

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, April 27, 1966

NEW STYLE POSTAL MONEY ORDERS

To All Banks in the

Eleventh Federal Reserve District:

The Post Office Department has announced the issuance of a new style postal money order compatible with the Magnetic Ink Character Recognition program (MICR) for automated check handling. The projected date for conversion to the new style money order at all post offices is the close of business Friday, October 7, 1966:

Following is an excerpt from the Post Office Department announcement:

The new style money order will be a gray tinted 66 column tabulating card (after the two receipt stubs have been detached), with a left hand corner cut. The issuing post office will print and punch the amount of the money order by use of the present machine modified to process 66 column money orders.

At the time the money orders are received in the banks they will contain the following:

- a. Serial numbers — Columns 1 through 10.
- b. Guide holes for print punch machines “7” and “X” in column 12.
- c. Duplicate Money Order — “99” in columns 13 and 14.
- d. Amount — Columns 37, 39, 41, 43 and 45.
- e. Routing Symbol — Transit Number (magnetic ink character recognition) will be preprinted below the 9 punch position at the bottom of each money order. The amount of the money order may be encoded in the amount field by the commercial banks prior to being forwarded to the Federal Reserve Banks.

For a period of time following the conversion on October 7, 1966, both 51 column and 66 column money orders will be received concurrently by the banks in considerable quantities.

We also understand that a “common punched hole” for sighting and other purposes will appear in column 25.

The punched holes in the new style money orders will continue to be used for mechanical processing. Accordingly, no additional holes should be punched in the money orders, no error correction stickers, paper clips, or staples should be attached, and the money orders should not be enclosed in document carriers of any kind. Also, please suggest to your commercial accounts which furnish remittance envelopes to their paying customers that such envelopes should be at least six and one-half inches long to avoid folding of the new larger money orders. Your cooperation in this regard will be appreciated.

We will inform you of any further pertinent information received from the Post Office Department regarding the issuance of the new style money orders.

Yours very truly,

Watrous H. Irons

President