

FEDERAL RESERVE BANK OF DALLAS  
DALLAS, TEXAS 75222

Circular No. 74-167  
June 19, 1974

To All Member and Par Nonmember Banks  
in the San Antonio Branch Territory,  
Eleventh Federal Reserve District

In recent weeks it has come to our attention that the banking community is considering extension of its business hours and provision of banking services on Saturdays. We would like to remind banks which send or receive items through the Federal Reserve System of the provisions of Regulation J which require payor banks to return items by midnight of the payor bank's banking day following the banking day of receipt. Items presented through local clearing arrangements may be subject to earlier return provisions.

The banking community should be mindful that if it elects to open on Saturdays for full, general banking services, Saturday is a "banking day" under Regulation J. When Saturday is a banking day the midnight deadline for returning items received on Friday is midnight Saturday. If a bank elects to open on Saturday for only limited banking services as that term is defined in the Texas Bank Holiday Statute (art. 342-910a V.A.T.S.), Saturday is not a banking day. The time for return of items received on Friday is then midnight Monday.

Banks which elect to change their current practice should check and comply with the statutory requisites for effecting the change, and, if they have executed an automatic charge agreement with us, we should be provided notice of the change.

Yours very truly,

Carl H. Moore

Vice President in Charge