



Economic Impact Payments Operational FAQs for Financial Institutions

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

1. Electronic Payment 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?

Pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act Fiscal Service transmitted an initial batch of 81 million economic impact payments (EIPs) for deposit by April 15, 2020 followed by smaller groups of additional ACH payments in subsequent weeks.

On December 29, 2020, Fiscal Service began delivering a second round of Economic Impact Payments as part of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 to millions of Americans who received the first round of payments earlier this year.

Direct deposit payments with a pay date of January 4, 2021, were delivered to the Federal Reserve Bank on December 29, 2020, and distributed by the Federal Reserve Bank to financial institutions on December 29-30, 2020. Paper checks with a pay date of January 6, 2021, are being mailed beginning on December 30, 2020, and EIP Cards are being mailed beginning on January 4, 2021.

Fiscal Service will print and mail approximately 5 to 7 million checks. Fiscal Service's financial agent will mail 2.5 to 3.5 million debit cards each week.

Please also visit www.irs.gov/coronavirus/economic-impact-payments for information about EIP issuance.

1.2. What routing transit numbers (RTNs) will the 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 December 28, 2020, providing RTNs and information describing the indicators for tax refunds and the EIPs delivered under the CARES Act and the subsequent Coronavirus Response and Relief Supplemental Appropriations 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 receiving depository financial institutions (RDFIs) do with Direct Deposits sent to closed accounts?

Because of the speed at which IRS issued the second 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 is exploring options to correct rejected payments. If an eligible EIP recipient has not received their payment in full by the time they file their 2020 tax return, they may claim the Recovery Rebate Credit on the tax return. For more information, visit www.irs.gov/coronavirus/economic-impact-payments.

2.4. Is the U.S. 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 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, please 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, please 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 on the first line and the President's name on the second line. As usual, the checks will be signed by a Fiscal Service disbursing official.

For 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.

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, including when payment should be made to an individual who is deceased.

Some outstanding EIP checks issued to recipients under the CARES Act 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 economic impact payment checks by using either:

1. The Treasury Check Verification Application (TCVA) for single queries; or
2. The Treasury Check Verification Service (TCVS) for single and bulk queries using an automated programming interface (API).

If a financial institution inadvertently negotiates a cancelled economic impact payment 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 aren't 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. Treasury 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 Treasury 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 cashers to verify the security features of a U.S. Treasury check and to use the Treasury Check Verification Application (www.tcva.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?

Please visit www.tcva.fiscal.treasury.gov to learn about the security features in U.S. Treasury checks and the Treasury Check Verification Application (TCVA).

TCVA is a tool to help the financial industry verify U.S. Treasury checks and assist in fraud detection. TCVA provides capability for single queries and the Treasury Check Verification Service (TCVS) provides capabilities for single and bulk queries using an API. TCVA is available from Sunday 1:00 pm to Saturday 11:59 pm EST. TCVS is available 24 hours a day, 7 days a week.

Financial institutions are liable for the payee's endorsement. Financial institutions using the TCVA or TCVS still need to verify the security features of a US Treasury Check.

As a reminder, TCVA and TCVS are 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 Application (TCVA) or the Treasury Check Verification Service (TCVS). At this time, TCVA and 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.

Please visit <https://tcva.fiscal.treasury.gov> to learn more about TCVA, or contact Fiscal Service at (855) 868-0151 option #1 or paymentintegrity@fiscal.treasury.gov to learn more about TCVS.

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 are not subject to offset through the Treasury Offset Program. For additional questions about the offset of economic impact payments, please see <https://fiscal.treasury.gov/top/faqs-for-the-public-covid-19.html>.

4.2. Are economic impact payments exempt from garnishment?

Economic impact payments pursuant to the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 are exempt from garnishment. These economic impact payments are generally treated in the same manner as Federal benefit payments that are exempt from garnishment, but there are some differences. Financial institutions are advised to consult with their legal counsel on this topic if they have questions.

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?

The questions should go to the number in the Treasury notices 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.