FEDERAL RESERVE BANK OF DALLAS
OF DALLAS

Circular No. 37.

June 27, 1916.

CLEARING OPERATIONS

TO THE MEMBER BANK ADDRESSED:

Attention is directed to our Circular No. 35, of May 2, 1916, in which is outlined the method to be employed in the handling of checks and drafts, as partially becoming effective July 5, 1916, according to the enclosed announcement.

Since issuing that circular it has been decided to accept items, protest or no protest, under the system of marking recommended by the American Bankers' Association.

The clause, "Collectible at par through the Federal Reserve Banks of Dallas or any other Federal Reserve Bank," should read: "Collectible at par through the Federal Reserve Bank of Dallas," as items on this District are collectible only through the Federal Reserve Bank of the district in which the endorsing bank is located.

An endorsement stamp will be provided, without charge, for endorsing items sent to the District Clearing House, and the items received from member banks will not be re-endorsed, as the channel through which they are presented is clearly established and this practice will contribute toward greater dispatch and a minimum service charge.

A small supply of Form D. C. H. 4, which is self-explanatory, is being forwarded today. Returned unpaid items will be debited and credited to the reserve accounts of the banks interested instead of in the District Clearing House, as previously advised.

Form D. C. H. 5, of which a supply is being sent today, must be used in forwarding currency in order that the sending bank may receive prompt credit, and reimbursement for the transportation cost. These shipments may, until later arrangements for insuring under our policy are made, be covered under the sending bank's own policy, or in the absence of insured mail facilities may be made by express "collect."

The expense of shipments made by one bank for another, to meet settlement checks, will not be borne by this bank.

Items should be addressed to the District Clearing House, and an address stamp will be provided.

The District Clearing House will account for items received before noon on business days except Saturdays, when the hour will be 11:00 a.m. Items received after those hours will be put through the next business day.

Special forms and instructions will be provided upon application for use by banks desiring to route items direct to save time and service charges.

All items received by us will be immediately forwarded to the drawee bank without debiting its reserve account and return of settlement check awaited until sufficient time has elapsed for it to reach us after being returned by the debtor bank. This check must not be altered or any substitution made for it. At the time of returning it provision should be made to have the reserve account in available funds to meet the check.

A list of the non-member banks in this District on which checks and drafts will be collectible at par is enclosed herewith, and a full par list covering the entire United States will be furnished prior to July 15th, on which date the Clearing and Collection System becomes effective in accordance with the previous ruling of the Federal Reserve Board.

Respectfully,

[Signature]

Governor.