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STATE OF ILLINOIS

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PAYROLL BULLETIN
(16-74)

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SPRINGFIELD, ILLINOIS 62706
217/782-6000

TO: All State Agencies, Departments, Boards,
Commissions and Universities
Attention: Payroll Office

SUBJECT: U.S. Savings Bonds

Effective July 1, 1974, the Office of the Comptroller became an issuing agent for United States Savings Bonds.

It is, therefore, imperative that all Payroll Deduction Authorization for Purchase of United States Savings Bonds cards and Change Authorization for United States Savings Bond Purchase cards be submitted to the bond section of the Comptroller's Office on a timely basis. Failure to do so will affect the timely issuance of the bond for the employee involved.

For instructions pertaining to completing bond deduction cards and bond distribution, refer to sections 23.20.20, 23.20.25, 23.30.40 and 23.40.30 of the CUSAS manual.

Listed below are additional procedures not included in the CUSAS manual.

1. Each employee will be permitted to purchase only one bond per pay period.
2. Each bond may have only one beneficiary or co-owner.
3. An employee, who has taken bonds in the past and is returning from a leave of absence of over sixty (60) days, must complete a new "Payroll Deduction Authorization for Purchase of United States Savings Bonds" card if he again desires to have bond deductions.
4. An employee, who has taken bonds in the past and is returning from a leave of absence of less than sixty (60) days must complete a "Change Authorization for United States Savings Bond Purchase" card indicating at the top of the card "Returning from Leave of Absence" if he again desires to have bond deductions.

5. If bonds are to be in a child's name, type "Educational Bond" in the upper left hand corner of the "Payroll Deduction Authorization for Purchases of United States Savings Bonds" or "Change Authorization for United States Savings Bond Purchase" card.
6. "Revocation of Payroll Deduction" cards must be submitted in all cases in which an employee wishes to terminate bond deductions. The effective pay period of the revocation must be clearly marked.

This office will process bonds on a regular basis. This means that when an employee's deductions for U.S. Savings Bonds equal the purchase price of a bond, the bond will be ready for distribution along with the employee's next payroll warrant to the agency.

The agency will receive with the bonds an itemized transmittal listing in the sequence of social security number within bond denomination within paycode. This listing will include the bond denomination, social security number, paycode, the employee's name, the pay period in which the bond was earned and the serial number of the bond.

The following rules pertaining to undeliverable, lost, stolen or destroyed bonds must be strictly adhered to by the agencies. These rules are in compliance with Federal directives as stated in the "Instructions to Issuing Agents of United States Savings Bonds, Series E".

1. All bonds which are undeliverable after three full months from the issue date are to be returned to the bond section of the Comptroller's Office and should not be cancelled or endorsed in any manner. The bonds are to be accompanied by a letter giving each bond owner's name and social security number and explaining what efforts were made to effect delivery.
2. Under no circumstances are bonds to be stapled or mutilated in any manner which would render them unfit for subsequent processing by accounting machines at the Federal Reserve Bank.
3. Should a bond become lost, stolen or destroyed, before receipt by the owner, the agency is to furnish this Office with a full report in writing of the circumstances together with a complete description of the bond, including the denomination, issue date, serial number and exact

inscription. If delivery was to have been by mail, the addressee shall be required to state that he has made inquiry of all persons who customarily receives mail for him or who would be presumed to receive mail addressed to him at the address given for delivery of the bond, with negative results.

4. Should a bond become lost, stolen or destroyed, after receipt by the owner, the owner should report directly to the Bureau of the Public Debt, Division of Loans and Currency, 536 South Clark Street, Chicago, Illinois 60605 with a complete description of the bond, including the denomination, issue date (month and year typed on bond), serial number and exact inscription. The Treasury Department will handle such a case and furnish appropriate instructions and the form to be used in securing a duplicate bond.

As stated in the CUSAS manual, section 23.40.30, U.S. Savings Bonds will be distributed following the same procedures used for payroll warrants. This section further states that the agencies are responsible for delivering the bond to the employees.

There are two situations which may necessitate a refund from the bond system.

The first is a payment made by the Comptroller's Office to which the employee is not entitled. This situation would be handled via the "Salary Refund Procedure" explained in section 23.20.60 and 23.20.65 of the CUSAS manual.

The second type of refund is the employee who ceases bond deductions and has a balance remaining in the bond system.

This type of refund would require that the employee properly complete and sign a "Savings Bond Refund Form" (C-62). The "Savings Bond Refund Form" (C-62) must then be submitted to the Bond Section of the Comptroller's Office where the refund will be processed.

When a refund of a deceased employee's bond balance is requested this Office will make the warrant payable to the employee. The heir(s) may then deposit the warrant in the account of the estate or utilize a "Small Estate Affidavit" to cash the item.

If the refund request asks that the warrant be made payable to an heir, documentary evidence must be submitted to show that the request payee is indeed the sole heir of the deceased's estate.

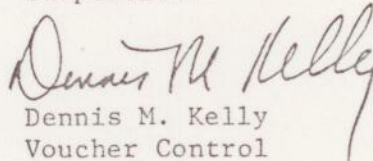
"Savings Bond Refund Forms" (C-62) may be obtained from the Bond Section of the Comptroller's Office.

This Payroll Bulletin supersedes Payroll Bulletin 4-73.

Any questions concerning the handling of U.S. Savings Bonds should be referred to Nancy Smith at 782-5850.

Very truly yours,

George W. Lindberg
Comptroller


By: Dennis M. Kelly
Voucher Control

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