



Matt Blunt, Governor  
State of Missouri

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Department of Economic Development

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**DIVISION OF FINANCE**

D. Eric McClure  
Commissioner of Finance

January 4, 2005

Attention: All Sale of Checks Licensees  
(Money Order and Money Transmitter)

Dear Sir or Madam:

We invite your attention to four matters of importance to your sale of checks operation (i.e. money order, travelers' check or money transmittal business hereafter referred to collectively as "money order"). The first three relate to Missouri law and the other to a federal issue.

First, in accordance with Section 361.711, RSMo, the undersigned Director of Finance has determined that any money order bond or letter of credit (hereafter collectively: "bond") of less than \$100,000 is inadequate. Accordingly, a minimum bond of that amount will be required and no money order license will be issued or renewed without a bond in at least that amount. This is effective immediately for new companies and, for renewals, will be effective April 15, 2005. If this affects your money order operation, you should take timely steps to assure compliance. Both the computation of the bond amount and the bond maximum remain unchanged to wit: for all money order companies which are not money transmitters, the bond will be 5 times the high outstanding balance from the previous year with a minimum of \$100,000 and a maximum of \$1,000,000.

Second, money transmitters' bonds will henceforth be calculated differently. Money transmitters will advise this office, under oath, of the highest amount they transmitted on any one day during the previous calendar year. The bond will then be set at 5 times such figure with a minimum of \$100,000 and a maximum of \$1,000,000. This new approach will be implemented on April 15, 2005, so affected money transmitters should take appropriate steps.

Third, the Division of Finance will require, as prescribed by law, a certified audit before issuing a new or renewal license. Since the April 15<sup>th</sup> license renewal date is relatively close to December 31, at renewal time, we will accept a certified audit as of December 31, 2003 or later. We will insist, however, that you submit a certified audit of your most recent fiscal year end by June 30, 2005. A certified audit, for these purposes, must include a balance sheet, income statement and statement of changes in financial position and the opinion of the CPA that the financials fairly state the financial condition of the subject company in accordance with generally accepted accounting principles.

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Fourth is the federal issue of the Bank Secrecy Act (BSA). The Division of Finance reminds you of your obligations under the BSA and invites your attention to your duties thereunder. We recommend the following website which should give a better understanding of the BSA:

[www.fincen.gov/reg\\_msbsmain.html](http://www.fincen.gov/reg_msbsmain.html)

We have attached a copy of the BSA's Registration of Money Services Business form for your convenience as we will also require for all new or renewal of all money order licenses: A) a copy of this form as filed with the Treasury Department; and B) a copy of the acknowledgement letter received from that department, or a statement explaining why you are exempt from registration.

We hope this letter has been informative and timely. Any questions should be directed to Steve Geary, Supervisor of Consumer Credit, 573-751-3463.

Very truly yours,



D. Eric McClure  
Commissioner of Finance

DEM:tkp