

**§ 203.3****31 CFR Ch. II (7-1-13 Edition)**

*Same-day payment* means a payment made by a Fedwire® non-value transaction or a Fedwire® value transaction.

*Secretary* means the Secretary of the Treasury, or the Secretary's delegate.

*Special Direct Investment (SDI)* means the placement by Treasury of funds with an investor depositary secured by collateral pledged under a BIC arrangement.

*SDI account balance* means an open-ended, interest-bearing note maintained on the books of the Treasury Support Center representing the amount of SDIs held by an investor depositary and secured by collateral pledged under a BIC arrangement.

*Tax due date* means the day on which a Federal tax payment is due to Treasury, as determined by statute and IRS regulations.

*Term Investments* means Treasury's excess operating funds that have been offered for a predetermined period of time and accepted by depositaries participating in the Term Investment Option.

*Term Investment Option (TIO)* means the program available to depositaries that offers the ability to borrow excess Treasury operating funds for a predetermined period of time.

*TIO account balance* means an interest-bearing note maintained on the books of the Treasury Support Center for a predetermined period of time.

*Treasury Financial Agent (TFA)* means a financial institution designated as an agent of Treasury for processing EFTPS enrollments, consolidating EFTPS tax payment information, and originating ACH debit entries on behalf of Treasury as authorized by the taxpayer.

*Treasury General Account (TGA)* means an account maintained in the name of the United States Treasury at an FRB.

*Treasury Investment Program (TIP)* means the automated system under the TT&L program that receives tax collections, invests funds, and monitors collateral pledged to secure public money.

*TIP main account balance* means an open-ended interest-bearing note maintained on the books of the Treasury Support Center (TSC) representing a retainer or investor depositary's cur-

rent net amount of (i) Federal tax deposits retained by the depositary and/or (ii) Treasury investments made under the Direct investment program.

*Treasury Support Center (TSC)* means the office at the FRB that, as Treasury's Fiscal agent, monitors collateral pledged to secure Treasury funds, manages TT&L program participation for depositaries, and/or carries on its books depositaries' TIP main account balances, SDI account balances, and/or Term Investment Option (TIO) account balances.

*Treasury Tax and Loan (TT&L) account* means a record of transactions on the books of a TT&L depositary reflecting paper tax deposits received by the depositary.

*TT&L depositary or depositary* means a financial institution designated as a depositary by Treasury or the FRB of St. Louis acting as Treasury's Fiscal agent, for the purpose of participating in the investment program and/or PATA. There are three kinds of TT&L depositaries: investor depositaries, retainer depositaries, and collector depositaries.

*TT&L program* means the program for collecting Federal taxes and investing the Government's excess operating funds.

*TT&L rate of interest* means the interest charged on the TIP main account balance and the SDI account balance. The TT&L rate of interest is the rate prescribed by the Secretary taking into consideration prevailing market interest rates. The rate and any rate changes will be announced through a TT&L Special Notice to Depositaries and will be published in the FEDERAL REGISTER and on a Web site maintained by Treasury's Financial Management Service at <http://www.fms.treas.gov>.

**§ 203.3 TT&L depositaries.**

A financial institution that participates in PATA and/or the investment program must be a TT&L depositary. There are three kinds of TT&L depositaries. A collector depositary is a TT&L depositary that accepts paper Federal tax payments and also may accept electronic Federal tax payments, but does not accept direct investments or SDIs. A retainer depositary is a

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TT&L depositary that accepts electronic and/or paper Federal tax payments and retains a portion of the tax deposits in its TIP main account balance. An investor depositary is a TT&L depositary that accepts direct investments, SDIs, or dynamic investments and may accept electronic and/or paper Federal tax payments and retain a portion of those tax deposits. Collector, retainer, and investor depositaries may accept term investments. Retainer and investor depositaries do not have to participate in PATAX.

**§ 203.4 Financial institution eligibility for designation as a TT&L depositary.**

(a) To be designated as a TT&L depositary, a financial institution must be insured as a national banking association, state bank, savings bank, savings association, building and loan, homestead association, Federal home loan bank, credit union, trust company, or a U.S. branch of a foreign banking corporation, the establishment of which has been approved by the Comptroller of the Currency.

(b) A financial institution must possess the authority to pledge collateral to secure TT&L account balances, a TIP main account balance, an SDI account balance, or a no account balance as applicable.

(c) In order to be designated as a TT&L depositary for the purposes of processing Federal tax deposits through PATAX, a financial institution must possess under its charter either general or specific authority permitting the maintenance of the TT&L account, the balance of which is payable on demand without previous notice of intended withdrawal. In addition, investor depositaries and retainer depositaries must possess either general or specific authority permitting the maintenance of a TIP main account balance or an SDI account balance. Investor, retainer, and collector depositaries that accept term investments must possess either general or specific authority permitting the maintenance of a TIO account balance. In the case of investor and retainer depositaries maintaining a TIP main account balance or an SDI account balance, the authority must permit it the

maintenance of a TIP main account balance or an SDI account balance which is payable on demand without previous notice of intended withdrawal.

**§ 203.5 Designation of financial institutions as TT&L depositaries.**

(a) *Parties to the agreement.* To be designated as a TT&L depositary, a financial institution must enter into a depository agreement with Treasury or Treasury's Fiscal agent. By entering into this agreement, the financial institution agrees to be bound by this part, and procedural instructions issued pursuant to this part. Treasury will not compensate depositaries for servicing and maintaining a TT&L account, or for processing tax payments through EFTPS or PATAX, unless otherwise provided for in procedural instructions.

(b) *Application procedures.* (1) An eligible financial institution seeking designation as a TT&L depositary must file the forms specified in the procedural instructions with the TSC. A TT&L depositary must elect to be one or more of the following:

- (i) A collector depositary;
- (ii) A retainer depositary;
- (iii) An investor depositary.

(2) A financial institution is not authorized to maintain a TT&L account, TIP main account balance, SDI account balance, or TIO account balance until the TSC designates it as a TT&L depositary.

**§ 203.6 Obligations of TT&L depositaries.**

A TT&L depositary must:

(a) Administer a TIP main account balance, SDI account balance, or TIO account balance, as applicable, if participating in the investment program.

(b) Administer a TT&L account, if participating in PATAX.

(c) Comply with the requirements of Section 202 of Executive Order 11246, entitled "Equal Employment Opportunity" (3 CFR, 1964-1965 Comp., p. 339) as amended by Executive Orders 11375 and 12086 (3 CFR, 1966-1970 Comp., p. 684; 3 CFR, 1978 Comp., p. 230), and the regulations issued thereunder at 41 CFR chapter 60.

(d) Comply with the requirements of Section 503 of the Rehabilitation Act of