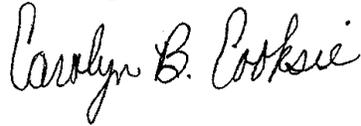


**For:** State and County Offices

**Over the Counter Channel (OTCnet) Communication to Producers and Employees**

**Approved by:** Associate Administrator for Operations and Management



**1 Overview**

**A Background**

CCC is moving toward an electronic method for processing producer’s checks through OTCnet. CCC is currently providing OTCnet training to all Paper Check Conversion (PCC)-OTC and Concentration Banking System (CBS) counties. PCC-OTC and CBS counties will be converted to OTCnet by September 30, 2012.

OTCnet is a web-based application converting paper checks presented to CCC into electronic debits to the producer’s bank account. OTCnet presents many benefits to CCC, including reducing:

- lost or misplaced checks that improves relations with customers and speeds the check-clearing process
- paper handling that minimizes processing and handling costs
- the potential for human error.

**B Purpose**

This notice provides State and County Offices with information to be shared with **all** customers about the OTCnet process.

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 2012 6-13-12	State Offices; State Offices relay to County Offices

## Notice FI-3102

### 1 Overview (Continued)

#### C Contact

If there are questions about this notice, State Offices shall contact the appropriate office as follows.

Issue	Contact
Policy	Veronica Richardson by either of the following: <ul style="list-style-type: none"><li>• e-mail to <b>veronica.richardson@wdc.usda.gov</b></li><li>• telephone at 202-772-6029.</li></ul>
Technical	Any of the following: <ul style="list-style-type: none"><li>• Carrie Miller by either of the following:<ul style="list-style-type: none"><li>• e-mail to <b>carrie.miller@kcc.usda.gov</b></li><li>• telephone at 816-926-2853</li></ul></li><li>• Judy Bates by either of the following:<ul style="list-style-type: none"><li>• e-mail to <b>judy.bates@kcc.usda.gov</b></li><li>• telephone at 816-926-2551</li></ul></li><li>• Stephen Yulich by either of the following:<ul style="list-style-type: none"><li>• e-mail to <b>stephen.yulich@kcc.usda.gov</b></li><li>• telephone at 816-926-6453.</li></ul></li></ul>

### 2 Action

#### A Information to Producers

Service Centers shall publish the OTCnet newsletter article (Exhibit 1) in the FSA newsletter when a newsletter is issued. Send by e-mail to customers who have provided e-mail addresses and have the article available at Service Centers to inform customers of FSA's electronic method of processing customer check payments.

#### B Department of Treasury Requirements to Display Legal Notices

Federal Agencies are governed by 31 CFR Part 210 to either provide or display the OTCnet legal notice (Exhibit 2) to customers submitting payments. FSA shall immediately post Exhibit 2 in an area that will be easily viewed by customers entering Service Centers for business with CCC. FSA can provide a copy of (Exhibit 2) at the time of payment. The legal notice is also displayed on the initial notification or the first demand letter.

**Newsletter Article**

Service Centers shall provide the following information to all FSA customers.

**Over the Counter Channel (OTCnet)**

FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information.

<http://fms.treas.gov/otcnet/legal.html>

**What is OTCnet?**

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

**How will my check be handled?**

The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

**How quickly will funds be transferred from my account?**

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

**How will this transaction appear on my account statement?**

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

**What are my rights if there is a problem with the transaction?**

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

**Legal Notice**

FSA shall post the following legal notice immediately in an area that will be easily viewed by customers entering Service Centers for business with CCC. FSA can also provide a copy at the time of payment.



The U.S. Department of the Treasury  
Financial Management Service

**Notice to Customers Providing Checks in Person or by Mail****CONVERSION OF CHECKS:**

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic funds transfer, funds may be withdrawn from your account as soon as the same day you make your payment.

**INSUFFICIENT FUNDS:**

The electronic funds transfer from your account can occur faster than a check is normally processed. Do not present a check to the cashier unless there are sufficient funds available in your checking account. If the electronic funds transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two more times.

**AUTHORIZATION:**

By presenting your check to the cashier you authorize the conversion of your check into an electronic funds transfer. If the electronic funds transfer cannot be processed for technical reasons, you authorize us to process the copy of your original check.

***Privacy Act*** – A Privacy Act Statement required by 5 U.S.C. § 552a(e)(3) stating our authority for soliciting and collecting the information from your check, and explaining the purposes and routine uses which will be made of your check information, is available from our internet site at (<http://www.fms.treas.gov/otcnet/index.html>) or call toll free at (1-866-945-7920) to obtain a copy by mail. Furnishing the check information is voluntary, but a decision not to do so may require you to make payment by some other method.