

**FEDERAL RESERVE BANK  
OF DALLAS**

Dallas, Texas, March 20, 1959

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

**Effective May 1, 1959**, all Federal Reserve banks are amending their uniform instructions regarding protest of cash items to read as follows:

- “(1) DO NOT PROTEST items of **less than \$1,000**.
- (2) PROTEST dishonored items of **\$1,000 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.”

Similarly, **effective May 1, 1959**, all Federal Reserve banks are amending their uniform provisions with respect to protest of non-cash items to read as follows:

- “In the absence of specific instructions in the sending bank’s collection letter, this bank will receive, handle, and forward noncash items subject to the following protest instructions:
- (1) DO NOT PROTEST items of **less than \$1,000**.
  - (2) PROTEST dishonored items of **\$1,000 or over**, except bonds, debentures, coupons, and other similar securities.”

The change from the previous instructions or provisions is the increase in amount from \$500.01 to \$1,000.00.

To effect this change in amount, we have reprinted pages 5 and 6 of this bank’s Bulletin No. 8, relating to the collection of cash items, and of our Bulletin No. 9, relating to the collection of non-cash items. Copies of the reprinted pages are enclosed for filing in your ring binder containing bulletins of this bank and regulations of the Board of Governors of the Federal Reserve System. **Effective May 1, 1959**, these pages will supersede, and should be substituted for, similarly numbered pages of Bulletin No. 8 dated April 5, 1957, and of Bulletin No. 9 dated February 1, 1940.

**(OVER)**

Our Bulletin No. 8 Instruction Card, dated March 4, 1958, is not being reprinted at this time, but appropriate changes should be made in your copy of the card to denote the revised minimum amount of a protestable cash item.

It is our understanding that the American Bankers Association is recommending to its member banks that their general transit instructions with respect to protest be changed in like manner.

Please acknowledge receipt of the enclosed reprinted pages by signing and returning the attached postal card.

Yours very truly,

Watrous H. Irons

President

terms of this regulation will be paid, acted upon, or honored after receipt by such Federal Reserve bank of notice of suspension or closing of such paying, remitting, or collecting bank.”

### GOVERNMENT CHECKS

8. United States Government checks will be handled in accordance with, and subject to the provisions of, Treasury Department Circular No. 176 in effect at the time such items are received by us; and with respect to matters not covered by such circular, the provisions of Regulation J, this bulletin and our Bulletin No. 8A shall be deemed applicable to all Government checks. Credit for Government checks will be given in accordance with our Bulletin No. 8A and will be subject in all cases to examination and payment by or on behalf of the Treasurer of the United States.

9. 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.

### POSTAL MONEY ORDERS

10. 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 Bulletin No. 8A 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 Bulletin No. 8A 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

11. Instructions relative to sorting and listing of items are set forth in our Bulletin No. 8A.

**ENDORSEMENTS**

12. 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**

13. 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 less than \$1,000.
- \* (2) PROTEST dishonored items of \$1,000 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.
- (5) DO NOT PROTEST AND DO NOT WIRE ADVICE of nonpayment of any check, regardless of amount, endorsed by the Treasurer of the United States, or endorsed for credit to the Treasurer of the United States, or bearing on its face or in an endorsement the legend "This check is in payment of an obligation to the United States and must be paid at par. N.P. Do not wire nonpayment" or words of similar import.

(SEE PARAGRAPH 28 WITH REFERENCE TO PREPARATION OF WIRE ADVICES OF NONPAYMENT.)

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\*These provisions changed and became effective May 1, 1959.

themselves and not supported by like instructions in the letter of transmittal will be ignored.

Maturing bonds and coupons (except obligations of the United States and of Governmental agencies which are redeemed by the Federal Reserve banks as fiscal agents) should be listed separately as to each class and maturity and only coupons of one class and maturity should be enclosed in the same envelope. Coupons or other securities should not be listed in a letter with checks, notes, bills, or other items. All securities or documents, other than maturing bonds and coupons, should have drafts attached drawn upon the payers for the exact amounts to be collected.

For their own protection and to insure safety, member and nonmember clearing banks should forward bonds, coupons and other valuable securities by insured, registered mail or by express. If desired, registered mail shipments may be insured under this bank's insurance policy at the expense of the sending bank, but in this event a separate advice stating the value of the shipment must be sent to us by open mail on the same day the shipment is made.

Each noncash collection letter covering valuable securities should contain instructions specifying the value for which the securities should be insured; otherwise, if forwarded by mail for collection, they will be insured at a value to be determined by this bank.

Government checks and warrants drawn on the Treasurer of the United States are paid by the Treasury Department only in accordance with the provisions of its circular No. 176, and since a definite advice of payment cannot be obtained they should be sent to this bank only as cash items and not as non-cash items for collection and credit when paid.

#### **PROTEST PRACTICE IN ABSENCE OF INSTRUCTIONS**

In the absence of specific instructions in the sending bank's collection letter, this bank will receive, handle, and forward noncash items subject to the following protest instructions:

- \* (1) DO NOT PROTEST items of less than \$1,000.
- \* (2) PROTEST dishonored items of \$1,000 or over, except bonds, debentures, coupons, and other similar securities.

#### **COLLECTION CHARGES**

Except as provided below, the Federal Reserve banks make no charge for their services in collecting noncash items.

Any noncash item payable in a city where there is a Federal Reserve bank or branch, a collecting agent for which is not specifically designated, will be collected without charge except as provided in items (2) to (5) below. If a collecting agent for any such item is specifically designated, any charge made by such agent will be deducted and the net proceeds of the item credited.

With respect to the collection of noncash items payable outside of Federal Reserve bank and branch cities, it is recognized that any bank selected by a Federal Reserve bank as agent to collect any such item renders a service, in presenting, collecting and remitting, for which a reasonable charge may be made if it cares to do so, and when such a charge is made, it will be deducted and credit given for the net proceeds.

February 1, 1940

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\*These provisions changed and became effective May 1, 1959.

No charge may be made by a collecting bank in connection with the collection or payment of any check that may be handled as a noncash item.

Items sent to the Federal Reserve banks for collection are subject to the following charges:

- (1) Charges made by collecting banks or agents, referred to above;
- (2) Charges made in the discretion of the Federal Reserve banks for handling or collecting securities;
- (3) A service charge of 15c per item on all collection items returned unpaid and unprotested. This charge will not apply to items that are protested;
- (4) Expenses incurred for postage and insurance or express in forwarding items by registered mail or express;
- (5) All telephone and telegraph charges. (See paragraph below, "Telegraphic Advice".)

#### **TELEGRAPHIC ADVICE**

When instructed to do so by sending banks, this bank will request telegraphic advice of payment or nonpayment of noncash items and will transmit by telegraph any information received. 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".

#### **INTERPRETATION OF TERMS REQUESTING TELEGRAPHIC ADVICE**

The terms listed below, when used in advices or communications in connection with noncash items, will be understood to have the meanings indicated, as follows:

- (a) "WIRE PAYMENT" when it is desired that the collecting agent furnish telegraphic advice that payment has been made by the drawee or payer. It will be understood that banks requesting "wire payment" wish to be advised when payment has been made to the collecting agent, rather than when the proceeds are credited to the reserve or nonmember clearing account with the Federal Reserve bank. When a Federal Reserve bank gives such advice of payment, it does not necessarily imply that actually and finally collected funds are in its possession.
- (b) "WIRE NONPAYMENT" when a telegraphic advice of dishonor only is desired.
- (c) "WIRE FATE" or "WIRE PAYMENT OR NONPAYMENT" when a prompt advice of payment or nonpayment by drawee or payer is desired.
- (d) "WIRE CREDIT" when a telegraphic advice of final payment and of credit to the reserve or nonmember clearing account of the sending bank is desired.

#### **AVAILABILITY OF PROCEEDS OF NONCASH ITEMS**

Credit for the proceeds of noncash items, with the usual advice, will be