

EFTPS: Improving your bottom line

Do you know what it costs your institution to process paper Federal Tax Deposit (FTD) coupons? Or, that your institution does not have to accept paper FTD coupons to participate in the Treasury Tax and Loan (TT&L) Program? The U.S. Department of the Treasury offers the free, secure Electronic Federal Tax Payments System (EFTPS) that can help reduce your costs when customers use EFTPS to make tax payments instead of paper FTD coupons.

Processing FTD coupons is a costly procedure for institutions of any size and costs the banking industry \$140 million annually. Each coupon can cost from \$2 to \$8 to process and includes courier fees, mailing charges and additional staff for back-end processing and reconciliation. Errors in processing can cost your institution even more in late fees and interest charges. Your institution can continue to participate in the TT&L Investment Program, just as you do now, without the added expense of processing FTD coupon payments.

Treasury recently conducted research to gauge taxpayers' reaction to changing the method by which they pay their taxes. According to its research, key takeaways included:

- Eight out of 10 taxpayers have — and use — Internet access for business purposes
- More than 50 percent of respondents stated they would pay their taxes through an online banking site if the option were available
- Generally, taxpayers said they would *not* move their business if their institution eliminated the acceptance of FTD coupon payments

Taxpayers can choose from several payment methods: Online, telephone or desktop software for tax professionals. Once submitted to EFTPS, taxpayers receive a confirmation number to track the payment and may also go to their financial institutions to submit an ACH origination credit or a Fedwire transaction.

In the first quarter of 2009, Treasury will launch a new Web services version of EFTPS — Trusted Partner Interface — that will allow institutions with online banking sites to submit EFTPS payment transactions directly.

“The Trusted Partner Interface will allow banks and credit unions to protect their important customer relationships, while giving taxpayers a secure and convenient way to pay federal taxes directly into EFTPS. It’s a great value-added service for financial institutions to offer,” notes Mark Stevens, of Treasury’s FMS.

For more information on Trusted Partners, contact Melanie Rigney at (202) 874-6763 or via e-mail at EFTPSTrustedPartner@fms.treas.gov. To request EFTPS marketing materials, call (800) 605-9876, visit www.eftps.gov or download materials directly at <https://www.eftps.gov/eftps/help/info/helpDownloadDocuments.do>.

For questions or assistance in converting your FTD customers or questions about the TT&L Program participation, contact Cynthia Hill at (314) 444-4754, Melanie Ruiz at (314) 444-4731 or Dianne Harrison at (314) 444-4750.

Power up with another round of savings bond events

Back by popular demand...another nationwide round of savings bond events, featuring in-person seminars and online Webinars, will be available this fall to train and enable your staff to serve customers with confidence and ease.

Participants will learn how to purchase electronic securities directly from Treasury, as well as how to:

- Issue, reissue and redeem savings bonds
- Compare savings bond products
- Understand interest rates
- Navigate TreasuryDirect.gov
- Maximize Internet resources

View the complete event schedule and register online at events.FRBservices.org/ep_web/Dsp_eventlist.cfm, or download the Savings Bond Seminar training materials at FRBservices.org/eventseducation/education/treasury_sb_materials.html.

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