check.

As a reminder, TCVS is unable to provide assurance that the check being presented is genuine (not counterfeit) or that it is properly payable.

3.7. Is positive pay capability available for Treasury checks?

No, this capability is not currently available through the Treasury Check Verification Service (TCVS). At this time, TCVS files are updated daily, not in real time, so the

information returned should be used only as a data point, and not for final verification purposes.

For more information about TCVS, visit <https://tcvs.fiscal.treasury.gov> or contact Fiscal Service at (855) 868-0151 option 1 or paymentintegrity@fiscal.treasury.gov.

4. Delinquent Debt

4.1. Will economic impact payments be offset by the federal government? If so, what types of debts will be collected through the Treasury Offset Program?

The economic impact payments pursuant to the CARES Act can be offset through the Treasury Offset Program only to collect delinquent child support obligations that have been referred by the state to the Treasury Offset Program.

Economic impact payments pursuant to the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021 are not subject to offset through the Treasury Offset Program. For additional questions about the offset of economic impact payments, see <https://fiscal.treasury.gov/top/faqs-for-the-public-covid-19.html>.

4.2. Are economic impact payments under the American Rescue Plan Act of 2021 exempt from garnishment?

Financial institutions may wish to consult with their legal counsel for guidance.

5. Learn More

5.1. Where can I learn more about economic impact payments? What resources can I share with my customers? How can my customers learn more about if they are eligible, when they can expect their payment, how much it will be for, and how it will be delivered?

Visit <https://www.irs.gov/coronavirus/economic-impact-payments> for more information. The IRS updates this website with more information as it becomes available.

5.2. Who should financial institutions contact if they have operational questions about economic impact payment processing?

Questions should go to the number in the Treasury notice transmitted through the Federal Reserve's secure portal. If you have additional questions please direct inquiries to the Department of the Treasury's Bureau of the Fiscal Service Payment Center at payments@fiscal.treasury.gov or (855) 868-0151, option 2, option 0.

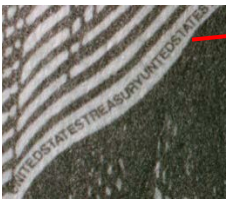
U.S. Treasury Check Security Features

Treasury Seal

The seal identifies the “Bureau of the Fiscal Service” or “Financial Management Service.” The previous seal reflecting “Financial Management Service” will be seen in rotation until this check stock runs out.

Bleeding Ink

The Treasury seal, located to the right of the Statue of Liberty, contains security ink that will run and turn red when moisture is applied to the black ink of the seal.

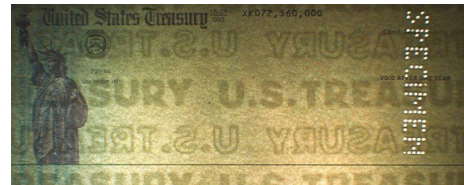


Microprinting

Microprinted words are so small they appear as just a line to the naked eye. However, when magnified, they become visible. Microprinting cannot be duplicated by a copier and when a check is counterfeited, it will often show up as a solid line or a series of dots. The U.S. Treasury check has three areas where microprinting is used.

WARNING - DO NOT CASH CHECK WITHOUT
NOTING WATERMARK
HOLD TO LIGHT TO VERIFY WATERMARK
Forgery of endorsements on Treasury Checks is a Federal crime. Maximum penalty is a \$10,000 fine and ten years imprisonment. (8-97)

USAUSAUSAUSAUSA



Watermark

All U.S. Treasury checks are printed on watermarked paper. The watermark reads “U.S. TREASURY” and can be seen from both the front and back of the check when held up to a light. The watermark is light and cannot be reproduced by a copier. Any check not having the watermark should be suspected as being counterfeit or copied.

Ultraviolet Overprinting Pattern

A protective ultraviolet pattern, invisible to the naked eye, consisting of four lines of “FMS” or “FISCALSERVICE” bracketed by the “Fiscal Service” or “Financial Management Service” seal on the left and United States Seal (eagle) on the right. This pattern can usually be found under the payee information and dollar amount area. The FISCAL SERVICE pattern and seals can be detected under a black light. If the amount box is shaved or altered in any way, a space will be created in the ultraviolet area. When exposed to black light, the ink used in the pattern and the seal will glow. This fluorescent quality cannot be photocopied.

You may verify check issue information using the Bureau of the Fiscal Service Treasury Check Verification System (TCVS) at: <https://tcvs.fiscal.treasury.gov>