

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

June 28, 1918.
Bulletin No. 112.

SUSPENSION OF SERVICE CHARGE ON COLLECTION ITEMS

TO THE MEMBER BANKS OF DISTRICT NUMBER SEVEN:

We are pleased to announce that the service charge of 10 cents per item for handling collections received from member banks will be suspended on July 1, 1918.

ITEMS WHICH WILL BE RECEIVED

Drafts, notes, bonds, coupons, acceptances, etc. payable at any point in the United States.

CHARGES

We will make no charge other than to cover charges that may be made by the collecting bank, except that a charge of 15 cents per item will be made for items returned unpaid. The purpose of the charge on returned items is to discourage the use of "dunning drafts", which many banks find burdensome.

WHEN PROCEEDS OF ITEMS WILL BE AVAILABLE

Proceeds of items will be available for reserve when we have received available funds, or advice of credit to cover.

CONDITIONS UNDER WHICH ITEMS WILL BE RECEIVED

Every member bank sending collections to us will be understood to have agreed to the terms and conditions set forth in this bulletin, and to have thereby specifically agreed that in receiving such items the Federal Reserve Bank of Chicago will act only as collecting agent of the sending bank, and will assume no responsibility other than due diligence and care in forwarding such items promptly, and will be authorized to send such items for payment direct to the bank at which they are payable, or to the bank obligated for their payment, or to another agent for collection, at discretion.

Respectfully,

JAMES B. McDOUGAL,

Governor.