

**FEDERAL RESERVE BANK
OF DALLAS**

NUMBER 15-B.

May 20, 1915.

TO THE MEMBER BANK ADDRESSED:

Pursuant to the outline submitted in our Circular #15 of April 7th and the accompanying Rules and Requirements, this bank will, effective June first, begin the operation of its system of intra-district collection.

On and after that date only items drawn on members of the collection system, not bearing the endorsement of a bank which has not joined, deposited by a member of the system, will be accepted for credit, except that we will credit on receipt, drafts drawn by member banks (regardless of membership in our collection system) on members of the Federal Reserve System in the cities of New York, Chicago and St. Louis, at the rate of exchange promulgated from time to time by this bank, and will, until further notice, accept items drawn by all member banks on members of the Federal Reserve System in the cities of Boston, Philadelphia, Cleveland, Kansas City, Atlanta, San Francisco, Minneapolis and Richmond, subject to deferred credit based on the actual time necessary for the funds to be to our credit with the Federal Reserve Banks of these cities. Transfers of funds to the Federal Reserve Banks in the above mentioned cities for our credit may be made on the same basis, and forms to be used are in course of preparation and will be furnished when completed. This arrangement is not intended to enable our members to accumulate balances with the object of transferring funds to other centers for convenience, but to provide a facility for re-establishing and maintaining their reserve requirements.

THE PRACTICE OF ACCEPTING ITEMS DRAWN BY MEMBER BANKS ON MEMBER BANKS IN THE SEVERAL RESERVE CITIES IN THIS DISTRICT WILL AFTER THE COLLECTION SYSTEM BECOMES EFFECTIVE?, BE DISCONTINUED, EXCEPT IN SO FAR AS IT WILL OBTAIN UNDER THE REQUIREMENTS OF THE SYSTEM.

Prior to June first, banks which have joined the collection system will be provided with a list of all members, and hereafter on the first and fifteenth days of each month, will be notified of any additions or withdrawals. Resolutions, which have been delayed for any reason, received not later than May 26, 1915 will cause the name of the assenting bank to be included in the first list of members.

Assenting members are reminded that this plan contemplates not only the collection of checks and drafts drawn by member banks on member banks, but checks and drafts payable on presentation drawn on any member bank which has joined the system, whether drawn by member banks, individuals, corporations or firms.

Failure to join the collection system does not restrict the usage of other facilities provided by this bank for its members.

It is hoped by the management of your Federal Reserve Bank that those members which have not assented to the collection plan will lose no opportunity to investigate its practical operation, as similar systems in other Federal Reserve Banks are now being operated successfully and to the satisfaction of their members. In the St. Louis district, after voluntary informal operation for several months, the formal plan was joined by 363 out of 459 banks, only 96 not assenting.

Respectfully,

R. L. VAN ZANDT,

Governor