

VOLUME 5, CHAPTER 23: “UNITED STATES SAVINGS BOND”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated October 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Update the chapter to include administrative updates and hyperlinks.	Update

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CHAPTER 23

UNITED STATES SAVINGS BONDS

2301 OVERVIEW

Effective September 30, 2010 the Department of the Treasury (Treasury) discontinued the payroll savings plans for the purchase of paper United States (U.S.) Savings Bonds. U.S. Savings Bonds are now purchased through the Treasury's [TreasuryDirect®](#) accounts. U.S. Savings Bonds purchased prior to September 30, 2010 and held in safekeeping will remain there until service members either request them or leave active duty.

2302 SAFEKEEPING SAVINGS BONDS

[230201.](#) Records

The Book-Entry System for safekeeping savings bonds keeps a completely automated inscription data file (excluding the bond serial number which is assigned only when the bond is redeemed) to ensure bonds may be issued on demand. If applicable, the supporting [Defense Finance and Accounting Service \(DFAS\)](#) site keeps a record of each hardcopy bond held for each active duty military member. These records show the bond number, issue date, and denomination and series of the bond. Annually, each supporting DFAS site advises affected active duty military members with bonds held in safekeeping that their bonds held in safekeeping are available upon request.

[230202.](#) Retention of Bonds

A service member's bonds are held in safekeeping only as long as the member is on active duty. The bonds are withdrawn from safekeeping at the time of separation, discharge, or retirement from active duty. If the member does not request his/her bonds at the time of separation, the supporting DFAS site attempts to notify the member, and sends bonds not withdrawn from safekeeping 120-days from the date of separation, discharge, or retirement to the [United States Department of the Treasury, Series HH/H, Bureau of Public Debt \(BPD\), Division of Customer Assistance, P.O. Box 2186, Parkersburg, WV 26106-2186.](#)

[230203.](#) Members Requesting Bonds

Custodians release Book-Entry and/or hardcopy bonds in their possession to a member upon receipt of the member's written request, a signed facsimile request, or sends the member's request to the BPD for release of hardcopy bonds no longer in their possession.

[230204.](#) Undeliverable or Returned Bonds

When the U.S. Postal Service returns a mailed bond to the [Federal Reserve Bank \(FRB\)](#), Pittsburgh as undeliverable, the FRB, Pittsburgh sends the savings bond to the applicable DFAS Disbursing Officer (DO) who keeps a record of all bonds returned as undeliverable using an automated equivalent of [Department of Defense \(DD\) Form 2658](#) (Returned and Undeliverable

Check/Bond Record) following procedures in Chapter 8 for undeliverable Treasury checks. The record must include at least the series, denomination, serial number, and date of the bond; name, address, SSN of the owner; date of return; disposition; and date of disposition. If the bond is later delivered in person to the purchaser of the bond, obtain the signature of the purchaser on the record. The DO makes every effort and uses all possible sources of information to deliver returned bonds. If delivery still cannot be made, the DO shall keep the bond for a period of 30-days.

230205. Disposition After 30-Day Period

After attempts have been made to obtain a current mailing address, send all bonds that have been held as undeliverable for a period of 30-days after receipt, uncanceled, by first-class mail to: Data Entry, Casefile and Scanning Section, [Bureau of the Public Debt \(BPD\)](#), Department of the Treasury, 200 Third Street, Parkersburg, WV 26106-5312. Also send an advance notification letter to the BPD to alert the Bureau that a shipment of undeliverable bonds is in transit. The DO sends the undeliverable bonds to the BPD with a copy of the advance notification and a listing that includes the bond serial numbers. The DO keeps a copy of the letter and list for his/her records. Shipments of undeliverable bonds to the BPD may contain no more than 5,000 bonds. Upon receipt of the shipment, the BPD provides the DO a receipt by signing and returning the DO's original letter.

230206. Inquiries Regarding Nonreceipt of Bonds

If a claim is valid, the DO contacts the FRB, Pittsburgh by email (<http://www.treasurydirect.gov/call.htm>) using the FRB, Pittsburgh's, template, providing the data as shown in Figure 23-1. The DO may send one email message with three different bond owners on one template. The FRB, Pittsburgh processes the [Public Debt \(PD\) Form 3062-4 E](#) (Claim for United States Savings Bonds Not Received). The FRB, Pittsburgh waits 30-days beyond the printing date of the bond before initiating the claims process to allow enough time for return of undeliverable bonds.

230207. Death of a Service Member

In the event of a service member's death, and upon receipt of proof of entitlement to ownership, mail the bonds to the designated co-owner, beneficiary, or executor. If no co-owner, beneficiary, or executor was designated, or if the designated co-owner, beneficiary, or executor cannot be found, send the bonds to the [United States Department of the Treasury, Series HH/H, Bureau of Public Debt \(BPD\), Division of Customer Assistance](#), P.O. Box 2186, Parkersburg, WV 26106-2186.

230208. Storage Facilities

The supporting DFAS site holds bonds that active duty military members elected for safekeeping electronically in the Book-Entry System. Store all bonds, including bonds released from the Book-Entry System and bonds returned undeliverable to the supporting DFAS site, in a vault that meets the same security requirements for storage of Treasury checks as prescribed in

Chapter 3. The supporting DFAS site attempts to obtain a current mailing address for bonds that have been returned undeliverable. If a current mailing address is not obtained, the supporting DFAS site sends all undeliverable bonds that have been held for a period of 3 months after receipt to the [United States Department of the Treasury, Series HH/H, Bureau of Public Debt \(BPD\), Division of Customer Assistance, P.O. Box 2186, Parkersburg, WV 26106-2186](#), for disposition as prescribed in subparagraph [230204](#).

2303 REDEEMING SAVINGS BONDS

230301. General

Military Banking Facilities (MBF) are authorized to redeem savings bonds. In overseas areas where no MBFs are available, DOs may request this authorization through their chain of command. This is the only situation where a DO may redeem savings bonds. If the request is justified, the DO's Commander/Director sends the request to the [United States Department of the Treasury, Series EE and I, Bureau of Public Debt \(BPD\), Division of Customer Assistance, P.O. Box 7015, Parkersburg, WV 26106-7015](#). Disbursing offices with current authority to redeem savings bonds may continue this service providing no changes in area support by a local MBF has occurred.

230302. Cashing Bonds

A. Authorized DOs. The DO authorized to redeem savings bonds must use the redemption tables and procedures in [Department of the Treasury Circular 750](#). Note: Series EE and I Bonds issued after February 2003 must be at least 12 months old based on date of issue before the DO may redeem them.

B. Redeemed Bonds. Return redeemed bonds on a separate [Standard Form \(SF\) 215 \(Deposit Ticket\)](#) following instructions provided by the servicing FRB.

C. Discrepancies. Upon discovery that an amount was paid above that authorized by the applicable redemption table, report the cash shortage as an increase on line 7.2B of the [DD Form 2657](#) (Daily Statement of Accountability), and attempt to recover the overpayment from the payee. If collection is made, prepare an [Optional Form 1017-G](#) (Journal Voucher) to document the collection and record the transaction as a decrease to line 7.2B and an increase to cash. If collection is **not made**, process the shortage as a physical loss of funds as prescribed in Chapter 6.

D. Internal Revenue Service (IRS) Form 1099-INT. The DO issues an [IRS Form 1099-INT](#) (Statement for Recipients of Interest Income) to recipients of \$10 or more of interest paid on redeemed savings bonds. This form includes the amount of interest paid, name, address, Taxpayer Identification Number (usually the bondholder's Social Security Number (SSN)), person to **who** paid, and other information needed by the IRS. Do not cash a bond for individuals who refuses to furnish his/her SSN. Since individuals redeeming bonds may move by calendar year-end, DOs should furnish the form to the recipient at the time of the transaction.

Figure 23-1. Federal Reserve Bank, Pittsburgh Branch's Template for Non-Receipt Claims

Non-Receipt Claims

Bond Serial Number:	
Bond Owner's Social Security Number:	
Name:	
Current Address:	
City, State and Zip Code:	
Is the Bond Owner a Minor? (Yes or No)	