



American Revolution Bicentennial

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 76-10
January 21, 1976

NONCASH COLLECTION SERVICES

TO ALL MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

Payment for Noncash Items

For many years, the Federal Reserve Banks, in remitting to their depositors the proceeds for noncash items handled for collection, have deferred crediting the funds to reserve accounts until the payment drafts of the payor banks have been collected. This practice often has delayed payment for several days after the funds have been received by the Reserve Banks.

As a step toward expediting payment for noncash items, the Reserve Banks will uniformly adopt a new policy to be effective February 2, 1976. Under the new procedure, the proceeds in payment of noncash items, when received at this Bank in the form of bank drafts, will be made available to depositing banks in accordance with the deferment schedule for cash items (Supplement A of Bulletin 10).

Eligibility of Noncash Items

Since 1974, all noncash items, except those deposited by a member bank and drawn upon a member bank, have been processed and collected through channels other than the Federal Reserve System. In response to a question raised, applicable law has been interpreted to further exclude from eligibility for handling by the Reserve Banks, any such items which are drawn to be payable at a member bank.

Revised pages of Bulletin 9, reflecting the changes referred to above, will be forwarded to your bank in the near future.

Responsibility for the Noncash Collection function at Dallas has been transferred from the Mailing Department to the Securities Department. Any questions concerning these changes should be directed to Richard D. Ingram, Assistant Vice President, at (214) 651-6340, or the officer having responsibility for the Noncash Collection function at our El Paso, Houston, or San Antonio Branch.

Sincerely yours,

T. W. Plant

First Vice President