

# FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, April 20, 1948

**To the Member and Nonmember Clearing Banks  
in the Eleventh Federal Reserve District:**

Effective May 1, 1948, all Federal Reserve banks and branches will accept cash items deposited with them by member and nonmember clearing banks without description, other than a listing on adding machine tape or cash letter. With this change in procedure the third paragraph under the heading "Preparation of Cash Letters by Sending Banks" in our Bulletin No. 8, dated June 1, 1946, has been revised and the last paragraph has been eliminated.

Even though the previous requirement of the Federal Reserve banks as to the description of cash items is being eliminated, depositing banks, in the interest of sound banking, should maintain adequate records to enable them to identify their depositors and charge back items in the event they are lost or destroyed in transit.

There are enclosed pages 5 and 6 of Bulletin No. 8, which contain the revisions referred to.

Please sign and return the attached card as an acknowledgment of the enclosure.

Yours very truly,

**R. R. GILBERT**

President

### PREPARATION OF CASH LETTERS BY SENDING BANKS

All mail forwarded to the head office at Dallas should be addressed "Federal Reserve Bank, Station K, Dallas 13, Texas."

In order to obtain prompt credit, member and nonmember clearing banks should assort items and list them in separate letters in accordance with our time schedules.

\*\*All cash items, whether subject to immediate or deferred credit, may be forwarded to us or may be forwarded by banks having the direct sending privilege to other Federal Reserve banks or branches without description; however, the depositing banks should maintain adequate records to enable them to identify their depositors in the event any items are lost or destroyed in transit between the depositing bank and the Reserve bank or branch to which such items are sent for collection, or in the event any items are lost or destroyed after receipt by the collecting Reserve bank or branch.

### ENDORSEMENTS

All cash items sent to us, or to another Federal Reserve bank direct for our account, should be endorsed without restriction to the order of the Federal Reserve bank to which sent, or to the order of any bank, banker or trust company, or with some similar endorsement. Cash items will be accepted by us, and by other Federal Reserve banks, only upon the understanding and condition that all prior endorsements are guaranteed by the sending bank. There should be incorporated in the endorsement of the sending bank the phrase "All prior endorsements guaranteed." The act of sending or delivering a cash item to us or to another Federal Reserve bank will, however, be deemed and understood to constitute a guaranty of all prior endorsements on such items, whether or not an express guaranty is incorporated in the sending bank's endorsement. The endorsement of the sending bank should be dated and should show the American Bankers Association transit number of the sending bank in prominent type on both sides.

### UNIFORM INSTRUCTIONS

Federal Reserve banks will receive, handle and forward cash items subject to the following uniform instructions regarding protest and advice of nonpayment except that United States Government checks will not be protested:

- \* (1) DO NOT PROTEST items of \$500.00 or less.
- \* (2) PROTEST dishonored items of \$500.01 or over, except those bearing on their face the A.B.A. no protest symbol of a Federal Reserve bank or of a preceding bank endorser.
- \* (3) DO NOT WIRE ADVICE of nonpayment of items of less than \$1,000.
- \* (4) WIRE ADVICE of nonpayment of all items of \$1,000 or over, except those not paid because of missing, irregular or unsatisfactory endorsement and those bearing on their face "DO NOT WIRE NONPAYMENT" with the A.B.A. transit number of a Federal Reserve bank or of a preceding bank endorser.

\*These provisions changed and became effective March 1, 1948.

\*\*Revised, effective May 1, 1948.

June 1, 1946

All Federal Reserve banks will receive, handle and forward cash items only in accordance with these uniform instructions, and any contrary or special instructions noted on cash letters or otherwise transmitted with cash items will be disregarded.

If a bank should desire to have any cash item handled by us or by any other Federal Reserve bank under any instructions differing from the uniform instructions given above, it will be necessary for such bank to forward such item as an individual noncash item, with the instructions noted in the letter of transmittal, for collection and credit when paid, in accordance with the terms of our current bulletin relating to the collection of noncash items.

### **TELEGRAPHIC COSTS**

Charges for all telegrams pertaining to payment, nonpayment or tracing of items, or in connection with receiving or transmitting any other information or instructions, will be made at commercial rates against the banks from which such items were received; telegrams to such banks will be sent "collect."

### **TIME SCHEDULES AND AVAILABILITY OF CREDITS**

We publish and furnish to member and nonmember clearing banks time schedules showing when cash items will become available for reserve and withdrawal or other use by the sending banks after receipt by us at our head office or branches. For all items received as cash items the sending bank will be given immediate credit or deferred credit, in accordance with such time schedules and as provided in Regulation J. Credit for letters containing items unassorted as to availability may be deferred for the longest period of availability prescribed by the current time schedules of this bank with respect to any item enclosed, not to exceed three business days.

Time schedules do not in many instances show the actual time required for collection, and advices received from us showing the availability of items cannot be considered as advices of actual payment on the dates of availability. Credit will in all instances be subject to receipt of payment by us in actually and finally collected funds.

### **IMMEDIATE CREDIT**

For all such cash items as are accepted for immediate credit in accordance with our current time schedules, immediate credit will be given upon our books at full face value in the reserve account or clearing account upon the day of receipt, and the proceeds will at once be counted as reserve (in the case of a member bank) and become available for withdrawal or other use by the sending bank; provided, however, that we may in our discretion refuse at any time to permit the withdrawal or other use of credit given for any item for which we have not yet received payment in actually and finally collected funds.