

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 70-220  
September 21, 1970

## FOOD STAMP PROGRAM

To All Banks in the  
Eleventh Federal Reserve District:

Because of the substantial increase in the volume of food stamp coupons being received and processed in connection with the Department of Agriculture's Food Stamp Program, it appears advisable to restate and in certain instances revise the conditions under which such stamps are to be deposited for redemption at all of our offices.

The following procedures should be observed in the handling and collection of food stamp coupons presented to you for redemption or which have been deposited with you by other banks:

1. The first bank receiving the coupons should cancel them by indelibly marking "Paid" or "Cancelled" together with the name of the bank or its ABA number on the face of the coupons by means of an appropriate stamp. The coupons should not be endorsed by any bank.
2. Federal Reserve Banks acting as Fiscal Agents of the United States are authorized to receive coupons directly from:
  - a. Member banks of the Federal Reserve System;
  - b. Nonmember clearing banks;
  - c. Nonmember banks which have arranged with a Federal Reserve Bank to deposit coupons for credit to the account of a member bank on the books of the Federal Reserve Bank.

Nonmember banks interested in depositing coupons directly with the Federal Reserve Office serving the territory in which the bank is located should forward the request to that office.

A cash letter form is currently being designed to be used by banks depositing food stamp coupons with this bank and its offices. Each office of this bank will furnish these forms to the banks depositing coupons with it.

3. Food stamp coupons that have been redeemed should be sorted separately according to denomination and arranged face and top up in packages of 100 coupons each. These coupons should be retained until 100 of a single denomination have been accumulated to complete the package total. Preferably, each package of 100 coupons should be bound with a paper strap on which the name of the depositing bank is shown.
4. Food stamp coupons forwarded to an office of this bank for payment should be separately sorted from other items, with only the total number and dollar amount of each denomination shown on the cash letter form. For example:

1,000 Food Coupons @ \$ .50 = \$	500.00
<u>1,000</u> Food Coupons @ 2.00 =	<u>2,000.00</u>
2,000	\$2,500.00

5. Depositing banks should forward food stamp coupons by means ordinarily used for checks and other items, and while in transit the shipments will be at the risk of the Department of Agriculture.

We shall appreciate your cooperation in observing these procedures as it will enable us to provide better service to all banks depositing coupons under the Food Stamp Program. If you have any questions regarding this program, they should be addressed to the office serving your bank.

Yours very truly,

P. E. Coldwell

President