Dallas, Texas, October 27, 1952

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

Effective November 1, 1952, all Federal Reserve banks will revise their uniform instructions regarding wire advice of nonpayment of cash items to read as follows:

"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. Include in the wire advice of nonpayment the A.B.A. transit numbers or the names of the two endorsers immediately preceding the Federal Reserve bank."

The change from the previous instructions is the addition of the underlined portion, and provides for furnishing the A.B.A. transit numbers or the names of the two endorsers immediately preceding the Federal Reserve bank. This change is designed to aid endorsing banks in promptly identifying their endorsers on items concerning which wire advices of nonpayment are received.

Pages 5 and 6 of this bank's Bulletin No. 8 entitled "Collection of Cash Items" have been reprinted to incorporate this change. There is enclosed a copy of the reprinted pages for filing in your ring binder containing current bulletins of this bank and the regulations of the Board of Governors of the Federal Reserve System. Please acknowledge receipt on the enclosed postal card.

Yours very truly,

R. R. GILBERT
President
Government checks will be given in accordance with our time schedules and will be subject in all cases to examination and payment by or on behalf of the Treasurer of the United States.

Section 25 of Treasury Department Circular No. 176 (Title 31, Code of Federal Regulations, Chapter II, Subchapter A, Section 202.25) relates to the handling and payment of checks drawn on the Treasurer of the United States received at Federal Reserve banks. Copies of this section will be furnished upon request.

UNITED STATES POSTAL MONEY ORDERS

United States postal money orders will be handled in accordance with an agreement made by the Postmaster General, in behalf of the United States, and the Federal Reserve banks as depositaries and fiscal agents of the United States pursuant to authorization of the Secretary of the Treasury; and with respect to matters not covered by such agreement, the provisions of Regulation J, this bulletin and our time schedules shall be deemed applicable to all postal money orders. Immediate credit will be given to member and nonmember clearing banks for postal money orders as provided in our time schedules and simultaneously with such credit we will debit the amount of such money orders against the general account of the Treasurer of the United States under such symbol numbers as may be assigned by the Treasurer of the United States. Said agreement further provides in effect that no claim for refund or otherwise with respect to any money order debited against the general account of the Treasurer of the United States and delivered to the representative of the Post Office Department as provided in said agreement (other than a claim based on the negligence of a Federal Reserve bank) will be made against or through any Federal Reserve bank; that if the Post Office Department makes any such claim with respect to any such money order, such money order will not be returned or sent to a Federal Reserve bank, but the Post Office Department will deal directly with the bank or the party against which such claim is made; and that the Federal Reserve banks will assist the Post Office Department in making such claim, including making their records and any relevant evidence in their possession available to the Post Office Department.

PREPARATION OF CASH LETTERS BY SENDING BANKS

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. Drafts drawn by member or nonmember clearing banks on their commercial bank correspondents sent to this bank or direct to other Federal Reserve banks or branches for credit should be listed in separate cash letters. Availability of credit for such items will be based on the transit time normally required to effect collection.

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

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 endorsed 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 item, 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 REGARDING PROTEST AND WIRE ADVICE OF NONPAYMENT

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

(1) DO NOT PROTEST items of $500 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. Include in the wire advice of nonpayment the A.B.A. transit numbers or the names of the two endorsers immediately preceding the Federal Reserve bank.

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.

*This provision changed and became effective November 1, 1952