

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

August 19, 1960

**To All Banks in the
Eleventh Federal Reserve District:**

The Board of Governors of the Federal Reserve System has adopted an amendment to its Regulation J, Check Clearing and Collection, effective August 10, 1960. The amendment provides that a Federal Reserve bank may prescribe the types of checks and other items that will be received as cash items under the regulation, may classify cash items and require separate sorts and cash letters, and may provide different closing times for the receipt of different types or classes of cash items. A copy of the amendment is enclosed.

Supplementing this amendment is a new uniform paragraph in the operating bulletins of the Federal Reserve banks pertaining to the collection of cash items. This uniform provision is found in paragraph 2 of the enclosed revised copy of this bank's Bulletin No. 8, dated August 18, 1960.

The purpose of this action on the part of the Federal Reserve System is to point up that the Federal Reserve banks have authority to handle so-called "headache" checks, and other items not meeting current standards, as cash items subject to prescribed conditions. Banks are aware of the problems involved in processing through check collection channels checks and other items which are not standard in size and design. As the program for electronic processing of checks proceeds, these problems will become more acute. To the extent that checks are not redesigned and made suitable for electronic processing, requirements for separate sorts and earlier deposit deadlines may become necessary at a later date, although this bank has no plans for their establishment at this time.

In addition, Federal Reserve banks have revised the uniform paragraph relating to the check routing symbol. The revised paragraph in our bulletin is headed "Check Standardization" and is No. 36 of the enclosed Bulletin No. 8. All banks are requested to give consideration to the recommended standards set forth in this revised paragraph, in order that checks and other cash items may conform to these standards as soon as possible.

The enclosed amendment to Regulation J and the revised Bulletin No. 8 should be filed in your ring binder of bulletins and regulations. The copy of our Bulletin No. 8, dated April 5, 1957, should be destroyed. Please acknowledge receipt of the amendment and the revised bulletin by signing and returning to us the enclosed postal card.

Yours very truly,

Watrous H. Irons

President

CHECK CLEARING AND COLLECTION

AMENDMENT TO REGULATION J

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective August 10, 1960, Regulation J is amended by the addition of a new sentence at the end of the first sentence of Section 6 reading as follows:

Such rules may, among other things, prescribe the types of checks and other items that will be received as cash items under this regulation, classify cash items, require separate sorts and cash letters, and provide different closing times for the receipt of different types or classes of cash items.

COLLECTION OF CASH ITEMS

To the Member and Nonmember Clearing Banks
of the Eleventh Federal Reserve District:¹

Regulation J of the Board of Governors of the Federal Reserve System, this bulletin and our Bulletin No. 8A prescribe the terms and conditions upon which we will receive and handle cash items for collection. Section 6 of Regulation J provides that each Federal Reserve bank may promulgate rules not inconsistent with the terms of the law or of Regulation J, governing the details of its operations in clearing and collecting checks and other cash items, and that such rules shall be binding upon any member or nonmember clearing bank which sends any check or other cash item to such Federal Reserve bank for collection or to any other Federal Reserve bank for the account of such Federal Reserve bank for collection. This bulletin and our Bulletin No. 8A are issued pursuant to this provision of Regulation J.

Unless otherwise stated, all references to the Federal Reserve Bank of Dallas will include the head office and all of its branches.

ITEMS WHICH WILL BE ACCEPTED AS CASH ITEMS

1. The following will be accepted for collection as cash items:

(1) Checks drawn on banks or banking institutions (including private bankers) located in any Federal Reserve district² which are collectible at par in funds acceptable to the collecting Federal Reserve bank. The "Federal Reserve Par List," indicating the banks upon which checks will be received by Federal Reserve banks for collection and credit, is furnished from time to time and a supplement is furnished each month showing changes subsequent to the last complete list. This list is subject to change without notice and the right is reserved to return without presentment any items drawn on banks which may have withdrawn or may have been removed from the list or may have been reported closed.

(2) Government checks drawn on the Treasurer of the United States.

(3) Postal money orders (United States postal money orders; United States international postal money orders; and domestic-international postal money orders).

¹The provisions of paragraph 14, paragraphs 23 through 29, and paragraphs 36 and 37, as well as those of paragraph 8 with respect to remittance drafts, are applicable not only to member and nonmember clearing banks but also to other par remitting nonmember banks to which we send cash letters. This bulletin is accordingly sent to all member and par remitting nonmember banks in the Eleventh Federal Reserve District.

²For the purposes of this bulletin, any dependency, insular possession or part of the United States outside the States of the United States and the District of Columbia shall be deemed to be in or of such Federal Reserve district as the Board of Governors may designate.

(4) Such other items, collectible at par in funds acceptable to the Federal Reserve bank of the district in which such items are payable, as we may be willing to accept as cash items. When any such item is accepted as a cash item, we will give credit therefor in accordance with the provisions of this bulletin and our Bulletin No. 8A; and with respect to such item the "TERMS OF COLLECTION" of Section 3 of Regulation G of the Board of Governors of the Federal Reserve System, as set forth in our current bulletin relating to the collection of noncash items, will apply as well as the relevant terms and conditions of this bulletin including paragraphs (2) and (4) of Section 5 of Regulation J as set forth in this bulletin.

2. The right is reserved to establish different closing times, and to require separate sorts and cash letters for items which we may be willing to accept as cash items and which are not suitable for processing on high-speed document handling equipment.

3. Items with passbook, certificate or any other document attached, and items with special instructions or requiring special handling should be sent to us as noncash collections, subject to the terms of our current bulletin relating to the collection of noncash items. We reserve the right to return or to handle as a noncash collection any item which has been previously dishonored.

4. Checks drawn on or payable at a nonmember bank which is not included in the currently effective Federal Reserve Par List, referred to above, will not be received either as cash items or as noncash items by us or by any other Federal Reserve bank.

5. In the interests of good banking, the indirect routing of cash items is discouraged, and member and nonmember clearing banks should not send to us or to other Federal Reserve banks for our account, any items payable in other Federal Reserve districts, which bear the endorsements of banks located in other Federal Reserve districts, in cases where it is evident that such items have been routed indirectly.

TERMS AND CONDITIONS OF COLLECTION

6. Every bank sending cash items to us or to another Federal Reserve bank direct for our account, by such act, will be understood to have agreed to the terms and conditions of this bulletin, of our Bulletin No. 8A, and of Regulation J in effect at the time such cash items are received by the Federal Reserve bank.

7. Cash items payable in other Federal Reserve districts and forwarded for collection to the Federal Reserve banks of such other districts either by us or by our member and nonmember clearing banks for our account will be handled by such other Federal Reserve banks subject to the terms and conditions of Regulation J and of the respective bulletins and time schedules of such other Federal Reserve banks, and to the rules of law applicable to such banks; but we will give credit for such items in accordance with our Bulletin No. 8A.

8. Section 5 of Regulation J prescribes terms and conditions under which all Federal Reserve banks will handle checks as cash items for member and nonmember clearing banks. Such terms and conditions, and the terms and conditions of this bulletin and of our Bulletin No. 8A, will apply to the handling of all items which we accept for collection as cash items and to the handling of all bank drafts and other forms of payment or remittance which we receive

for such items. The terms and conditions prescribed by Section 5 of Regulation J are as follows :

“The Board of Governors of the Federal Reserve System hereby authorizes the Federal Reserve banks to handle such checks subject to the following terms and conditions; and each member and nonmember clearing bank which sends checks to any Federal Reserve bank for deposit or collection shall by such action be deemed (a) to authorize the Federal Reserve banks to handle such checks subject to the following terms and conditions; (b) to warrant its own authority to give the Federal Reserve banks such authority; (c) to agree to indemnify any Federal Reserve bank for any loss or expense sustained (including but not limited to attorneys’ fees and expenses of litigation) resulting from the failure of such sending bank to have such authority, or resulting from such Federal Reserve bank’s guaranty of prior endorsements, or resulting from any action taken by the Federal Reserve bank within the scope of its authority for the purpose of collecting such checks; and (d) to guarantee all prior endorsements on such checks whether or not a specific guaranty is incorporated in an endorsement of the sending bank.

“(1) A Federal Reserve bank will act only as agent of the bank from which it receives such checks and will assume no liability except for its own negligence and its guaranty of prior endorsements.

“(2) A Federal Reserve bank may present such checks for payment or send such checks for collection direct to the bank on which they are drawn or at which they are payable, or in its discretion may forward them to another agent with authority to present them for payment or send them for collection direct to the bank on which they are drawn or at which they are payable. A Federal Reserve bank, or any agent to which such checks are forwarded by a Federal Reserve bank, may present such checks pursuant to any special collection agreement not inconsistent with the terms of this regulation or may present them through a clearing house subject to the rules and practices thereof.

“(3) A Federal Reserve bank may, in its discretion and at its option, either directly or through or from an agent, accept in payment of or in remittance for such checks, cash, bank drafts, transfers of funds or bank credits, or other forms of payment or remittance, acceptable to the collecting Federal Reserve bank. The Federal Reserve bank shall not be liable for the failure of the drawee bank or any agent to pay or remit for such checks, nor for any loss resulting from the acceptance from the drawee bank or any collecting agent, in lieu of cash, of any other form of payment or remittance authorized herein, nor for the nonpayment of, or failure to realize upon, any bank draft or other medium of payment or remittance which may be accepted from the drawee bank or any collecting agent.

“(4) Any check which a Federal Reserve bank or an agent thereof presents to the drawee bank for payment or sends to the drawee bank for collection, and for which remittance or settlement is made by the drawee bank on the day on which it receives³ such check, may be re-

³“A check received by a drawee bank on a day other than its business day, or received on a business day after its regular business hours or during afternoon or evening periods when it has reopened (or remained open) for limited functions, shall be deemed to have been received on its next succeeding business day.”

turned for credit or refund at any time prior to midnight of the drawee's next business day following such day of receipt or prior to the time provided by applicable clearing house rule or special collection agreement, whichever is earlier, except that this paragraph shall not apply to checks presented over the counter.

“(5) Checks received by a Federal Reserve bank which are payable in its own district will ordinarily be forwarded or presented direct to the banks on which they are drawn, and such banks will be required to remit or pay therefor at par in such one or more of the forms of payment or remittance authorized under paragraph (3) hereof as may be acceptable to the Federal Reserve bank.

“(6) Checks received by a Federal Reserve bank payable in other districts will ordinarily be forwarded for collection to the Federal Reserve bank of the district in which such checks are payable; provided, however, that, where arrangements can be made satisfactory to the collecting bank or agent and to the Federal Reserve bank of the district in which such checks are payable, any such checks may be forwarded for collection direct to the bank on which they are drawn or at which they are payable, or may be forwarded for collection to another agent with authority to present them for payment direct to the bank on which they are drawn or at which they are payable. All such checks shall be handled subject to all the terms and conditions of this regulation.

“(7) With respect to any check sent direct by a member or nonmember clearing bank in one district to a Federal Reserve bank in another district, the relationships and the rights and liabilities existing between the member or nonmember clearing bank, the Federal Reserve bank of its district and the Federal Reserve bank to which the check is sent will be the same, and the relevant provisions of this regulation will apply, as though the member or nonmember clearing bank had sent such check to the Federal Reserve bank of its district with its endorsement and guaranty of prior endorsements and such Federal Reserve bank had sent the check to the other Federal Reserve bank with its endorsement and guaranty of prior endorsements.

“(8) Bank drafts received by a Federal Reserve bank in payment of or in remittance for checks handled under the terms of this regulation shall likewise be handled for collection subject to all the terms and conditions of this regulation.

“(9) The amount of any check for which payment in actually and finally collected funds is not received shall be charged back to the forwarding bank, regardless of whether or not the check itself can be returned. In such event, neither the owner or holder of any such check, nor the bank which sent such check to the Federal Reserve bank for collection shall have any right of recourse upon, interest in, or right of payment from, any reserve balance, clearing account, deposit account, or other funds of the drawee bank or of any bank to which such checks have been sent for collection, in the possession of the Federal Reserve bank. No draft, authorization to charge, or other order, upon any reserve balance, clearing account, deposit account, or other funds of a paying, remitting, or collecting bank in the possession of a Federal Reserve bank, issued for the purpose of settling items handled under the terms of this regulation will be paid, acted upon, or honored after re-

ceipt by such Federal Reserve bank of notice of suspension or closing of such paying, remitting, or collecting bank.”

GOVERNMENT CHECKS

9. 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.

10. 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

11. 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

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

ENDORSEMENTS

13. 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

14. 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 29 WITH REFERENCE TO PREPARATION OF WIRE ADVICES OF NONPAYMENT.)

15. 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.

16. 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

17. Telegrams pertaining to payment, nonpayment or tracing of cash items, or in connection with receiving or transmitting pertinent information or instructions, will be sent, to the extent practicable, over the Federal Reserve leased wires without cost to member and nonmember clearing banks. The cost of all such telegrams sent over commercial wires will be charged to the banks from which the items were received, and commercial wire telegrams to such banks will be sent "collect."

TIME SCHEDULES AND AVAILABILITY OF CREDITS

18. 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. For all items accepted 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 our current time schedules with respect to any item enclosed, not to exceed two business days.

19. Time schedules do not in many instances show the actual time required for collection, and advices received from us showing the availability of credit for cash 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.

20. **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.

21. **Deferred Credit.** For all such cash items as are accepted for deferred credit in accordance with our current time schedules, deferred credit will be entered upon our books at full face value, but the proceeds will not be counted as reserve nor become available for withdrawal or other use by the sending bank until the expiration of the time specified in our time schedules, at which time credit will be transferred from the deferred account to the reserve account or clearing account and will then 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.

AIR TRANSPORTATION

22. In sending cash items for collection, this bank uses available air transportation facilities wherever such facilities offer a reasonable expectation of earlier presentment of cash items or in those cases where earlier delivery facilitates the work of the drawee bank or the receiving Federal Reserve bank or branch.

INSTRUCTIONS TO COLLECTING AND REMITTING BANKS

23. Remittances for our cash letters should be made on the day of receipt, at par in immediately available or acceptable funds.

24. We will receive for credit or refund cash items which are returned to us by collecting and remitting banks in accordance with paragraph (4) of Section 5 of Regulation J, set forth in this bulletin under the heading "Terms and Conditions of Collection." Such provision of Regulation J does not mean, however, that any bank is required to follow the practice of delaying the return of unpaid cash items; and any collecting or remitting bank may continue to return unpaid cash items with its remittance on the day of receipt. Each cash item returned unpaid should bear a notation clearly indicating the reason therefor.

25. Each bank returning cash items for credit or refund represents that such items are returned within the time allowed by paragraph (4) of Section 5 of Regulation J or the applicable law; and any refund, deduction or credit made, allowed or given by this bank for any item returned after the time allowed by Regulation J or the applicable law may be recovered or revoked if such late return is not acquiesced in by our sending bank. A bank may, however, return to us without entry a cash item which it has failed to return in time, with a request that we ask our sending bank to make refund therefor; in which event we shall make refund to the returning bank and charge our sending bank only if the latter specifically authorizes us to do so.

26. If unpaid items are returned on the day of receipt, they should be deducted from and returned with the remittance for the cash letter in which the items were received. Those items for which remittance has been made on the day of receipt and on which payment is revoked in accordance with paragraph (4) of Section 5 of Regulation J may be returned the following business day and may be deducted from the remittance for the cash letter received on such following business day; however, if no cash letter is received on such following business day, the items should not be held but should be returned to us separately for credit or refund. The transmittal letter returning such unpaid items should be clearly marked RETURN ITEM LETTER and should not include other items.

27. Collecting and remitting banks should retain a description of each item returned unpaid, which should include the amount, the name of the drawer, the name of the payee, the date of our endorsement, and the name or A.B.A. transit number of our endorser. Failure to retain such information might prevent establishing identity and effecting recovery in the event unpaid checks are lost while being returned to us.

28. The instructions set forth in paragraph 14 of this bulletin under the heading "UNIFORM INSTRUCTIONS REGARDING PROTEST AND

WIRE ADVICE OF NONPAYMENT” are applicable to all items which we forward as cash items.

29. In furnishing wire advices of nonpayment of items of \$1,000 or over, collecting and remitting banks should include in the wire advice the amount of the item, the reason for nonpayment, the date of our cash letter in which the item was listed, and the A.B.A. transit numbers or the names of the two endorsers immediately preceding this bank. Wire advices of nonpayment should be furnished in a form similar to that which is used in the following specimen:

Returning \$1,513.24 insufficient funds
yours 18th endorsed 37-2 and 88-4185

INFORMATION TO SENDING BANKS REGARDING RETURN ITEMS

30. The attention of sending banks is called to our “Instructions to collecting and remitting banks” to the effect that, (a) each bank returning cash items for credit or refund represents that such items are returned within the time allowed by paragraph (4) of Section 5 of Regulation J or the applicable law; and (b) that any refund, deduction or credit made, allowed or given by this bank for any item returned after the time allowed by Regulation J or the applicable law may be recovered or revoked if such late return is not acquiesced in by our sending bank. We do not undertake to examine all returned cash items to confirm that such items are returned within the time permitted under the provisions of paragraph (4) of Section 5 of Regulation J or the applicable law.

DIRECT SENDING OF CASH ITEMS TO OTHER FEDERAL RESERVE BANKS

31. Member and nonmember clearing banks, having a substantial volume of cash items (exclusive of Government checks and postal money orders) payable in other Federal Reserve districts which they wish to collect through the Federal Reserve banks, are urged to apply to us for permission to send such items direct to the Federal Reserve banks and branches of the districts in which such items are payable, for collection and credit to us. Appropriate instructions will be sent to the banks to which such permission is granted.

32. When in our judgment a member or nonmember clearing bank has a sufficient volume of cash items payable in other Federal Reserve districts to justify direct routing, we reserve the right to decline to accept such items for collection unless they are routed direct to the Federal Reserve banks and branches of such other Federal Reserve districts.

REIMBURSEMENT OF TRANSPORTATION COSTS

33. Each member bank which sends cash items direct to other Federal Reserve banks and branches, or to an office of this bank other than the one at which its reserve account is carried, will be reimbursed by us for postage or other transportation costs, not including insurance, on all such direct sent items. Transportation costs on cash items delivered to us by member banks for consolidated shipment to Federal Reserve banks and branches will be paid by us.

34. Claims for reimbursement of transportation costs on direct sendings should be filed with us by the tenth day of the month following the month in

which such costs were incurred, using Form Tr. 115, a supply of which will be furnished upon request.

35. Each direct sending member bank is requested to give constant attention to methods of shipment and to change a method in any case in which shipment can be made at a lower cost without loss of time in presentment. In cases in which we pay the transportation costs, we reserve the right to require a change in method of shipment in any situation where, by the use of another method, presentment can consistently be made more promptly, or at a lower cost and without loss of time.

CHECK STANDARDIZATION

36. To facilitate the sorting, routing and mechanized processing of checks and other cash items by all banks, and thereby promote earlier presentment and return of unpaid items, it is urged that:

- (1) The appropriate transit number-routing symbol in fractional form be clearly imprinted in the upper right-hand corner of all checks or other cash items drawn payable by, at, or through all par remitting banks. It is preferable that the symbol be printed in Gothic type, the face of which measures at least 8 points vertically or $\frac{1}{8}$ of an inch from the top to the bottom of the individual characters.
- (2) In conformity with the American Bankers Association Magnetic Ink Character Recognition Program, the routing symbol and the suffix of the transit number be encoded on all checks and other cash items in magnetic ink in E-13B type in the manner prescribed and at the location assigned by the A.B.A. within the $\frac{5}{8}$ inch strip reserved for magnetic ink encoding along the bottom edge of such items.
- (3) Checks and other cash items be conformed to the standards prescribed by the A.B.A., including a minimum width of $2\frac{3}{4}$ inches, a maximum width of $3\frac{2}{3}$ inches, a minimum length of 6 inches, and a maximum length of $8\frac{3}{4}$ inches, and be restricted to a single thickness of card or paper.

RIGHT TO AMEND

37. The right is reserved to withdraw, add to, or amend, at any time, any of the provisions of this bulletin.

Yours very truly,

Watrous H. Irons

President