

PART III - LOCAL DEPOSITS

3/92

4110.1 REV-1CHAPTER 5. FIELD OFFICE REMITTANCE PROCESSING
BY LOCAL DEPOSITORIES

- 5-1. PURPOSE. Remittance processing procedures remain essentially the same for remittances received in the Field Office for which no lockbox has been established. This chapter prescribes procedures for handling remittances in the early stages of the Field Office remittance process using local depositories. Activities in the early stages include the receipt, removal, endorsement, negotiability determination and safeguard of cash remittances.
- 5-2. GENERAL. Local management is responsible for the performance of their workforce in processing HUD's cash collections in accordance with this handbook and Handbook 1911.1 REV-4, Handling and Protecting Cash and Other Negotiable Instruments.
- a. One Deposit Function. Each Field Office manager should arrange to have a single remittance processing activity that includes the deposit function where the Assistant Collection Officer (ACO) and/or Alternate ACO (AACO) are located (see paragraph 1-3).
 - b. One or More Other Processing Functions. In addition, each location may have one or more remittance processing activities that receives, records, controls, and transfers collections for deposit or processing by another organizational unit.
 - c. Single Family Mortgage Insurance Processing Functions. In the case of the single family mortgage insurance collections, a receiving clerk may be designated in the program area to process remittances and forward them to the designated ACO or AACO for depositing.
- 5-3. MAIL DELIVERIES. The receiving clerk (see paragraph 1-3) is to receive all incoming mail and hand deliveries, unless the supervisor specifically designates, in writing, another individual.
- a. Opening and Safeguarding. All incoming mail and hand deliveries received shall be promptly opened on the date received, in full view of other employees and immediately receipt-dated as of the same date. Mail

received too late in the day to be opened may be held until the following morning taking care to follow the safeguarding provisions indicated in Chapter 10. Under no circumstances shall mail be receipt-date stamped as of a date other than that on which it was actually received in the office.

- (1) Unsealed Mail. Special care shall be given to mail received unsealed. It will be the duty of the receiving employee, when cash or a check which is negotiable by the holder is received, to immediately follow the safeguarding provisions indicated in Chapter 10.
- (2) No Remittance Enclosed. When correspondence is received, implying a remittance is enclosed, but no remittance is actually enclosed, the receiving clerk will make notation of such on the accompanying letter or form and initial. The supervisor or, with his/her approval, the receiving clerk will immediately inform the remitter that the remittance was not enclosed.

- b. Recording. Payments received in the Field Office shall be recorded on a HUD-235, Collection Register (see Appendix 2) upon receipt. This includes misdirected lockbox receipts mentioned in paragraph 3-2.
- c. Sorting Fiscal Mail. Each group of incoming mail and hand deliveries containing cash remittances will be sorted into subcategories to facilitate subsequent scheduling.

5-4. FORMS OF REMITTANCES. To the extent possible, collections shall be processed by wire transfer to Treasury or by a Treasury lockbox bank. For those remittances that cannot be processed by one of the above methods, and are still received by HUD, the Field Office should advise the remitters that checks or money orders are preferred to cash.

- a. Cash Receipts. If cash is received first hand by some one other than the receiving clerk, or designated receiving employee, such employee (ACO, closing attorney, etc.) will immediately issue an Official

Receipt, HUD-27038 to the remitter. Enter on the accompanying form or letter (if any): "\$(amount) cash", initial nearby and circle such entry.

- (1) The cash, a copy of the receipt and the form or letter containing the circled entry (if any) will be handed to the appropriate clerk at the earliest opportunity.
 - (2) At this point, the latter will also initial the form or letter in the presence of the employee who first received the collection as a clearance for the first receiver.
- b. Safeguarding Cash. The receiving clerk should keep cash remittances pending deposit in daily "cash" envelopes on which will be written the case number, amount and accounting symbol of each such remittance. All cash shall be kept locked in a desk drawer, steel box, cabinet, or safe compartment during the working day. At all other times, cash and all other funds shall be locked in a safe or steel cabinet.
- 5-5. REMITTANCE NEGOTIABILITY. Receiving clerks must examine each check or money order to determine its negotiability and acceptability. In determining negotiability and acceptability, follow the instructions provided in Handbook 1911.1, REV-4, paragraph 2-3c which details the following negotiability criteria: proper dating; agreement of amounts expressed in words and numbers; proper signature and when required; drawn to proper order; and restrictive inscriptions.
- a. Drawn to Proper Order. Checks or money orders should be payable to the Department of Housing and Urban Development. Any remittance payable otherwise which is susceptible of deposit to the credit of the Treasurer of the United States shall be promptly endorsed as indicated under paragraph 5 of this Chapter. (See Handbook 1911.1, REV-4.)
 - b. Deposited in Error. If a payment is found to have been deposited in error, a letter should be prepared giving the type, amount, FHA case number(s) involved, and the

4110.1 REV-1

schedule of collections number. Forwarded the letter to the Office of Finance and Accounting, FCAD, PO Box 23299, Washington DC 20026-3299.

- 5-6. ENDORSEMENT OF CHECKS. All deposited remittances are to be collected by the depository at par and no fees for protest in this connection nor telegram regarding non-payment will be payable by this Department.
- a. Official Endorsement Stamp. Checks and money orders payable to the Department of Housing and Urban

Development (or Commissioner, by title, not with name) or to the Treasurer of the United States should be promptly endorsed by means of an "Official Endorsement" stamp. However, endorsements are not required on misdirected lockbox remittances, as explained in paragraph 3-2.

86-09-0300
PAY TO ANY FRB OR GENERAL DEPOSITORY
FOR CREDIT TO TREASURER
PAY AT PAR ONLY N.P.
DO NOT WIRE NON PAYMENT
SCH _____ DATE _____
COLLECTIONS OFFICE
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
(FIELD OFFICE NAME)

Official Endorsement Stamp

- (1) The endorsement stamp should be wholly contained within an area 1 1/2" from the trailing edge of the check. See Appendix 14.
 - (2) Stamps without the Agency Location Code (ALC), i.e., 86-09-0300, can be used by mail receiving points to endorse remittances when the ALC is unknown. The ALC can be added after the purpose of the remittance is determined.
 - (3) Endorsement stamps may be obtained through your Administrative Officer.
- b. If a remittance is payable to a named official, it should be stamped immediately with the above endorsement stamp and then the named official should complete the endorsement by adding immediately thereunder: "Without recourse (Signature, Title)."

3/92

5-4

4110.1 REV-1

- (5-6) c. If a remittance to this Department is negotiable by bearer, the official endorsement stamp should be immediately imprinted on its reverse side to restrict negotiability to this Department. Also, this endorsement stamp shall be imprinted on each group of remittances as each group is accumulated by the receiving clerk during the working day, without delay.
- d. If a depository reports inability to collect par on any check, when its returned, it shall be treated the same as an "uncollectible check" covered under Chapter 11.
- e. If this deposit is being made to a Federal Reserve Bank

or Branch, for credit to the U. S. Treasury's General Account, use your CA\$H-LINK Identification Numbers (see paragraph 8-3).