

# TT&L

# Reference Guide



SEPTEMBER 2009

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# Overview

## ABOUT TT&L

Treasury Tax and Loan (TT&L) is a program that enables qualified financial institutions to use federal tax deposits (FTDs) and additional Treasury funds, if the financial institution so chooses, at a reduced interest rate.

In this document, we outline TT&L program features. As a preface, this overview highlights program terminology, how financial institutions become TT&L depositories and some of the general business aspects of the TT&L applications —TIP and PATAX.

## TERMINOLOGY

### *Account information*

Financial institutions have three types of accounts within the TT&L program —TIP Main Accounts, Special Direct investment (SDI) Accounts and Term Investment Accounts.

Financial institutions that agree to establish a TIP Main Account retain federal tax payments collected from their corporate customers. In addition, these financial institutions may choose to participate in receiving additional funds from the Treasury in the form of Direct or Dynamic investments, provided sufficient capacity is available. The financial institution agrees to pay interest to the Treasury for the use of these funds. Currently, for Direct and Dynamic investments, the rate of interest charged is 25 basis points lower than the weekly federal funds rate. However, the rate is subject to change with notice from the Treasury.

For further information about other investment options, including Special Direct investments and Term investments, please refer to pages 6 and 7 of this reference guide.

### *Financial institution classification*

**Collector** institutions accept electronic and paper tax payments from corporate customers. The dollar amount of paper tax deposits collected by the financial institution is withdrawn from the financial institution's Reserve Account for deposit into the Treasury's account on the business day that the Federal Reserve receives Advice of credit (AOC) information supporting the deposits. A collector institution must fully collateralize all in-transit paper tax deposits that are in excess of recognized insurance coverage on the date the taxes are received. In addition, collector institutions are eligible to participate in Term investment Options (TIOs).

A **Retainer** institution accepts electronic and paper tax payments from its corporate customers and retains the tax deposits in its TIP Main Account depending on its current balance limit and collateral value. All funds in a Retainer's TIP Main Account and in-transit must be fully collateralized. The financial institution pays the Treasury interest for use of the funds. Retainer institutions are eligible to participate in TIOs.

An **Investor** institution accepts electronic and paper tax payments from its corporate customers. Investors retain the tax deposits depending on their current balance limits and collateral values. Investors also accept additional investments from the Treasury, such as Direct Investments. All funds in an investor's TIP Main Account and in-transit must be fully collateralized, and financial institutions pay the Treasury interest for use of the funds. Investor institutions are eligible to participate in the SDI and TIOs.

## **BECOMING A TT&L DEPOSITARY**

To enroll as a TT&L depository, a financial institution must:

- meet the requirements set forth in Title 31 of the code of Federal Regulations, parts 203.3 and 203.4;
- have an established Reserve Account or a correspondent/respondent relationship with another financial institution's Reserve Account;
- file FMS Form 458 (Financial institution Agreement and Application for Designation as a Treasury Tax and Loan Depository);
- file FMS Form 459 (Resolution Authorizing the Financial institution Agreement and Application for Designation as a Treasury Tax and Loan Depository);
- complete an Election of Option Form;
- submit a copy of the excerpts of its board of directors minutes that reflect the authorization to be a TT&L depository;
- complete a TT&L Plus® Local Security Administrator Form; and
- submit a Treasury Tax and Loan Depository Recognized insurance coverage Form.

Financial institutions can obtain FMS Forms 458 and 459, the Election of Option Form and the Treasury Tax and Loan Recognized insurance coverage Form by contacting the TT&L Treasury Support center (TSC) at 1-888-568-7343.

Additional information on becoming a participant in the TT&L program can be found in the Treasury Financial Manual, Volume IV, or by visiting the Financial Services web site at [www.frb services.org](http://www.frb services.org). (Click on the Treasury Services information link.)

## **PAPER TAX SYSTEM (PATAx)**

PATAx is a Federal Reserve System application that collects, adjusts and reports all AOCs that represent paper FTDs.

Financial institutions enter their AOC information through TT&L Plus on the web. Once the AOCs are submitted and verified, PATAx processes and transmits the totals to the TIP application periodically throughout the day for settlement or posting to your TIP Main Account. PATAx also processes adjustment requests from financial institutions and the internal Revenue Service (IRS) for paper tax payments and monitors the collateral pledged for in-transit balances.

PATAX also provides:

- **AOCs posted to your account throughout the day**—AOCs processed are posted to your TIP Main Account or debited from your or your correspondent's Reserve Account throughout the day.
- **Ample time for processing and staging** —The paper tax payment deadline is 5 p.m.\* on the day after the deposit is received by the financial institution. This allows your financial institution sufficient time to enter daily work and may help avoid late charges. AOC batch staging for the next business day begins at 5:30 p.m.
- **Electronic delivery of statements** —your financial institution receives statements through TT&L Plus.
- **Treasury Support Center**—Financial institutions can contact TT&L TSC representatives from 8 a.m. to 6 p.m. every Federal Reserve business day at 1-888-568-7343 or by e-mail at [TTL\\_Plus@stls.frb.org](mailto:TTL_Plus@stls.frb.org).

*Note: The TT&L monthly cycle for processing fees for late AOC submissions begins on the first Thursday of the month and ends on the Wednesday preceding the first Thursday of the next month.*

## TREASURY INVESTMENT PROGRAM (TIP)

TIP is a Federal Reserve System application used to collect and report corporate tax payments and invest Treasury funds with participating financial institutions. Funds are withdrawn from the financial institutions when needed by the Treasury. TIP also monitors collateral for selected Treasury Fiscal Service collateral programs.

TIP also provides:

- **Timely updates to your Reserve Account**—Tax payments settled by TIP are sent to you or your correspondent's Reserve Account throughout the day.
- **Investment options**—Direct, Dynamic, Special Direct and Term investments allow your financial institution to better meet its cash management goals.
- **Easy access to information throughout the day** —your financial institution can request statements from TIP that provide account and collateral status information, including tax deposit totals, investment and withdrawal decisions, adjustments, and collateral value updates. your financial institution is encouraged to use TT&L Plus to monitor this activity.
- **A source of funds** —Tax payments collected through PATAX, Electronic Federal Tax Payment System (EFTPS) and Fedwire® can be reinvested with participating financial institutions.
- **Electronic delivery of statements** —your financial institution receives statements via TT&L Plus.
- **Treasury Support Center**—Financial institutions can contact TT&L TSC representatives from 8 a.m. to 6 p.m. every Federal Reserve business day at 1-888-568-7343 or by e-mail at [TTL\\_Plus@stls.frb.org](mailto:TTL_Plus@stls.frb.org).

\* All times listed are in Eastern Time (ET), unless otherwise noted.

- **Collateral monitoring**—Funds must be fully collateralized throughout the day to avoid a collateral deficiency withdrawal. If your TIP Main Account becomes deficient during the day, TIP automatically withdraws the under-collateralized funds. This results in a debit to your Reserve Account or your

correspondent's Reserve Account.

*Note: TIO collateral accounts are monitored separately from the TIP Main Account and SDI Accounts.*

- **Cycle processing** —TIP uses a weekly cycle that begins on Thursday and ends on the following Wednesday. Interest on Retainer and investor TIP Main and SDI Accounts is calculated and charged on the weekly cycle basis. Interest on adjustments is calculated and charged on Thursdays. Penalties for mis-handled tax payments are calculated on Thursdays and charged on Fridays. Interest on TIOs is determined by a single-rate auction process.

# TIP Investments

The Treasury provides four investment options: Direct investment, Dynamic investment, Special Direct investment and Term investment Option.

## DIRECT INVESTMENT OPTION

The Treasury periodically invests a portion of its excess operating cash directly into the TIP Main Account of Direct investment program participants. When the Treasury initiates an investment, your Reserve Account or a designated correspondent's Reserve Account is credited. To determine if a Direct Investment has been placed in your account, you should view your activity statement after 10:45 a.m.

Direct investments are distributed among participating financial institutions according to one of the following types of notification:

**Same-day notification**—A financial institution that elects same-day notification receives notice of a Direct investment the same day that the funds are credited to its Reserve Account.

A financial institution that elects to be a same-day notification participant is also considered to be a one-day notification participant. When the Treasury announces investments, they are targeted to a specific group; for example, the Treasury may issue a one-day Direct Investment to be deposited with one-day participants only or a one-day Direct Investment to be deposited with same-day participants only.

**One-day notification**—A financial institution that elects a one-day notification receives notice of a Direct investment one business day before the day the funds are credited to its Reserve Account or a designated correspondent's Reserve Account.

Direct investments are distributed solely on the basis of your actual TIP Main Account capacity. In TIP, capacity is based on current information, including collateral value, balance limit and TIP Main Account balance.

The calculations used to determine these capacities are:

Collateral value or balance limit (whichever is lower)

– TIP Main Account balance

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**= Same-day capacity**

Collateral value or balance limit (whichever is lower)

– TIP Main Account balance

– Pending investments

+ Pending withdrawals for the next day

**= One-day capacity**

If you would like more information on participating in the Direct investment program, refer to the Treasury Financial Manual, Volume IV, or call the TT&L TSC at 1-888-568-7343.

## DYNAMIC INVESTMENT OPTION

Another TIP feature is Dynamic investments. This process invests excess Treasury funds accumulated throughout the day into the TIP Main Account of participating financial institutions. Dynamic investment allows your financial institution to enhance its participation in the investment program. To qualify for Dynamic investments, your financial institution must be a same-day Direct Investment participant. As a Dynamic investment participant, you can decide how late in the day you wish to accept Dynamic investments by indicating a cutoff time for your last Dynamic investment.

At periodic intervals throughout each business day (generally hourly from 12:15 p.m. until 5:15 p.m. or until your established earlier cutoff time), TIP places Dynamic investment funds. Dynamic investments increase your TIP Main Account balance and credit your Reserve Account or that of a designated correspondent.

The Treasury may elect to suspend the Dynamic investment function at any time during the business day. The Federal Reserve will contact participating financial institutions through an electronic broadcast message (via TT&L Plus) when this occurs.

## SPECIAL DIRECT INVESTMENT (SDI) OPTION

If your financial institution participates in the Direct investment program, you could elect to receive SDIs. During periods of significant tax receipts, the Treasury invests a portion of its operating cash directly into the SDI Accounts of program participants. However, your financial institution must first qualify to secure borrowings (advances) from the discount window under the Borrower-in-custody (BIC) procedures that the Federal Reserve has established for that purpose. SDIs are similar to Direct Investments, except that the collateral used to secure SDIs must be held as Off-Premise collateral (OPC).

As with Direct investments, financial institutions can choose to receive SDIs with a same-day or one-day notice. Financial institutions electing the same-day notice option are automatically enrolled in the one-day notice program. However, the Treasury announces SDIs targeted to a specific group, just as it does with Direct Investments. SDIs are distributed solely on the basis of your actual capacity, by using current information that includes collateral value and your SDI Account balance. At the Treasury's discretion, the funds in an SDI Account may be held for a maximum period of 21 calendar days.

The calculation used to determine this capacity is:

$$\begin{array}{r} \text{SDI collateral value} \\ - \text{SDI Account balance} \\ \hline = \text{SDI same-day capacity} \end{array}$$

$$\begin{array}{r} \text{SDI collateral value} \\ - \text{SDI Account balance} \\ - \text{Pending SDI investments} \\ + \text{Pending SDI withdrawals for the next day} \\ \hline = \text{SDI one-day capacity} \end{array}$$

If you would like more information about participating in the SDI program, refer to the Treasury Financial Manual, Volume IV, or call the TT&L TSC at 1-888-568-7343.

## **TERM INVESTMENT OPTION (TIO)**

TIO is an investment option that allows participants to obtain funds for a fixed term at a rate determined through a competitive bidding process. Your financial institution decides whether to participate in the offering, how much to bid for and at what rate you are willing to pay for the funds. Any financially sound TT&L depository can enroll in the TIO program.

TIOs are generally conducted in the following manner:

**Update:** A preliminary notification of the Treasury's tentative plan to conduct an auction. your financial institution is notified via e-mail with the tentative auction date, as well as a term range and an offering amount range.

**Announcement:** Official notification is available to participants via email to your institution's designated TIO contacts. The announcement provides the investment ID number, offering amount, length of the term, minimum bid amount and required collateral types.

**Auction:** your financial institution can submit bids from the time the auction announcement is available until the auction close time during established hours. TIO auctions are single-rate auctions. All successful bids will be awarded at the lowest accepted bid rate. Treasury awards funds beginning with the highest rates bid through successively lower rates until the offering amount is filled. Upon the close of the auction, your designated TIO contacts will receive confirmation of the results.

**Investment:** collateral pledged in the TIO account is monitored through TIP feeds at 50 minutes past the hour up until the designated cutoff time. Acceptable collateral for a Term investment must be in place prior to the cutoff time to avoid noninvestment of the funds and/or potential penalties from the Treasury. Awarded funds are posted to a participant's Reserve Account by the announced settlement time, provided sufficient collateral is pledged. Interest begins accruing the same day funds are invested by the Treasury.

If you would like additional information about participating in the TIO program, refer to the Treasury Financial Manual, Volume IV, or contact Treasury investment Support at 1-800-333-0870, option 2.

## Withdrawal (Call) of TT&L Balances

Funds may be withdrawn from the TIP Main Account balance of financial institutions for three different reasons:

- when the Treasury requests the balances,
- when you are collaterally deficient or
- at your request.

### TREASURY MAIN ACCOUNT WITHDRAWALS

The Treasury initiates calls of TIP Main Account balances by issuing a Treasury withdrawal. Usually, the Treasury's call action is processed at 10:30 a.m. and can be seen on your activity statement report by approximately 10:45 a.m.

The Treasury withdraws funds depending on your financial institution's classification. Retainer and investor financial institutions are divided into three different classifications (A, B or c), according to their total Federal Reserve TT&L deposits during the preceding calendar year and their deposit liability (both demand and time) as of Sept. 30 of the previous year.

Generally, the Treasury gives class A financial institutions five business days' notice before a withdrawal; class B financial institutions receive three business days' notice; and class c financial institutions receive either one business day's notice or same business day's notice.

The funds are withdrawn by requesting a percentage of your uncalled TIP Main Account balance or by requesting a specific dollar amount from your TIP Main Account, based on your financial institution's classification. The Federal Reserve reduces your Main Account balance, debits your Reserve Account or your correspondent's Reserve Account and credits the Treasury's account on the date specified in the call action. TIP posts a withdrawal to your Reserve Account either upon generation, at the beginning of the day or at the end of the day.

Whether the Treasury requests a specific percentage or a specific total of funds to be withdrawn from a certain class of participants, TIP will apply the same percent to all target participants' accounts.

If there are not sufficient funds in your TIP Main Account at posting time to cover the generated withdrawal amount, the Treasury will withdraw the funds remaining in your TIP Main Account. In other words, if you take action to reduce your TIP Main Account balance (by initiating a balance-limit change or an administrative withdrawal) after the Treasury withdrawals have been generated and your subsequent account balance is less than the amount to be withdrawn, then TIP withdraws the remainder of your TIP Main Account balance.

Outlined below is a sample schedule of possible withdrawal situations. The table shows the difference between the announcement of a Treasury withdrawal and the generation and post date of a Treasury withdrawal.

Type of withdrawal issued by the Treasury	Announcement date	Date TIP generates call	Date TIP posts call
<b>Same-day</b> withdrawal based on current uncalled balance: To be generated and posted immediately	Wednesday 9/16/09	Wednesday 9/16/09	Wednesday 9/16/09
<b>Same-day</b> withdrawal based on end-of day (EOD) uncalled balance: Generated and posted at end of day	Wednesday 9/16/09	Wednesday 9/16/09	Wednesday 9/16/09
<b>One-day</b> withdrawal based on current uncalled balance: Generated immediately and posted at the beginning of the next business day	Wednesday 9/16/09	Wednesday 9/16/09	Thursday 9/17/09
<b>One-day</b> withdrawal based on EOD uncalled balance: Generated at end of day and posted at the beginning of the next business day	Wednesday 9/9/09	Wednesday 9/9/09	Thursday 9/10/09
<b>One-day</b> withdrawal based on tomorrow's uncalled balance: Generated and posted at the end of the next business day	Wednesday 9/9/09	Thursday 9/10/09	Thursday 9/10/09
Withdrawal based on future day's EOD uncalled balance: To be generated on a future date at end of day and posted on a second future date at the beginning of the day	Friday 9/11/09	Thursday 9/17/09	Friday 9/18/09
Withdrawal based on future day's EOD uncalled balance: To be generated and posted on a future date at end of day	Friday 9/11/09	Friday 9/18/09	Friday 9/18/09
Withdrawal based on EOD uncalled balance: To be generated at end of day and posted on a future date end of day	Wednesday 9/9/09	Wednesday 9/9/09	Friday 9/11/09

## TREASURY SDI ACCOUNT WITHDRAWALS

The Treasury issues SDI withdrawals based on the current SDI Account uncalled balance. When issued by the Treasury, SDI withdrawals are generated at approximately 10:30 a.m. and can be seen on the activity statement report at approximately 10:45 a.m. The withdrawal is posted either the same day or at the beginning of the next business day. The withdrawal reduces the SDI Account balance, debits your or your correspondent's Reserve Account and credits the Treasury's account.

## **TREASURY TIO ACCOUNT WITHDRAWALS**

TIO investments and interest are due to the Treasury at maturity. Principal and interest post to the participant's Reserve Account as separate transactions by settlement time on the maturity date and collateral is released after the TIO funds are returned to Treasury.

If a participating depository returns TIO Account balances prior to maturity, the Treasury may penalize the depository. This penalty is up to the auction rate plus 1 percent annual rate on the amount returned for the remaining time in the length of term. In determining the penalty, the Treasury may consider the circumstances surrounding the depository's early return, including the reason for the early return and any loss to the Treasury.

If the Treasury chooses to withdraw a TIO Account balance, in whole or in part, prior to the end of term date, the Treasury may take appropriate action to make up for the depository's financial loss, if any.

For information regarding collateral deficiency withdrawals of TIO Account balances, see page 13.

## **COLLATERAL DEFICIENCY WITHDRAWAL**

Throughout the day, TIP receives collateral values from the Federal Reserve's two safekeeping systems: the National Book-Entry System (NBES) and the Collateral Management System (CMS). These files contain aggregate values of collateral pledged by your financial institution that TIP compares against your TIP Main, SDI and TIO Account balances, respectively.

If your Main Account balance is greater than your aggregate collateral value pledged for this account, TIP automatically withdraws the difference by reducing your TIP Main Account balance and debiting your or your correspondent's Reserve Account. If your SDI or TIO Account balance is greater than your aggregate collateral value pledged to SDI, a TT&L TSC representative will telephone you to discuss the need to pledge additional collateral or have funds withdrawn from your SDI or TIO Account.

For further information on collateral monitoring, refer to the collateral monitoring section of this guide on page 12.

## **ADMINISTRATIVE WITHDRAWAL**

Your financial institution can initiate an administrative withdrawal by using TT&L Plus. This function reduces your TIP Main Account balance by a specific dollar amount, debits your or your correspondent's Reserve Account, and credits the Treasury's account. While the ability to perform this function online allows you more control in maintaining your balances, the Treasury does not expect frequent fluctuations in your capacity level. Frequent changes may result in a reduction of your participation on a regular basis.

## **BALANCE-LIMIT WITHDRAWAL**

A balance limit is the maximum amount of money you want in your TIP Main Account at any given time. You can adjust your balance limit by using TT&L Plus. If you reduce your balance limit to a figure that is below your current TIP Main Account balance, TIP immediately generates a balance limit withdrawal to reduce your TIP Main Account balance to equal your new balance limit. Your or your correspondent's Reserve Account is then debited for the dollar amount of that withdrawal.

As tax deposits or investment transactions are posted to the account, if the ceiling (balance limit or collateral value) is reached, then any additional transactions would not be posted to the account. Instead, the excess would be immediately debited from your or your correspondent's Reserve Account.

As with the administrative withdrawal feature, the ability to perform this function online allows you more control in maintaining your balances. However, the Treasury does not expect frequent fluctuations in your capacity level, and frequent changes may result in a reduction of your participation on a regular basis.

## Collateral Monitoring

Financial institutions that retain Treasury funds are responsible for ensuring that those funds are always fully collateralized. Financial institutions that process FTD tax payments are also responsible for ensuring that those funds, in excess of insurance, are fully collateralized overnight while the funds are in-transit to the Treasury. In other words, financial institutions must pledge collateral greater than or equal to the balance of Treasury funds held.

The Federal Reserve will monitor the collateral pledged to the following account types:

- **TIP Main Account**— A financial institution must pledge sufficient acceptable collateral to cover the balance of Treasury funds in its TIP Main Accounts.
- **SDI Account**— A participating financial institution must pledge sufficient acceptable collateral to cover its SDI Account balance. This account is secured by collateral held through an OPC arrangement.
- **TIO Account**— A participating financial institution must pledge sufficient acceptable collateral prior to the placement of awarded funds.
- **In-transit**—Financial institutions that accept paper FTD coupons must also collateralize funds held overnight, minus any applicable insurance.

**Collateral monitoring for Main Account and TIO Account** balances occurs approximately 50 minutes after the hour. The files used to update your aggregate collateral value are a snapshot of your total collateral value taken each hour. After the files are received and processed, TIP will apply the new aggregate value to your account. With the TIP application, you can view the aggregate collateral values for your account throughout the day.

TIP will compare the collateral value received from the safekeeping systems to your account balance. If your collateral value is less than your current account balance, your account is collaterally deficient. Your TIP Main Account is immediately reduced and your Reserve Account is debited if a deficiency is detected. If your SDI or TIO Account is under-collateralized, you will be contacted by the TT&L TSC and asked to pledge additional collateral or have funds withdrawn from your SDI or TIO Account.

*\* Collateral for TIO is monitored by the Collateral Monitoring Unit at the Federal Reserve Bank of St. Louis. Your TIP aggregate collateral value does not include collateral pledged to your TIO Account. Collateral values are updated at 50 minutes past the hour and as collateral is pledged to your TIO Account. To determine the exact amount of collateral pledged to TIO, call the TT&L TSC at 1-888-568-7343.*

The schedule below lists the times collateral monitoring will occur.

<b>Collateral snapshot taken by Safekeeping Systems at:</b>	<b>TIP monitors collateral at:</b>	<b>Reserve debit sent to Federal Reserve accounting system at:</b>
4 a.m.	4:50 a.m.	7:20 a.m.
10 a.m.	10:50 a.m.	11:20 a.m.
11 a.m.	11:50 a.m.	12:20 p.m.
Noon	12:50 p.m.	1:20 p.m.
1 p.m.	1:50 p.m.	2:20 p.m.
2 p.m.	2:50 p.m.	3:20 p.m.
3 p.m.	3:50 p.m.	4:20 p.m.
4 p.m.	4:50 p.m.	5:20 p.m.
5 p.m.	5:50 p.m.	6:20 p.m.

*Note: Chart reflects approximate times.*

## **COLLATERAL MONITORING BY OPTION**

- **Retainers and Investors** collateralize the amount of funds held in their TIP Main Account plus any in-transit AOC balances for paper FTDs in excess of insurance.
- **Collectors** pledge collateral for in-transit AOCs when the total is in excess of recognized insurance.
- **TIO and SDI** collateral Accounts are monitored separately from the TIP Main Account.

## **COLLATERAL DEPOSITS**

If your financial institution would like to retain additional Treasury funds in its TIP Main Account, you need to pledge enough collateral to cover those funds. (In addition, ensure your balance limit has been raised to accommodate your need for additional funds.) Follow your financial institution's current procedures for depositing additional securities. If your financial institution pledges ineligible securities, you will be contacted by the Federal Reserve to release them.

## **COLLATERAL WITHDRAWALS**

Withdrawal requests received by the Federal Reserve are approved by the TT&L TSC. For release requests for Book-Entry securities through the Fedwire Securities Service, the normal national cutoff time applies. For definitive collateral release requests, the local Federal Reserve district cutoff times apply to the request. Definitive collateral includes securities held by an authorized third-party custodian or collateral pledged through an OPC arrangement. Normally, requests for the withdrawal of securities pledged to TIP Main,

SDI and TIO Accounts will not be approved by the TT&L TSC after 5 p.m. your financial institution also must key in a withdrawal request at least one hour before the Fedwire Securities Service and TIP cutoff times to accommodate the release of the collateral. Contact the TT&L TSC at 1-888-568-7343 if you have any questions about a particular release.

If the withdrawal creates a collateral deficiency in your TIP Main Account, TIP performs a collateral deficiency withdrawal during the next hourly sweep. A collateral deficiency withdrawal reduces your TIP Main Account, debits your or your correspondent's Reserve Account and credits the Treasury's account.

## **COLLATERAL SUBSTITUTIONS**

When a financial institution performs a collateral substitution, it should deposit the new collateral first to avoid a deficiency. If the withdrawal occurs first, the account may be viewed as under-collateralized and may inadvertently have a collateral deficiency withdrawal processed.

## **COLLATERAL MONITORING FOR THE TIP SDI ACCOUNT**

TIP uses the CMS collateral value files it receives to compare your OPC collateral value to the SDI Account balance. If the collateral value is less than the SDI Account balance, your financial institution is collaterally deficient, and the TT&L TSC contacts you to discuss pledging additional collateral to your SDI Account. If you choose not to pledge additional collateral, any uncollateralized funds will be withdrawn from your account. Your SDI Account is reduced, your or your correspondent's Reserve Account is debited and the Treasury's account is credited.

## **COLLATERAL MONITORING FOR THE TIO ACCOUNT**

TIP uses the CMS collateral files it receives to compare your OPC and securities collateral values to the TIO Account Balance. If the collateral value is less than the TIO Account Balance, your financial institution is under-collateralized, and the TSC contacts you to discuss pledging additional collateral to your TIO Account. If you choose not to pledge additional collateral, any uncollateralized funds will be withdrawn from your account by a designated time and a penalty may be assessed at the discretion of the Treasury. Further details are available in the TIO instructions.

# Accounting

## RESERVE ACCOUNT

TIP/PATAX applications post transactions in near real-time. AOC payments, Federal Reserve Tax Application (FR-ETA) payments, adjustments, collateral deficiencies, Treasury investments and withdrawals settle near real-time to your or your correspondent's Reserve Account. you are able to monitor your account throughout the day by using TT&L Plus.

## SERVICE CODES

The first two digits of the transaction code, called the Standard information Release (SIR) code, appear as **59** on the accounting statement.

The list of integrated Accounting System (IAS) transaction codes and descriptions can be found on page 28 in Appendix B.

## MAIN AND SDI ACCOUNT INTEREST AND PENALTY CHARGES

Interest charges for retaining Treasury funds and accepting Treasury investments (Retainer or investor institutions) are assessed weekly in TIP. The interest is calculated in the early afternoon and can be seen on Thursday's TIP activity statement when you request it or at the end of the day. The interest is then charged to your account at the end of the day. (If Thursday happens to be a Federal Reserve System holiday, you will see the interest charge on the next business day's activity statement.)

A penalty may be assessed for delayed processing of EFTPS payments and charged weekly at the direction of the Treasury. The penalty process begins when a taxpayer is assessed a late fee by the IRS for their tax payment. The taxpayer then provides the IRS with written acknowledgement from your financial institution that the delay in the tax payment was caused by your financial institution. The Treasury directs the Federal Reserve to calculate and charge a penalty to your financial institution for the late tax payment. if you believe that your financial institution has been charged a penalty inaccurately, you can dispute it by contacting the TT&L TSC. If your dispute is honored by the Treasury, a penalty abatement is credited to your account on the same weekly interval. If you see a penalty or penalty abatement entry on your Thursday activity statement, the entry is posted to your or your correspondent's Reserve Account on the next business day. (If Thursday happens to be a Federal Reserve holiday, the entry will be posted on the next business day's activity statement.)

Interest for stale and undated paper FTDs is assessed on a monthly cycle. Stale and undated interest charges are listed on the PATAX Supplementary Statement for cycle-FTD Stale and undated charges report that is available on the ninth business day of the month.

All AOCs should be reported to the Federal Reserve by 5 p.m. on the next business day after the AOC was received by the financial institution. if the AOCs are not received in a timely manner, PATAX calculates a late fee. Late fee information is shown on the monthly PATAX depository cycle statement.

## TIO ACCOUNT INTEREST AND PENALTY CHARGES

Interest for retaining TIO funds will be calculated on your financial institution's TIO Account balance from the investment date until the end of term date for a particular Term investment. Interest is determined by applying the auction rate set or awarded at each auction to the invested amount held in your TIO Account balance multiplied by the length of the term, in days, divided by 360. The interest on a TIO investment is collected at the same time as the invested balance is withdrawn. Your financial institution will be notified by TIO support staff on the TIO activity statement of the amount of interest to be collected, and TIO support staff will collect the interest due the Treasury through your Reserve Account.

Penalties will be charged at the discretion of the Treasury for uninvested awards and early withdrawals.

## ADJUSTMENTS

### *How To Avoid Paper Tax Payment Processing Errors*

When processing FTD or AOC forms, ensure you correctly date all the forms, properly add the FTD coupons, mail the forms to the IRS in a timely fashion and accurately report the AOC information to the Federal Reserve. Following these simple procedures helps your financial institution reduce its adjustments.

If you make an addition error while processing or reporting AOC information, the IRS will detect the error when it processes the FTD coupons and will authorize the Federal Reserve to adjust your account. An increase adjustment will increase your TIP Main Account, if capacity exists, or create a debit to your Reserve Account, if there is no capacity for the funds. A decrease adjustment will create a credit to your Reserve Account for the amount of adjusted funds. If an AOC is understated or overstated, an adjustment also ensures that interest on the understated or overstated amount is paid to your financial institution or the Treasury, whichever was denied the use of funds.

Correctly reporting AOC information to the Federal Reserve is important because your Reserve Account is affected throughout the day. If an error is made, your institution must wait for the IRS to authorize the adjustment. Because the Treasury uses data provided by TIP for its cash management purposes, the Federal Reserve is not able to immediately reverse an incorrect AOC entry after it has been processed by TIP and reported to the Treasury.

Although most errors are found and corrected by the IRS, you can contact the TT&L TSC at 1-888-568- 7343 if you notice an error that needs to be adjusted. **Under no circumstances should you attempt to correct a processing error yourself.** Usually, the IRS will process an adjustment within 20 business days.

The IRS then sends your adjustment to the Federal Reserve for posting. Adjustments are processed hourly and posted, if applicable, to your or your correspondent's Reserve Account throughout the day. Adjustments are reflected in your TIP activity statement.

## BALANCING/REPORTS

If you are a Retainer or investor participant, you should monitor your TIP Account regularly because activity affects your or your correspondent's Reserve Account throughout the day. This is especially important

if you are a Dynamic Investment participant. Collector institutions may want to monitor their activity by reviewing their statements. However, collectors have more advance notice of Reserve entries because charges are directly related to when they input their transactions. Some of the tools you can use to balance your account include:

- ***TIP statements***

Retainer and investor financial institutions are encouraged to monitor their accounts throughout the business day by requesting the TIP activity statement. It contains helpful information about electronic and paper tax deposits, Treasury investments and withdrawals, adjustments and collateral activity. An end-of-day activity statement is also distributed automatically to each TIP participant, including collectors, and is available between 7 p.m. and 9:30 p.m. each business day.

Customers can also request a TIP account status report throughout the day to view a brief snapshot of an account's current status.

TT&L Plus customers can just sign on to the application and click on reports to view their statements.

- ***PATAX statements***

Your financial institution can choose to receive a daily, semi-weekly, weekly, semi-monthly or monthly listing of the AOCs it submits. A TT&L Plus customer can also request a daily PATAX AOC processing report at any time. Your financial institution should also review its monthly PATAX stale and undated charges report and the monthly PATAX depository cycle statement to determine if there are any stale, undated or late fee charges for an AOC item.

If your institution uses TT&L Plus to transmit AOCs, you will be able to view and print daily deposit listings.

- ***Accounting Statements***

Refer to the Financial Services web site at [www.frb services.org](http://www.frb services.org) (click on the Accounting section), your Account Management Guide or contact your local Federal Reserve bank's accounting services or customer relations area if you have questions about accounting statements or inquiries.

- ***TIO Statements***

TIO statements detailing outstanding investments held in your TIO Account balance are distributed via e-mail on days there is account activity. TIO activity is not included in the daily TIP activity statement generated by TIP.

## **POSTING TIMES**

TT&L transactions post to the Daylight Overdraft Reporting and Pricing System (DORPS) throughout the day. Refer to the DORPS Posting Requirements by IAS Standard Transactions code document for current posting times.

# Connectivity

All electronically connected financial institutions will receive reports via TT&L Plus. TIP investment and withdrawal activity is dynamic—it is posted throughout the day. Retainer and investor financial institutions should actively monitor their account(s) using an electronic connection.

## THROUGH TT&L PLUS ON THE WEB

### ***Introduction***

All financial institutions requesting access to TT&L will be granted access to TT&L Plus. Financial institutions can use TT&L Plus to submit AOC information to the Federal Reserve and to access PATAX and TIP reports. TT&L Plus must be accessed through an internet service provider. If your institution does not have contingency plans in place, we recommend that you make arrangements with an internet service provider.

### ***Functions in TT&L Plus***

With TT&L on the web, you can:

- request statements and reports,
- enter AOCs,
- review account activity,
- change a balance limit and
- withdraw funds.

### ***Broadcast Message***

These are important informational messages pertaining to accelerated calls (drawdowns from your TT&L account) and ad hoc messages, such as system changes or system problems. Once you have successfully logged in, you will see the About page. TT&L Plus will display broadcast messages on the About page on the day of the broadcast message. They will be listed by priority, with the highest priority item first.

### ***News Flash***

TT&L Plus will display a News Flash periodically. A News Flash provides time-critical and important information for all TT&L customers regarding system changes and upgrades. The News Flash will remain on the About page for five days. There is no archive of previous News Flashes.

## **Entering AOCs**

AOCs should be entered by 5 p.m. on the business day following receipt of an FTD. You can enter your AOC information for the next business day beginning at 5:30 p.m. on the day of receipt through 5 p.m. on the next business day.

*Note: AOC entry and inquiry is not available from 4 a.m. Saturday until 5 p.m. Sunday or from 5 p.m. to 5:30 p.m. each business day.*

## **AOC Acknowledgement**

The AOC Acknowledgement will show transactions that are accepted, rejected or pending.

## **AOC Processing Report**

The AOC Processing Report has a list of all AOCs entered and a recap by branch. It only shows transactions that were accepted. The AOC Processing Report will be available for seven days. The AOC Processing Report also can be requested for up to 60 days.

## **Retainer and Investor Financial Institutions**

### **View Account Status**

The Account Status page allows you to view the status of your TT&L Main or SDI Account. TIP activity statements are available for 18 months.

The data displayed are as of the time and date you requested the information. you can change the account and the date of the information by changing the data in the Account View drop-down box. If you are a correspondent or third-party processor for other financial institutions, you can view their data by changing the ABA in the proper field. If you request information from a prior date, the information shown will be as of the end of that day.

### **Collateral Status**

The collateral Account List, available under Reports on the navigation bar, reflects all the security accounts (such as U.S. Trustees, Department of Labor, Bankruptcy courts, etc.) to which you have collateral pledged. It lists the security account name, total collateral value and the amount to be collateralized for each account.

### **Change Balance Limit**

Retainer and investor financial institutions will be able to change their balance limits for their TT&L main accounts.

### **Withdraw Funds (formerly Administrative Withdrawal)**

Retainer and investor financial institutions will be able to withdraw funds from their TT&L main accounts.

# Appendix A

## Glossary

**Advice of Credit (AOC)**—The form used to summarize and report FTD coupon deposits to the IRS and the Federal Reserve System. This form is known as Treasury Form 2284: Advice of credit.

**Automated Clearing House (ACH)**—A computer-based clearing and settlement facility used for the interchange of electronic debits and credits among financial institutions.

**Auction**—A competitive bidding process by which the Department of Treasury invests funds with participants in the Term investment Option.

**Auction Rate**—The interest rate assigned to all awarded amounts that is equal to the lowest accepted bid rate.

**ACH Credit**—An ACH credit entry for tax payment is a transaction originated by a financial institution upon the taxpayer's request. The financial institution will follow all applicable ACH association guidelines when initiating the transfer of funds to make a federal tax payment from the taxpayer's account to the Treasury's account.

**ACH Debit**—An ACH debit entry for tax payment is a transaction originated by the Treasury Financial Agent at the request of the taxpayer in accordance with all applicable ACH association guidelines. The taxpayer instructs the Treasury Financial Agent to initiate the transfer of funds to make a federal tax payment from the taxpayer's account at its financial institution to the Treasury's account.

**Balance Limit**—The highest amount a financial institution has stated it will accept in its Main Account.

**Bid**—An offer at an interest rate to accept a stated amount of Term investment Option funds which may be pro-rated in the auction process.

**Book-Entry Security**—A marketable security issued in electronic form by the Treasury or government-sponsored enterprise, any agency or instrument thereof, certain international organizations, or others that the Federal Reserve has determined are eligible to be held in the National Book Entry System (NBES) and are eligible for transfer. Book-Entry securities can be referred to as collateral if they are held in a restricted account.

**Borrower-In-Custody (BIC) Collateral**—Also referred to as Off-Premise collateral (OPC). BIC and OPC refer to an arrangement by which a financial institution pledging collateral for advances at the discount window or collateral to secure Special Direct investments in the TT&L program is permitted to retain possession of that collateral on its own premises, subject to the terms and conditions agreed upon between the Federal Reserve and the financial institution.

**Collateral**—A marketable security or type of asset that has been determined by the Treasury and approved by the Federal Reserve System as acceptable for pledging to a Treasury Fiscal Service collateral Program. The pledgor (financial institution) gives collateral to secure TT&L deposits or investment balances.

**Collateral Management System (CMS)**—An electronic system maintained by the Federal Reserve System that tracks and records definitive collateral. Definitive collateral includes securities held by a third-party custodian, collateral held in an OPC arrangement and collateral held in a Federal Reserve bank vault.

**Collector Institution**—A financial institution that accepts electronic and paper tax payments from its corporate customers. The amount of paper tax deposits collected by the financial institution is withdrawn from the financial institution's Reserve Account for deposit to the Treasury's account on the business day that the Federal Reserve receives AOC information supporting the deposits.

**Daylight Overdraft Reporting and Pricing System (DORPS)** —The computer system used by the Federal Reserve to measure and assess fees for daylight overdrafts in Federal Reserve accounts.

**Definitive Collateral**—Obligations issued by the Treasury, government agencies, state and local governments, customer notes, or other asset types that the Treasury and Federal Reserve have determined are eligible to be held in a Restricted Account. Definitive collateral includes securities held by a third-party custodian, collateral held in an OPC arrangement and collateral held in a Federal Reserve bank vault.

**Electronic Federal Tax Payment System (EFTPS)**—A program that provides an electronic means for reporting and paying federal taxes. Taxes may be paid before their due date by using the mechanisms of ACH Debit or credit through the Treasury Financial Agents. Alternatively, taxes may be paid on the tax due date by using the FR-ETA.

**End of Term Date** —The date specified in the Term investment Option Auction Announcement on which the Term investment must be returned to the Treasury.

**Federal Funds Rate** —The rate of interest charged for the purchase and sale of excess reserve balances.

**Federal Reserve Electronic Tax Application (FR-ETA)**—The Federal Reserve System application used for same-day payment of federal taxes. The system collects tax payment information from the Value Fedwire (Funds Transfer Message Type 1000) and Non-Value Fedwire (Funds Transfer Message Type 1090).

**Federal Tax Deposit (FTD) Coupon**—A pre-inscribed, machine-readable form supplied to a taxpayer by the IRS to accompany deposits of federal taxes.

**Future (Warehoused) Treasury Withdrawals**—Withdrawal instructions have been issued by the Treasury, but the withdrawal amount has not been determined because the balance date (generation date) and time are in the future.

**Integrated Accounting System (IAS)**—A Federal Reserve System application that stores and maintains all Federal Reserve accounting activities.

**In-transit**—Funds held overnight by financial institutions due to a taxpayer remitting tax payment with a paper FTD coupon. The funds must be fully collateralized overnight.

**Investment Date** —The date specified in the Term investment Option auction announcement on which the settlement amount is transferred to successful bidders and from which interest begins to accrue.

**Investor Institution**—A financial institution that may retain a portion of the tax deposits received through electronic and paper tax payments and accept funds from the Treasury, via Direct investments, Dynamic investments or SDIs. All investments in an investor's TT&L account must be fully collateralized, and financial institutions pay the Treasury interest for use of the funds. Investors must also fully collateralize the value of paper tax payment funds (AOCs) that are in-transit overnight.

**Length of Term** —The length of time, in days, from the investment date until the end of term date.

**Local Security Administrator (LSA)**—A representative at a financial institution chosen to maintain the security of the TT&L Plus web application for all users within that financial institution.

**Main Account Balance** —The dollar value of funds a financial institution retains in an open-ended, interest-bearing account. The funds are received through paper and EFTPS tax deposit transactions and deposited by the Treasury through a Direct investment or a Dynamic investment.

**National Book-Entry System (NBES)**—A Federal Reserve System application that stores and maintains information about Book-Entry securities.

**Offering** —The amount of funds that Treasury announces will be available for a Term investment Option auction.

**Penalty**—An amount charged to a financial institution at the direction of the U.S. Treasury for mishandled tax payments. Penalties can be seen on the activity statement each Thursday.

**Penalty Abatement**—A reversal of a penalty.

**Pending Treasury Withdrawals**—Withdrawals that have been generated and are ready to be posted when due; however, until posted, the withdrawal may be canceled by the Treasury.

**Pledgee**—A party (government agency) whose interests (funds) are secured by pledged collateral.

**Pledgor**—A party (financial institution) that pledges collateral to secure the pledgee's interest (funds).

**Posted Treasury Withdrawal** —The withdrawal amount has been posted to your TIP account, your or your correspondent's Reserve Account has been debited and the Treasury's account has been credited.

**Reserve Account**—An account held by a financial institution in a Federal Reserve bank in which payment obligations between the financial institution and the Federal Reserve are settled.

**Retainer Institution**—A financial institution that accepts electronic and paper tax payments from its corporate customers. Retainers may retain the tax deposits depending on their balance limits, collateral values and account balances. All investments in a Retainer's TT&L account must be fully collateralized, and financial institutions pay the Treasury interest for use of the funds. Retainers must also fully collateralize the value of paper tax payment funds (AOCs) that are in-transit overnight.

**Single-Rate Auction**—An auction in which all successful bidders pay the lowest accepted bid rate regardless of the rates they each bid.

**Special Direct Investment (SDI) Account**—An open-ended, interest-bearing account into which funds are invested upon the Treasury's direction. Participants must be enrolled in the Direct investment program and qualify to hold collateral in a BIC arrangement (also called an OPC).

**Stale-Dated Coupon**—An FTD coupon not included in the AOC of the same date as the FTD coupon. Instead, it is included in an AOC of a later date. A stale-dated coupon results in a stale-dated coupon charge.

**Term Investment Option (TIO)**—A program available to depositaries that offers the ability to hold excess Treasury operating funds for a predetermined period of time at a fixed rate of interest.

**Treasury Financial Agent (TFA)**—A financial institution designated as an agent of the Treasury for processing EFTPS one-day enrollments, receiving EFTPS tax payment information and originating ACH debit entries for taxpayers.

**TIO Support Staff**—customer service area for the Federal Reserve System specializing in assisting customers with questions or problems with the TIO program. The phone number is 1-800-333-0870. Service hours are 8 a.m. to 5 p.m.CT every Federal Reserve business day.

**TT&L Plus**—Web-based access to information regarding financial institutions' participation in the TT&L program. There is no fee or additional equipment for the service. TT&L Plus can be accessed easily from any internet-connected Pc.

**TT&L Treasury Support Center (TSC)**—customer service area for the Federal Reserve System specializing in monitoring collateral pledged to cover Treasury funds and assisting customers with questions or problems with the TT&L program. The phone number is 1-888-568-7343. Service hours are 8 a.m. to 6 p.m. every Federal Reserve business day.

**Undated Coupon**—An FTD coupon that was not properly date stamped. An undated coupon results in a charge.

**Warehoused (Future) Treasury Withdrawals**—Withdrawal instructions have been issued by the Treasury, but the withdrawal amount has not been determined because the balance date (generation date) and time are in the future.

## Appendix B

### IAS Transaction Codes

Tran Code	Abbreviated Description	Description	Stmt Code
59010	ETA NVAL FEDW UNINV	FR-ETA Non-value Fedwire uninvested	ETA U
59020	ETA NVAL FEDW ADJ	FR-ETA Non-value Fedwire adjustment	ETA A
59030	ETA NVAL ADJ > 1M	FR-ETA Non-value adjustment > \$1 million	ETA A
59040	ETA VAL FEDW INV	FR-ETA Value Fedwire invested	ETAV I
59050	EFTPS ACH DBTINV	EFTPS Automated clearing House debit invested	ACH D
59060	EFTPS ACHC CDT INV	EFTPS Automated clearing House credit invested	ACH C
59080	MAIN ACT TREAS WDL	Main Account Treasury withdrawal	TRS W
59090	MAIN ACT ADM WDL	Main Account Administrative withdrawal	ADM W
59092	TERM WITH AT MATUR	Term withdrawal at maturity	N/A
59093	TERM EARLY WITH	Term administrative withdrawal	N/A
59100	SDI TREAS WDL	SDI Treasury withdrawal	TRS W
59110	SDI ADM WDL	SDI administrative withdrawal	ADM W
59120	MAIN BAL LIMIT WDL	Main Account balance limit withdrawal	BAL W
59130	MAIN COLL DEF WDL	Main Account collateral deficiency withdrawal	CDF W
59132	TERM ACCT COLL DEF	Term collateral deficiency withdrawal	N/A
59150	PENALTY	Penalty for mishandling EFTPS payments	PNALTY
59152	TERM ACCT PENALTY	Term penalty assessed by Treasury	N/A
59160	PENALTY ABATEMENT	Previously charged penalty is reversed	ABATE
59170	MAYN ACCT ADM INV	Main Account administrative investment	ADM I
59172	TERM ACCT INV	Term investment	N/A
59180	TREAS DIRECT INV	Treasury Direct investment	TRS I
59190	TREAS SDI INV	Treasury SDI investment	TRS I
59192	PENALTY ABATEMENT REV	Previously charged Term penalty reversed	N/A
59200	SDI ADM INV	SDI administrative investment	ADM I
59210	DYNAMIC INV	Dynamic investment	DYMC I
59220	MAIN/SDI INT	Main or SDI Account interest	INT
59223	TERM ACCT INT	Term Account interest	N/A
59230	ADJ INT	Adjustment interest	INT
59250	PATAX INT/LATE FEE	Paper Tax System interest charge or late fee	INT
59260	PATAX AOC DEPOSITS	Paper Tax System Advices of Credit uninvested	AOC U
59270	PATAX ADJ	Paper Tax System adjustment	AOC A
59280	PATAX ADJ > 1MIL	Paper Tax System adjustment > \$1 million	AOC A

# Appendix C

## Information on Reports

### REPORTS (UNSOLICITED AND SOLICITED)

*Note: Unsolicited reports are generated automatically for the financial institution. Solicited reports can be requested by the financial institution throughout the business day.*

*Note: TIO activity is reported separately from all other Treasury Investment activity. A TIO statement is generated when there is outstanding activity and e-mailed directly to participants.*

<b>TIP Statements</b>	
<i>Unsolicited Reports:</i>	<i>Information Detailed in Report:</i>
Activity statement for Main Account (available daily, between 7 p.m. and 9:30 p.m.)	<ul style="list-style-type: none"> <li>• Account activity</li> <li>• Collateral balance status</li> <li>• Pending Treasury investments</li> <li>• Pending and future Treasury withdrawals</li> <li>• FR-ETA decrease adjustments</li> <li>• PATAX decrease adjustments</li> <li>• Weekly interest (Thursdays)</li> <li>• Adjustment interest (Thursdays)</li> <li>• Penalties and penalty abatements (Thursdays)</li> </ul>
Activity statement for SDI Account (available daily, between 7 p.m. and 9:30 p.m.)	<ul style="list-style-type: none"> <li>• Account activity</li> <li>• collateral balance status</li> <li>• Pending Treasury withdrawals and investments</li> <li>• Weekly interest (Thursdays)</li> </ul>
Activity statement for collector (available daily, between 7 p.m. and 9:30 p.m.)	<ul style="list-style-type: none"> <li>• Account activity</li> <li>• collateral balance status</li> <li>• PATAX decrease adjustments</li> <li>• FR-ETA decrease adjustments</li> <li>• Adjustment interest (Thursdays)</li> <li>• Penalties and penalty abatements</li> </ul>

TIP Statements	
<i>Solicited Reports:</i>	<i>Information Detailed in Report::</i>
Activity Statements for Main Account	Reports are automatically sent at the end of the day but can be solicited throughout the day by using TT&L Plus. See TIP Unsolicited Reports for a list of the information detailed in these reports.
Activity Statements for SDI Account	
Activity Statements for Collector	
Account Status for Main Account	<ul style="list-style-type: none"> <li>• Account balance</li> <li>• Book-Entry collateral value/definitive collateral value</li> <li>• Balance limit</li> <li>• Pending and warehoused Treasury withdrawals</li> <li>• Pending investments</li> </ul>
Account Status for SDI Account	<ul style="list-style-type: none"> <li>• Account balance</li> <li>• Definitive collateral value</li> <li>• Pending Treasury withdrawals and investments</li> </ul>

<b>PATAX Statements</b>	
<i>Unsolicited Reports:</i>	<i>Information Detailed in Report:</i>
Stale and undated charges report (received on the ninth business day of the month by midnight)	<ul style="list-style-type: none"> <li>• FTD detail</li> <li>• Total charges levied for stale-dated FTDs</li> <li>• Total charges denied for undated FTDs</li> <li>• Charges for undated FTDs</li> <li>• Total charges assessed</li> </ul>
Depository cycle statement (received monthly at the end of the day on the first Thursday of the monthly cycle by midnight)	<ul style="list-style-type: none"> <li>• Late AOC detail</li> <li>• Total late fee charge</li> <li>• Date change adjustments</li> <li>• Charge reversal for stale-dated FTDs</li> <li>• Charge reversal for undated FTDs</li> </ul>
AOC processing report (received monthly; available at opening of business on first business day of the following month)	<ul style="list-style-type: none"> <li>• Details of AOCs entered by your financial institution</li> <li>• Adjustment log deposit information (missing deposits and replacement card deposits) entered by the Federal Reserve</li> <li>• Any Federal Reserve entered AOCs</li> <li>• Total deposits</li> <li>• Time AOC information sent to TIP</li> </ul>

<b>PATAX Statements</b>	
<i>Unsolicited Reports:</i>	<i>Information Detailed in Report:</i>
Advice of credit processing report, MM/DD/YYYY	<ul style="list-style-type: none"> <li>• Details of AOCs entered by your financial institution on a particular day</li> <li>• Adjustment log deposit information (missing deposits and replacement card deposits) entered by the Federal Reserve</li> <li>• Any Federal Reserve entered AOCs</li> <li>• Total deposits</li> <li>• Time AOC information sent to TIP</li> </ul>

# Appendix D

## Daily Activity Reference Charts

### FINANCIAL INSTITUTIONS THAT HAVE A MAIN ACCOUNT

FINANCIAL INSTITUTIONS THAT HAVE A MAIN ACCOUNT		
<i>Type of Activity</i>	<i>When</i>	<i>Report</i>
Account Balance	Daily after 7 a.m.	Activity Statement (TIP) Account Status (TIP)
Collateral Value	Daily after 7 a.m.	Activity Statement (TIP) Account Status (TIP)
Balance Limit	Daily after 7 a.m.	Activity Statement (TIP) Account Status (TIP)
EFTPS ACH Credit	Daily after 7 a.m.	Activity Statement (TIP)
EFTPS ACH Debit	Daily after 7 a.m.	Activity Statement (TIP)
FR-ETA non-value Fedwire Transaction	Daily after 9:00 a.m.	Activity Statement (TIP)
FR-ETA value Fedwire transaction	Daily after 9:00 a.m.	Activity Statement (TIP)
Summarized AOC totals from PATAX by RTN	Daily after 7 a.m.	Activity Statement (TIP)
All AOC detail for depositor	After 7 p.m.: Daily, semi-weekly, weekly, semi-monthly or monthly	Advice of Credit processing report (PATAX)
PATAX/FR-ETA decrease adjustment	Daily after 7 a.m.	Activity Statement (TIP)
PATAX increase adjustment	Daily after 7 a.m.	Activity Statement (TIP)
Interest	Calculated early afternoon or Thursday	Activity Statement (TIP)
PATAX adjustment interest	Calculated early afternoon or Thursday	Activity Statement (TIP)
Penalties	Thursday	Activity Statement (TIP)
Stale/undated charges	Ninth business day of monthly cycle (same as current TT&L cycle)	PATAX Supplementary Statement for Cycle-FTD Stale and undated Charges report
Late fees	First Thursday of the month after the last Wednesday of the preceding month (same as current TT&L cycle)	Depository Cycle statement (PATAX)
Penalty abatement	Calculated early afternoon on Thursday	Activity Statement (TIP)

General Account Information

**FINANCIAL INSTITUTIONS THAT HAVE A MAIN ACCOUNT (CONT.)**

	Type of Activity	When	Report
<b>Investment</b>	Direct Investment	Daily after 10:45 a.m.	Activity Statement (TIP)
	Dynamic Investment	Daily after 12:15 p.m.	Activity Statement (TIP)
	Pending Investment	Daily after 7 a.m.	Activity Statement (TIP) Activity Status (TIP)
<b>Withdrawals</b>	Treasury Withdrawal	Daily after 10:45 a.m.	Activity Statement (TIP)
	Administrative Withdrawal	Daily after 7 a.m.	Activity Statement (TIP)
	Collateral deficiency Withdrawal	Daily after 7 a.m.	Activity Statement (TIP)
	Balance limit Withdrawal	Daily after 7 a.m.	Activity Statement (TIP)
	Pending Withdrawal	Daily after 7 a.m.	Activity Statement (TIP) Account Status (TIP)
<b>Collateral</b>	Collateral Value	Daily after 7 a.m.	Activity Status (TIP) Account Status (TIP)

**FINANCIAL INSTITUTIONS THAT HAVE AN SDI ACCOUNT**

<b>FINANCIAL INSTITUTIONS THAT HAVE AN SDI ACCOUNT</b>			
<b>General Account Information</b>	<i>Type of Activity</i>	<i>When</i>	<i>Report</i>
<b>General Account Information</b>	Account balance	Daily after 7 a.m.	Activity statement (TIP) Account status (TIP)
	Collateral value	Daily after 7 a.m.	Activity statement (TIP) Account status (TIP)
	Interest	Calculated early afternoon on Thursdays	Activity statement (TIP)
<b>Investments</b>	SDI investment	Daily after 10:45 a.m.	Activity statement (TIP)
	Pending investment	Daily after 7 a.m.	Activity statement (TIP) Account status (TIP)
<b>Withdrawals</b>	Treasury SDI withdrawal	Daily after 10:45 a.m.	Activity statement (TIP)
	Pending withdrawal	Daily after 7 a.m.	Activity statement (TIP) Account status (TIP)

## COLLECTOR FINANCIAL INSTITUTIONS

**General Account Information**

Type of Activity	When	Report
Collateral Value	Daily after 7 a.m.	Activity Statement (TIP)
EFPTS ACH Credit	Daily after 7 a.m.	Activity Statement (TIP)
EFPTS ACH Debit	Daily after 7 a.m.	Activity Statement (TIP)
FR-ETA non-value Fedwire transactions	Daily after 9 a.m.	Activity Statement (TIP)
FR-ETA value Fedwire transactions	Daily after 9 a.m.	Activity Statement (TIP)
AOC detail for input terminal	End of day	Deposit Listing report (PATAX)
AOC detail entered by depositor	Daily after 5 p.m.	Deposit Listing report (PATAX)
Summarized AOC totals from PATAX by RTN	Daily after 7 a.m.	Activity Statement (TIP)
All AOC detail for depositor	After 7 p.m.: Daily, semi-weekly, weekly, semi-monthly or monthly	Advice of Credit Processing report (PATAX)
PATAX/FR-ETA decrease adjustments	Daily after 7 a.m.	Activity Statement (TIP)
PATAX increase adjustments	Daily after 7 a.m.	Activity Statement (TIP)
PATAX adjustment interest	Calculated early afternoon on Thursdays	Activity Statement (TIP)
Penalties	Thursday	Activity Statement (TIP)
Stale/undated charges	Ninth business day of monthly cycle (same as current TT&L cycle)	PATAX Supplementary Statement for Cycle-FTD Stale and Undated Charges report
Late fees	First Thursday of the month after the last Wednesday of the preceding month (same as current TT&L cycle)	Depository cycle statement (PATAX)
Penalty abatement	Calculated early afternoon on Thursday	Activity Statement (TIP)