



American Revolution Bicentennial

## FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 76-18  
January 30, 1976

### REVISIONS TO BULLETINS 8, 10, 11, AND 13

#### TO ALL BANKS IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

Reference is made to this Bank's Circular No. 76-5 entitled "Late Claims for Error Adjustments" and Circular No. 76-11 entitled "New Procedure for Handling Late Returns." We are enclosing revised pages i, 5, 6, 7, 8, 9, and 10 to Bulletin 8 and a copy of Bulletin 11, which has been reprinted in its entirety. These bulletins incorporate the changes outlined in the above circulars.

In addition, we are enclosing revised page 3 and Supplement A to Bulletin 10 and revised pages i, 1, 2, and Supplements A, B, and C of Bulletin 13. Revised page 3 of Bulletin 10 changes the number of items that can be listed on a single machine tape from 400 to 500. Supplement A to Bulletin 10 has been revised to incorporate new closing hours due to the Dallas Office's "Group-Sorted" program and the expansion of the South Texas Regional Check Processing Center located at the San Antonio Branch of this Bank. The San Antonio Branch will discontinue processing checks on Saturdays, effective March 6, 1976.

Senders located in the same city, town, or similar area are strongly urged to exchange cash items directly with each other. Page 2 of Bulletin 13 has been revised to incorporate an "End-Point Sort Requirement" should banks not agree to exchange items directly.

Supplements A, B, and C to Bulletin 13 have been revised to change the close-off hour for nonmachineable items from 6 a.m. to 7 a.m.

Listings of RCPC participating banks will no longer be furnished with Supplements A, B, and C to Bulletin 13. Each Eleventh District Federal Reserve office will furnish a list of its RCPC participating banks upon request.

If any questions arise with respect to these revisions, please contact J. A. Clymer, Assistant Vice President, at (214) 651-6337, or the appropriate officer at our El Paso, Houston, or San Antonio Branch.

The enclosed revised pages of Bulletins 8, 10, and 13, as well as Bulletin 11, should be filed appropriately in your Regulations Binder, and the corresponding pages should be removed and destroyed.

Additional copies of these revisions will be furnished upon request to the Secretary's Office of this Bank.

Sincerely yours,

T. W. Plant

First Vice President

Enclosures

## TABLE OF CONTENTS

### Section 1, GENERAL

- 1.00 Collection contract
- 1.05 Authority

### Section 2, DEFINITIONS AND REFERENCES

- 2.00 Definitions, reference to Regulation J
- 2.05 Reference to Bulletin 1

### Section 3, CASH ITEMS

- 3.00 Items which will be handled as cash items
- 3.05 Items not received from sender
- 3.10 Items which will not be handled as cash items
- 3.15 Handling of nonconforming items
- 3.20 Discretion to return or handle as noncash items
- 3.25 Items received from, payable by same bank

### Section 4, TERMS AND CONDITIONS OF COLLECTION

- 4.00 Regulation J
- 4.05 Bulletins
- 4.10 Items payable outside this District
- 4.15 Indirect routing discouraged

### Section 5, CASH LETTERS

- 5.00 Preparation of cash letters by senders
- 5.05 Separate sorts, cash letters
- 5.10 Endorsements
- 5.15 Items received without endorsement

### Section 6, HANDLING BY THIS BANK

- 6.00 Presentment for payment
- 6.05 No agreement to present early
- 6.10 Uniform instructions regarding protest and advice of nonpayment
- 6.15 Items with U.S. Treasury and similar endorsements
- 6.20 Different instructions require noncash handling
- 6.25 Protest, wire advice by other banks
- 6.30 Communications by wire; costs and charges

### Section 7, AVAILABILITY OF CREDIT

- 7.00 Time schedules and availability of credit
- 7.05 Availability not actual payment
- 7.10 Immediate credit

- 7.15 Deferred credit
- 7.20 Mixed cash letters
- 7.25 Late claims for error adjustments

### Section 8, COLLECTING AND PAYING BANKS

#### Section 9, RETURN ITEMS

- 9.00 Information to senders regarding return items
- 9.05 Untimely return of unpaid items
- 9.10 Returns without entry

#### Section 10, DIRECT SENDING

- 10.00 Direct sending of cash items to other Federal Reserve Banks
- 10.05 Right to refuse interdistrict items authorized for direct sending
- 10.10 Direct sending of cash items to other offices of this Bank
- 10.15 Right to refuse intradistrict items authorized for direct sending
- 10.20 Reimbursement of transportation costs for member banks
- 10.25 Claims for reimbursement
- 10.30 Methods of shipment

#### Section 11, HIGH-SPEED PROCESSING

- 11.00 Standardization, sorting, routing, and mechanized processing
- 11.05 Right to encode, assumption of risk by sender
- 11.10 Designation of paying bank or non-bank payor
- 11.15 Non-machinable items

#### Section 12, PHOTOGRAPHIC COPIES

##### Supplement A, GOVERNMENT CHECKS

- A-1.00 Terms of handling
- A-2.00 Immediate credit
- A-3.00 Returns
- A-4.00 Claims and actions

##### Supplement B, POSTAL MONEY ORDERS

- B-1.00 Terms of handling
- B-2.00 Immediate credit
- B-3.00 Claims, returns

##### Supplement C, FOOD COUPONS

- C-1.00 General
- C-2.00 Terms and conditions
- C-3.00 Nonmember banks

##### Supplement D, FOOD CERTIFICATES

- D-1.00 General

senders after receipt by us. For all items accepted as cash items, the senders will be given immediate credit or deferred credit, in accordance with such time schedules and as provided in Regulation J. Credit for cash letters containing items unsorted as to availability may be deferred for the longest period of availability prescribed by the current time schedules of this Bank with respect to any item enclosed.

#### **7.05 Availability not actual payment**

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

#### **7.10 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 other appropriate account upon the day of receipt, and the proceeds will at once be counted as reserves for the purposes of Regulation D and become available for withdrawal and other use by the sender; 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.

#### **7.15 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 reserves for the purposes of Regulation D nor become available for withdrawal or other use by the sender 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 other appropriate account and will then be counted as reserve for the purposes of Regulation D and become available for withdrawal and other use by the sender; 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.

#### **7.20 Mixed cash letters**

Mixed cash letters will be accepted for one-day credit when presented in accordance with the following provisions:

Any member bank that has for collection a daily average of not more than 2,000 immediate-credit and deferred-credit items excluding food coupons payable outside of the city or town in which such bank is located may, upon application, be permitted to send such items to us unsorted with one cash letter: *Provided*, That the dollar amount is encoded on each item in accordance with the ABA Magnetic Ink Character Recognition Program: *Provided further*, That the items sent to the Federal Reserve Bank by such bank on any one day shall include all such items processed by it on that day. Credit for items so sent, when received by us in time for presentment on the day of receipt of all immediate-credit items included with such cash letter, will be given one business day after receipt.

#### **7.25 Late claims for error adjustments**

We will send to member banks and other depositors maintaining an account on our books statements of account, which may be supported by advices, with respect to entries in such an account made by us in accordance with the provisions of Regulation J and our operating bulletins. If, within one calendar year from the date of an entry in such an account, such a depositor fails to advise us in writing of its objection to such an entry, the depositor, and any sender, collecting bank, or paying bank using the account maintained by the depositor which has handled the item to which the entry relates, shall be deemed to have approved the entry and the statement of account shall be deemed finally adjusted. The foregoing shall not relieve such a depositor from the duty of exercising due diligence to examine statements of account sent to it and of notifying us immediately upon discovery of any error, nor shall it apply to claims based upon the breach of a warranty in respect of an item to which an entry relates by a Federal Reserve Bank.

## **Section 8, COLLECTING AND PAYING BANKS**

Instructions pertaining to the handling of cash items by collecting banks and paying banks are set forth in our Bulletin 11.

## **Section 9, RETURN ITEMS**

### **9.00 Information to senders regarding return items**

The attention of senders is called to our "Instructions to Collecting Banks and Paying Banks" to the effect that (1) each paying bank which takes or receives a credit or obtains a refund in respect of a cash item received by it from or through a Federal Reserve Bank warrants to such Federal Reserve Bank, to a subsequent collecting bank, and to the sender and all prior parties that it took all action necessary to entitle it to recover such payment within the times limited therefor; (2) a collecting bank which returns an unpaid item to a Federal Reserve Bank warrants to such Federal Reserve Bank and to the sender and all prior parties that its return of the item was timely; and (3) if a paying or collecting bank, in accordance with applicable State law, makes a direct return to the depository bank of an unpaid cash item which it has received from or through us or any other Federal Reserve Bank, any provisional credit for the item between such paying or collecting bank and this Bank or any other Federal Reserve Bank, between this Bank or any other Federal Reserve Bank and the sender, and between this Bank and any other Federal Reserve Bank shall become and remain final.

### **9.05 Untimely return of unpaid items**

If we are once furnished with a cash item accompanied by a statement, signed by an authorized representative of a sender (other than a Federal Reserve Bank), that, upon the information and belief of such sender, the paying bank did not take all action necessary to entitle it to recover its payment or remittance for such cash item within the times limited therefor by the provisions of Regulation J, thereby causing loss to the sender, we shall, on the basis of such statement, charge the amount of the item to the account maintained or used by, and forward the item to, the collecting bank or paying bank to which the item was originally presented, sent or forwarded by this Bank and credit the account

on our books of the sender (or Federal Reserve Bank furnishing such item and statement) with that amount; provided, however, that such credit shall be revoked if for any reason this Bank cannot obtain the amount of such credit from the paying bank, and such credit to the sender shall be revoked if this Bank subsequently receives not later than fifteen (15) banking days after this Bank forwarded the item to the collecting bank or paying bank as provided in this paragraph, the same cash item accompanied by a statement, signed by an authorized representative of the paying bank, that the paying bank took all action necessary to entitle it to recover its payment or remittance within the times limited therefor by the provisions of Regulation J, and the paying bank (or collecting bank furnishing such item and statement) will be credited accordingly. No Federal Reserve Bank shall have any responsibility for determining whether the paying bank took all action necessary to entitle it to recover such payment or remittance or whether the return of the item to it by a collecting bank was timely.

### **9.10 Returns without entry**

If a cash item is returned without entry, we will make refund to the returning bank and charge the sender only if the latter specifically authorizes us to do so.

## **Section 10, DIRECT SENDING**

### **10.00 Direct sending of cash items to other Federal Reserve Banks**

Member banks and other senders maintaining or using accounts with us which have a substantial volume or dollar amount of cash items payable in any other Federal Reserve district which they wish to collect through the Federal Reserve Banks are required to apply to us for authority to send such items direct to the Federal Reserve Bank of the district in which such items are payable for collection and credit to us; provided, however, that we may, in our discretion, withdraw such authority at any time. Appropriate instructions will be transmitted to the member and nonmember clearing banks and other senders which are authorized to send direct.

### **10.05 Right to refuse interdistrict items authorized for direct sending**

In the event that any sender maintaining or using an account with us has, in our judgment, a sufficient volume or dollar amount of cash

items payable in any other Federal Reserve district to justify direct sending and this Bank authorizes such sender to send such items direct to the Federal Reserve Bank of such other Federal Reserve district, we reserve the right to decline to accept any such items from such sender.

#### **10.10 Direct sending of cash items to other offices of this Bank**

Member banks and other senders maintaining or using accounts with one office of this Bank which have a substantial volume or dollar amount of cash items payable in the territory of any other office of this Bank which they wish to collect through this Bank are required to apply to us for authority to send such items direct to such other office; provided, however, that we may, in our discretion, withdraw such authority at any time. Appropriate instructions will be transmitted to the member banks and other senders which are authorized to send direct.

#### **10.15 Right to refuse intradistrict items authorized for direct sending**

In the event that any sender maintaining or using an account with one office of this Bank has, in our judgment, a sufficient volume or dollar amount of cash items payable in the territory of another office of this Bank to justify direct sending and this Bank authorizes such sender to send such items direct to such other office of this Bank, we reserve the right to decline to accept any such items from such sender.

#### **10.20 Reimbursement of transportation costs for member banks**

Each member bank which sends cash items direct to other Federal Reserve Banks will be reimbursed by us at First Class Airmail or common carrier rates, whichever is usually lower, but not for insurance, on all such items sent direct under our authority. Reimbursement also is allowable under similar conditions for cash items sent direct to other offices of this Bank. In the interest of expeditious and economical handling, those direct-sending member banks that by arrangement deliver cash items payable in other Federal Reserve territories to this Bank for consolidated shipment should not deviate from the arrangement except upon prior approval of this Bank. Transportation costs of such consolidated shipments will be paid by us. A

direct-sending member bank that has made an arrangement with this Bank for consolidated shipment from an office of this Bank located in the same city as the member bank will not normally be reimbursed by us when cash items are sent direct outside of the consolidated shipment, except on Saturdays, Sundays, and holidays.

#### **10.25 Claims for reimbursement**

Claims for reimbursement of transportation costs of 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.

#### **10.30 Methods of shipment**

Each direct-sending member bank should give constant attention to methods of shipment and should change the method in any case in which shipment can be made by another method at a lower cost and 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, a more efficient handling by the receiving Federal Reserve office will result, or presentment can consistently be made more promptly, or at a lower cost and without loss of time.

### **Section 11, HIGH-SPEED PROCESSING**

#### **11.00 Standardization, sorting, routing, and mechanized processing**

To facilitate the sorting, routing, and mechanized processing of cash items, and thereby promote earlier presentment and earlier return of unpaid items, it is urged that:

(1) In conformity with the ABA Magnetic Ink Character Recognition Program, the routing symbol and the suffix of the transit number be encoded on all cash items in magnetic ink in E-13B type in the manner prescribed, and at the location assigned, by the ABA.

(2) The appropriate transit number-routing symbol in fractional form be clearly imprinted in the upper right corner of all cash items payable by or through all par remitting banks, preferably in Gothic type, the face of which measures at

least 8 points vertically or 1/9 of an inch from the top to the bottom of the individual characters.

(3) Cash items be otherwise conformed to the standards prescribed by the ABA, including a minimum width of 2<sup>3</sup>/<sub>4</sub> inches, a maximum width of 3<sup>2</sup>/<sub>3</sub> inches, a minimum length of 6 inches, and a maximum length of 8<sup>3</sup>/<sub>4</sub> inches, and be restricted to a single thickness of card or paper.

#### **11.05 Right to encode, assumption of risk by sender**

If, in our judgement, the processing of any cash item by us requires the inscription thereon in magnetic ink, or otherwise, of the ABA transit number, the routing symbol, or both, of the paying bank (or nonbank payor) or requires the inscription thereon in magnetic ink of the amount of such item, we may so inscribe the item and present, send, or forward it accordingly; and the sender of such item shall be deemed to assume the risk of loss resulting from delay caused by the act of inscribing such amount or such number, symbol, or both.

#### **11.10 Designation of paying bank or nonbank payor**

This Bank may present, send, or forward any cash item, in accordance with the provisions of Section 210.6 of Regulation J, on the basis of:

(1) Any ABA transit number or routing symbol appearing thereon at the time of its receipt by us, whether inscribed by magnetic ink or by other means, and whether or not such transit number or routing symbol is consistent with each other form of designation of the paying bank (or nonbank payor) then appearing thereon; or

(2) Any other form of designation of the paying bank (or nonbank payor) then appearing thereon, whether or not consistent with any ABA transit number or routing symbol then appearing thereon.

#### **11.15 Non-machinable items**

Any cash item which cannot be processed on our MICR high-speed check-processing equipment and which is received by this Bank on Friday or, if that day be a nonbanking day, on Thursday, may be held over and processed on the following Monday, or, if that day be a non-

banking day, on the next succeeding banking day.

### **Section 12, PHOTOGRAPHIC COPIES**

In the event we receive, as a cash item, a properly prepared photographic copy of a lost or destroyed item which was eligible for handling as a cash item, which copy bears a current endorsement of the sender and the following legend, or one of equivalent effect, signed by or in behalf of the sender:

"This is a photographic facsimile of the original check which was endorsed by the undersigned and reported lost, stolen, or destroyed while in the regular course of bank collection. All prior and any missing endorsements and the validity of this facsimile are hereby guaranteed, and upon payment hereof in lieu of the original check, the undersigned will hold each collecting bank and the payor bank harmless from any loss suffered, provided the original check is unpaid and payment is stopped thereon."

We will handle the copy as follows:

(1) We will present or send the copy as a cash item to the paying bank (or nonbank payor), subject to all the rules as to remittance for, and return of, cash items; or

(2) If such paying bank (or nonbank payor) declines to handle the copy as a cash item but is willing to handle it as a noncash item, we will charge back to the sender the amount of the copy and will present or send the copy to the paying bank (or nonbank payor) as a noncash item under the terms of our current bulletin relating to the collection of noncash items; or

(3) If such paying bank (or nonbank payor) refuses to handle the copy, we will charge back the amount of the copy and return the copy to the sender.

### **Supplement A GOVERNMENT CHECKS**

#### **A-1.00 Terms of handling**

Government checks drawn on the United States Treasury will be handled by us as cash items in accordance with, and subject to, the provisions of Treasury Department Circular 21 (31 CFR 360). Copies of that Circular will be furnished upon request. With respect to matters not covered by that Circular, the terms and conditions of

Regulation J applicable to cash items, of this bulletin, and of our time schedules shall be applicable to all such Government checks.

#### **A-2.00 Immediate credit**

We will give immediate credit, subject to payment in actually and finally collected funds, for Government checks as provided in our time schedules. Such checks will be forwarded by us to the United States Treasury and shall be subject in all cases to examination and payment by the United States Treasury. Under Treasury Circular 21, the United States Treasury has reserved the right to examine and to refuse payment of all Government checks handled by the Federal Reserve Banks.

#### **A-3.00 Returns**

Section 210.12 of Regulation J, relating to the return of cash items by paying banks, is not applicable to Government checks. In the event that the United States Treasury refuses payment of any Government check upon first examination and such check, or photographic copy thereof, is returned to this Bank as outlined in Treasury Circular 21, the amount of such check will be charged back to the account of the sender and simultaneously credited to the account of the United States Treasury. This Bank shall have no responsibility to the sender of any Government check, or any other owner or holder thereof, with respect to the nonpayment of any such check and return by the United States Treasury of any such check or photographic copy thereof.

#### **A-4.00 Claims and actions**

The attention of senders is directed to 31 U.S.C. 122 and 129, to the effect that (1) claims on a Government check which appears of record to have been paid, must be made within six years after the date of issuance of the check and (2) an action to enforce liability upon a forged or unauthorized signature or endorsement or alteration of any Government check must be commenced within six years after the presentment of the check, or written notice of such a claim given within that period, provided that, if a claim is made upon an apparently paid check, the six-year period with respect to the commencement of an action or the giving of written notice will be extended an additional 180 days.

## **Supplement B POSTAL MONEY ORDERS**

#### **B-1.00 Terms of handling**

Postal money orders (United States postal money orders; United States international postal money orders; domestic-international postal money orders) will be handled by us as cash items in accordance with an agreement made by the United States Postal Service, and by the Federal Reserve Banks as depositories and fiscal agents of the United States pursuant to authorization of the Secretary of the Treasury. With respect to matters not covered by that agreement, the terms and conditions of Regulation J applicable to cash items, of this bulletin, and of our time schedules shall be applicable to all such postal money orders.

#### **B-2.00 Immediate credit**

We will give immediate credit for postal money orders received from a sender maintaining or using an account with us as provided in our time schedules. Simultaneously with such credit, we will debit the amount of such money orders against the general account of the United States Treasury under such symbol numbers as may be assigned by the United States Treasury; and such credit to the account of the sender shall then become final as between us and the sender.

#### **B-3.00 Claims, returns**

The agreement between the United States Postal Service and the Federal Reserve Banks provides, in effect, that no claim for refund or otherwise with respect to any postal money order debited against the general account of the United States Treasury and delivered to the representative of the United States Postal Service as provided in said agreement (other than a claim based upon the negligence of a Federal Reserve Bank) shall be made against or through any Federal Reserve Bank; that, if the United States Postal Service 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 United States Postal Service will deal directly with the bank or the party against which such claim is made; and that the Federal Reserve Banks will assist the United States Postal Service in asserting such claim, including making their records and any relevant evidence in their pos-



session available to the United States Postal Service. Section 210.12 of Regulation J, relating to the return of cash items by the paying banks is not applicable to postal money orders.

### **Supplement C FOOD COUPONS**

#### **C-1.00 General**

Food coupons will be handled by us as cash items in accordance with an agreement made by the Secretary of Agriculture, in behalf of the United States, and by the Federal Reserve Banks as depositaries and fiscal agents of the United States pursuant to authorization of the Secretary of the Treasury. With respect to matters not covered by such agreement, the terms and conditions of Regulation J applicable to cash items, of this bulletin, and of our time schedules shall be applicable to such coupons. We will receive food coupons only from member banks and nonmember banks which have arranged with us to send coupons to us for collection for credit to the account of a member bank on our books. All such banks sending coupons to us should follow the instructions set forth in an outline of procedures for commercial banks in handling such coupons under the current Food Stamp Program, prepared by the United States Department of Agriculture.

#### **C-2.00 Terms and conditions**

We will accept food coupons received by us in accordance with the following terms and conditions:

(1) Redeemed food coupons should be forwarded to the office of this Bank maintaining the reserve account to which the proceeds of the coupons are to be credited. We will give immediate credit for deposits of redeemed food coupons as provided in our time schedules. Such credit will not be final and will be subject to reclamation and adjustment.

(2) Food coupons should be separately sorted by denominations and should be deposited in a separate cash letter. The sending bank's transmittal letter should be clearly stamped or marked "FOOD COUPONS." The transmittal letter should show the total number of, and the total

amount of, each denomination of coupons enclosed. Food coupons should be forwarded to us by the means ordinarily used by the sender for checks and other cash items; such shipments will be at the risk of the Department of Agriculture, only to the extent and under the conditions stated in 7 CFR 272.5(c). Sending banks should retain customers' deposit slips and any other pertinent records which would assist in substantiating reimbursement claims against the Department of Agriculture for coupons lost in transit.

(3) In accordance with the regulations of the United States Department of Agriculture (7 CFR 2), a portion of a food coupon consisting of less than three-fifths of a whole coupon shall not be accepted for redemption. Any coupon accepted for redemption shall show on its back either the *AUTHORIZATION NUMBER* or the name of the authorized retail food store and, if involved, the authorized wholesale food concern. Each coupon shall also be cancelled by the first bank which receives it by indelibly marking "PAID" or "CANCELLED," together with the name of the bank or its ABA transit number, on the face of the coupon by means of an appropriate stamp. No coupon should be endorsed by any bank.

(4) Additional information concerning the collection of food coupons will be furnished by us upon request.

#### **C-3.00 Nonmember banks**

Nonmember banks which have not arranged with us to deposit food coupons for collection for credit to an account of a member bank on our books should forward redeemed food coupons through ordinary collection channels.

### **Supplement D FOOD CERTIFICATES**

#### **D-1.00 General**

Food certificates will be handled by us on the same basis as food coupons. Senders should consult 7 CFR 265.11(b) for information regarding the extent to which, and the conditions under which, the Department of Agriculture assumes the risk of loss of certificates while in the course of shipment.

**3.05 Unsorted cash letters, 2,000 items daily average**

Any member bank that has for collection a daily average of not more than 2,000 immediate credit and deferred credit items (excluding food coupons) payable outside of the city or town in which such bank is located may, upon application, be permitted to send such items to us unsorted with one cash letter: *Provided*, That the dollar amount is encoded on each item in accordance with the American Bankers Association Magnetic Ink Character Recognition Program: *Provided* further, That the items sent to the Federal Reserve Bank by such bank on any one day shall include all such items processed by it on that day. Credit for items so sent, when received by us in time for presentment on the day of receipt of all immediate credit items included with such cash letter, will be given one business day after receipt.

**3.10 Description**

Cash items may be deposited with this and other Federal Reserve Banks without description except for listing by individual amounts; however, each sender should maintain adequate records to enable it to identify its depositors or other endorsers in the event any such items are lost,

destroyed, or otherwise uncollectible and non-returnable.

**3.15 Dating, identification, and contents**

Each cash letter and tape listing should be dated and identified with the name and ABA number (if any) of the sender. It would be helpful if no more than 500 items are listed on each machine tape and no more than 6 such tapes are included in one cash letter.

**3.20 Transfer drafts**

Transfer drafts should be sent in separate cash letters clearly marked "transfer drafts." For direct sending of transfer drafts, the advice to this Bank should likewise be separate and clearly marked "transfer drafts." (See 2.20 of this bulletin for an alternative to the use of transfer drafts.)

**3.25 End-point sort requirement**

A sender located in a city, town, metropolitan or similar area is strongly urged to exchange directly cash items payable at banks also located in that area. We reserve the right to require that a sender located in such an area must sort, list, and package such items according to the office of the paying bank at which such items are payable.

**Supplement A**  
**CLOSING HOURS FOR CASH ITEMS**  
**IMMEDIATE CREDIT ITEMS**

**Banking days (Monday through Friday)**

Items drawn on local banks bearing the immediate credit routing symbol\*

**Closing Hour**

9:00 a.m.

9:30 a.m.  
(San Antonio only)

Fort Worth bank drafts on Continental National Bank, First National Bank,  
and Fort Worth National Bank

10:30 a.m.  
(Dallas only)

Redeemed United States Department of Agriculture food stamp coupons

Drafts on Commodity Credit Corporation payable through this Bank (accept-  
able for immediate credit only at office through which payable)

2:00 p.m.

Cashier's checks and expense checks of other Federal Reserve Banks (only  
when deposited in separate cash letters) subject to final payment after  
receipt at the issuing Federal Reserve office

Postal money orders

2:00 p.m.  
(El Paso only)

Checks drawn on the United States Treasury

3:00 p.m.  
(other offices)

Cashier's checks and expense checks of this Bank subject to final payment  
after receipt at our issuing office

2:30 p.m.

Drafts on this Bank subject to inspection and verification of signatures after  
receipt at office on which drawn before payment is final

**DEFERRED CREDIT ITEMS**

**Banking days (Monday through Friday)****Closing Hour**

Regular items

12:00 Noon

Computer processed items

1:30 p.m.

8:00 p.m.  
Sunday-Thursday  
(San Antonio only)

Items \$500 and over

2:00 p.m.  
(El Paso only)

2:30 p.m.  
(other offices)

Nonmachineable items (deferred one additional business day up to a maxi-  
mum of two business days)

7:00 a.m.

Computer processed items specially prepared for direct introduction into  
high-speed check-handling equipment (contact our Dallas office for specific  
details)

2:30 p.m.  
(Dallas only)

\*For Houston office, this includes all banks in Harris County.

**Banking days (Monday through Friday)**

Group sorted items specially prepared for direct introduction to high-speed check-handling equipment (contact our Dallas office for specific details)

**Closing Hour**

5:00 p.m.  
Sunday  
(Dallas only)

8:00 p.m.  
Monday-Thursday  
(Dallas only)

End-point sorted items

2:00 p.m.  
(El Paso only)

2:30 p.m.  
(other offices)

Items payable in other Federal Reserve Bank territories

12:00 Noon  
(Houston and  
San Antonio only)

**Saturday\***

Regular items

11:00 a.m.  
(El Paso only)

Computer processed items

12:00 Noon  
(El Paso only)

**UNSORTED CASH LETTERS****Banking days (Monday through Friday)**

Unsorted cash letters with amount-encoded items, with daily average of 2,000 items or less, as provided in 3.05 of Bulletin 10

**Closing Hour**

9:00 a.m.

\*Except Saturdays which fall on the holidays listed in A-1.00 of Supplement A to Bulletin 1, and Saturdays as to which we have sent advance notification that no items will be processed.

# **BULLETIN 11**

## **Instructions to Collecting and Paying Banks**



**FEDERAL RESERVE BANK OF DALLAS**

## SCOPE

This bulletin sets forth the instructions to be followed in the handling of, and payment or remittance for, checks and other cash items contained in cash letters received from this Bank.

## TABLE OF CONTENTS

### **Section 1, DEFINITIONS AND GENERAL PROVISIONS**

- 1.00 Collection contract
- 1.05 Authority
- 1.10 Definitions, reference to Regulation J
- 1.15 Reference to Bulletin 1
- 1.20 Use of term "wire"
- 1.25 Applicability of this bulletin

### **Section 2, PRESENTMENT FOR PAYMENT**

#### **Section 3, ENDORSEMENTS**

- 3.00 Cash item without endorsement
- 3.05 Warranties

#### **Section 4, PAYMENT FOR CASH LETTERS**

- 4.00 Time of payment
- 4.05 Form of payment
- 4.10 Collecting banks
- 4.15 Differences and adjustments
- 4.20 Late claims for error adjustments

#### **Section 5, RETURN ITEMS**

- 5.00 Recovery
- 5.05 Time for return by collecting banks

- 5.10 Warranty of collecting banks
- 5.15 Warranty of paying banks
- 5.20 Return without entry
- 5.25 Reason for nonpayment on item
- 5.30 Federal Reserve responsibility
- 5.35 Maintenance of records
- 5.40 Provisional credits

#### **Section 6, UNIFORM INSTRUCTIONS REGARDING PROTEST AND ADVICE OF NONPAYMENT**

- 6.00 General
- 6.05 United States obligations
- 6.10 Responsibility of paying bank
- 6.15 Responsibility of this Bank

#### **Section 7, PROCEDURES**

- 7.00 Standardization, sorting, routing, and mechanized processing
- 7.05 Reference to Bulletin 8
- 7.10 Cash letters received in mutilated condition
- 7.15 Photographic copies

#### **SUPPLEMENT A, Return of Cash Items**

## Section 1, DEFINITIONS AND GENERAL PROVISIONS

This bulletin is directed to the member banks of the Eleventh Federal Reserve District and others concerned:

### 1.00 Collection contract

Attention of collecting banks, paying banks, and nonbank payors is directed to section 210.3 of Regulation J which provides that the provisions of that regulation and of the operating bulletins of this Bank are binding upon each collecting bank, paying bank, and nonbank payor to which this Bank or any subsequent collecting bank, presents, sends, or forwards a cash item received by us.

### 1.05 Authority

This bulletin, our Bulletin 8, and our time schedules (Bulletin 10) are issued pursuant to the provisions of sections 4, 13, 14(e), and 16 of the Act and the provisions of related statutes and in conformity with the provisions of Regulation J.

### 1.10 Definitions, reference to Regulation J

All terms defined in Regulation J and used herein shall have the meanings stated in that regulation.<sup>1</sup>

### 1.15 Reference to Bulletin 1

Definitions and rules of construction applicable to this bulletin are found in our Bulletin 1, General Provisions, and are incorporated herein by reference.

### 1.20 Use of term "wire"

For the purposes of this bulletin, the term "wire" includes telephone, telegraph, cable, or other form of electronic telecommunications.

### 1.25 Applicability of this bulletin

The provisions of this bulletin are applicable to any state, or any county, district, political subdivision, or municipality thereof to which we present direct, as cash items, any bills, notes, and warrants issued by such state, county, political subdivision, or municipality and payable in this district. Each such issuer to which cash

items are presented is treated as a paying bank for all purposes of Regulation J and operating bulletins issued in conformity therewith.

## Section 2, PRESENTMENT FOR PAYMENT

As contemplated by section 210.7 of Regulation J, any cash item:

- (1) May be presented for payment by us or a subsequent collecting bank;
- (2) May be sent by us or subsequent collecting bank for presentment and payment; or
- (3) May be forwarded by us to a subsequent collecting bank with authority to present it for payment or to send it for presentment and payment.

## Section 3, ENDORSEMENTS

### 3.00 Cash item without endorsement

If a cash item is received by a Federal Reserve Bank from a sender without the endorsement thereon of such sender, we may:

- (1) Present, send, or forward the item as if it bore such endorsement;
- (2) Place on the item the name of such sender and the date of its receipt by us; or
- (3) Return the item to the sender for proper endorsement by the sender.

### 3.05 Warranties

This Bank makes the warranties set out in section 210.6(b) of Regulation J by presenting, sending, or forwarding a cash item pursuant to section 3 of our Bulletin 8. These warranties arise whether or not such item bears the endorsement of this Bank.

## Section 4, PAYMENT FOR CASH LETTERS

### 4.00 Time of payment

Payment or remittance for our cash letter must be made by a paying bank for all accompanying cash items which shall not have been returned by said bank prior to the close of its banking day

<sup>1</sup>For the purposes of this bulletin as well as for the purposes of Regulation J, the Virgin Islands and Puerto Rico shall be deemed to be in or of the Second Federal Reserve District; Guam and American Samoa shall be deemed to be in or of the Twelfth Federal Reserve District.

on which such cash items are received.<sup>2</sup> Such payment or remittance<sup>3</sup> shall be made at par and in the manner hereafter provided:

- (1) Debit to an account on our books;
- (2) Cash; or
- (3) In our discretion, any other form of payment or remittance.

The proceeds of any such payment or remittance in any form herein stated shall be available to us not later than the close of the banking day for us on which such items were so received by the paying bank. If the banking day on which such items are received by a paying bank is not a banking day for us, any payment or remittance made hereunder shall be effected on the next banking day of both this Bank and such paying bank next following the day of receipt of such item.

#### 4.05 Form of payment

This Bank may require the paying bank to which it has presented or sent any cash item to pay or remit therefor in cash, but payment may be made, in our discretion by any of the following methods which is in a form acceptable to us:

- (1) Authorization to charge the account on our books of a member or nonmember clearing bank;
- (2) Cash letter agreement plan (automatic charge; see our Bulletin 12); or
- (3) Other forms where special arrangements have been made.

#### 4.10 Collecting banks

A subsequent collecting bank (other than a Federal Reserve Bank) to which the paying bank has paid or remitted for a cash item as herein provided shall pay or remit the proceeds to the Federal Reserve Bank which forwarded the item to

it in such fashion that the proceeds thereof will be available to such Federal Reserve Bank not later than the close of the banking day, for such Federal Reserve Bank, on which the proceeds were received by such subsequent collecting bank.

#### 4.15 Differences and adjustments

Unless a paying bank has otherwise agreed with this Bank, when a paying bank pays or remits for our cash letter in an amount not in agreement with the total of the cash letter because the accompanying cash items do not prove to the amount of the cash letter, a complete explanation of the difference should be furnished on our appropriate form. Paying banks are requested to refrain from reporting adjustments of \$1.00 or less.

#### 4.20 Late claims for error adjustments

We will send to member banks and other depositors maintaining an account on our books statements of account, which may be supported by advices, with respect to entries in such an account made by us in accordance with the provisions of Regulation J and our operating bulletins. If, within one calendar year from the date of an entry in such an account, such a depositor fails to advise us in writing of its objection to such an entry, the depositor, and any sender, collecting bank, or paying bank using the account maintained by the depositor which has handled the item to which the entry relates, shall be deemed to have approved the entry and the statement of account shall be deemed finally adjusted. The foregoing shall not relieve such a depositor from the duty of exercising due diligence to examine statements of account sent to it and of notifying us immediately upon discovery of any error, nor shall it apply to claims based

<sup>2</sup>A cash item received by a paying bank shall be deemed to have been received by the bank on its next banking day if the item is received under one of the following circumstances:

- (1) On a day other than a banking day for it, or
- (2) On a banking day for it, but
  - (a) After its regular banking hours, or
  - (b) After a "cut-off hour" established by it in accordance with applicable state law, or
  - (c) During afternoon or evening periods when it is open for limited functions only.

<sup>3</sup>This Bank will charge against a member paying bank's reserve account the amounts of cash letters received from or through this Bank by such paying bank, in the absence of any arrangement to provide for payments and remittances in some other manner and in the absence of instructions to the contrary with respect to any specific cash letter.



upon the breach of a warranty in respect of an item to which an entry relates by a Federal Reserve Bank.

## **Section 5, RETURN ITEMS**

### **5.00 Recovery**

If a paying bank returns to us an unpaid cash item in accordance with the provisions of section 210.12 of Regulation J,<sup>4</sup> it may recover any payment or remittance theretofore made by it for such item by requesting a credit therefor to an account on our books; and paying banks are urged to follow this procedure to the extent practicable. However, any such paying bank may return any such unpaid item to us for refund.

### **5.05 Time for return by collecting banks**

Any collecting bank which receives an unpaid cash item from a paying bank for return to us is hereby directed to forward the return item to us before midnight of its next banking day following the banking day of its receipt of the return item, or as such time may be extended by operation of section 210.14 of Regulation J.

### **5.10 Warranty of collecting banks**

A collecting bank which takes or receives a credit or obtains a refund for the amount of any remittance made by it in respect of a cash item forwarded to it by us and returned to us by it thereby:

- (1) Warrants to us and to the sender of the item and all prior parties thereon that its return of the unpaid item to us was timely; and
- (2) Agrees to indemnify us for any loss or expense sustained (including but not limited to attorneys' fees and expense of litigation) resulting from its breach of such warranty.

### **5.15 Warranty of paying banks**

In accordance with section 210.12(b) of Regulation J, each paying bank which takes or receives credit or obtains a refund in respect of a cash item received by it from or through us, warrants to us, to any subsequent collecting bank, and to the sender and all prior parties that it took all action necessary to entitle it to recover such payment within the times limited therefor.

### **5.20 Return without entry**

A paying bank or a collecting bank may return to us without entry a cash item which the paying bank or collecting bank did not return on time, with the request that we ask our sender to make refund therefor, in which event we shall make refund to the paying bank or collecting bank and charge our sender only if the latter specifically authorizes us to do so.

### **5.25 Reason for nonpayment on item**

Each cash item returned unpaid should bear a notation clearly indicating the reason for nonpayment.

### **5.30 Federal Reserve responsibility**

If we are once furnished with a cash item accompanied by a statement, signed by an authorized representative of a sender (other than a Federal Reserve Bank), that, upon the information and belief of such sender, the paying bank did not take all action necessary to entitle it to recover its payment or remittance for such cash item within the times limited therefor by the provisions of Regulation J, thereby causing loss to the sender, we shall, on the basis of such statement, charge the amount of the item to the account maintained or used by, and forward the item to, the collecting bank or paying bank to which the item was originally presented, sent or forwarded by us and credit the account on our books of the sender (or Federal Reserve Bank furnishing such item and statement) with that amount; provided, however, that such credit to the sender shall be revoked if for any reason we cannot obtain the amount of such credit from the paying bank, and such credit to the sender shall be revoked if we subsequently receive not later than fifteen (15) banking days after we forwarded the item to the collecting bank or paying bank as provided in this paragraph, the same cash item accompanied by a statement, signed by an authorized representative of the paying bank, that the paying bank took all action necessary to entitle it to recover its payment or remittance within the times limited therefor by the provisions of Regulation J, and the paying bank (or collecting bank furnishing such item and statement) will

<sup>4</sup>Section 210.12 of Regulation J is set forth in Supplement A to this bulletin.

be credited accordingly. No Federal Reserve Bank shall have any responsibility for determining whether the paying bank took all action necessary to entitle it to recover such payment or remittance or whether the return of the item to it by a collecting bank was timely.

### 5.35 Maintenance of records

For its own protection each paying and collecting bank returning cash items to us for any reason should maintain adequate records to permit the reproduction or tracing of any items lost or destroyed in transit.

### 5.40 Provisional credits

If a paying bank or a collecting bank makes, in accordance with applicable state law, a direct return to the depository bank of an unpaid cash item which it has received from or through us or any other Federal Reserve Bank, any provisional credit for the item:

- (1) Between such paying bank or collecting bank and this Bank or any other Federal Reserve Bank;
- (2) Between this Bank or any other Federal Reserve Bank and the sender; and
- (3) Between this Bank and any other Federal Reserve Bank

shall become and remain final.

## Section 6, UNIFORM INSTRUCTIONS REGARDING PROTEST AND ADVICE OF NONPAYMENT

### 6.00 General

Except as provided in section 6.05 hereof, all paying banks and collecting banks must receive, handle, and forward cash items in accordance with the following uniform instructions regarding protest and wire advice of nonpayment; and any contrary or special instructions noted on cash letters or otherwise transmitted with cash items are to be disregarded:

- (1) **PROTEST** any dishonored item of \$2,500 or over:
  - (a) Which appears on its face to have been drawn at a place which is not within any state,<sup>5</sup> unless it bears on its face the ABA no-protest symbol of a Federal Reserve Bank or of a preceding bank endorser, or

<sup>5</sup>The term "state" is defined in section 210.2(n) of Regulation J to mean any state of the United States, the District of Columbia, or Puerto Rico, or any territory, possession, or dependency of the United States.

(b) Which bears on its face the legend, "**PROTEST REQUIRED**," of a Federal Reserve Bank or of a preceding bank endorser.

### (2) DO NOT PROTEST:

- (a) Any item of less than \$2,500, or
- (b) Any item of \$2,500 or over unless it is protestable under subparagraph (1).

(3) **WIRE ADVICE** of nonpayment of any item of \$2,500 or over, unless it has not been paid because of a missing, irregular, or unsatisfactory endorsement or unless it bears on its face the legend, "**DO NOT WIRE NONPAYMENT**," of a Federal Reserve Bank or a preceding bank endorser. Include in the advice of nonpayment, the amount of the item, the reason for nonpayment, the date of our cash letter, the name of the drawer or maker, and the names of all endorsers preceding the Federal Reserve Bank or their ABA transit numbers, if any. Wire advice of nonpayment should be furnished in a form similar to that which is used in the following specimen:

Returning \$2,513.24 insufficient funds yours  
18th maker John Doe endorsed 37-2 17th  
88-4185 16th and Richard Roe.

### (4) DO NOT WIRE ADVICE of nonpayment of:

- (a) Any item less than \$2,500; or
- (b) Any item of \$2,500 or over unless such advice is required by subparagraph (3).

### 6.05 United States obligations

**DO NOT PROTEST AND DO NOT WIRE ADVICE** of nonpayment of any cash item, regardless of amount, endorsed by the United States Treasury, or endorsed for credit to the United States Treasury, 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.

### 6.10 Responsibility of paying bank

The paying bank shall be responsible for making or providing for any protest of a cash item protestable under the provisions of this bulletin and for giving any wire advice of nonpayment required by the provisions hereof, except as may be otherwise provided by the rules or practices

of any clearing house through which the item was presented or by agreement between this Bank and the paying bank.

### **6.15 Responsibility of this Bank**

This Bank shall have no responsibility for determining whether any other bank responsible therefor has (a) made or provided for the protest of any cash item protestable hereunder, or (b) given any wire advice of nonpayment required hereunder.

## **Section 7, PROCEDURES**

### **7.00 Standardization, sorting, routing and mechanized processing**

To facilitate the sorting, routing, and mechanized processing of cash items, and thereby promote earlier presentment and return of unpaid items, paying banks are urged:

(1) In conformity with the ABA Magnetic Ink Character Recognition Program, to preprint the routing symbol and the suffix of the transit number on all cash items in magnetic ink in E-13B type in the manner prescribed, and at the location assigned, by the ABA.

(2) To clearly imprint the appropriate transit number-routing symbol in fractional form in the upper right corner of all cash items payable by or through such paying banks, preferably in Gothic type, and the face of which measures at least 8 points vertically or 1/9 of an inch from the top to the bottom of the individual characters.

(3) To conform cash items to the standards prescribed by the ABA, including a minimum width of 2<sup>3</sup>/<sub>4</sub> inches, a maximum width of 3<sup>2</sup>/<sub>3</sub> inches, a minimum length of 6 inches, and a maximum length of 8<sup>3</sup>/<sub>4</sub> inches, and to restrict cash items to a single thickness of card or paper.

### **7.05 Reference to Bulletin 8**

The attention of paying banks and collecting banks is called to our Bulletin 8, to the effect that:

(1) This Bank may present, send, or forward any cash item, in accordance with section 210.6 of Regulation J, on the basis of:

(a) Any ABA transit number or routing symbol appearing thereon at the time of its receipt by us, whether inscribed by magnetic ink or by any other means, and whether or not such transit

number or routing symbol is consistent with each other form of designation of the paying bank (or nonbank payor) then appearing thereon; or

(b) Any other form of designation of the paying bank (or nonbank payor) then appearing thereon, whether or not consistent with any ABA transit number or routing symbol then appearing thereon; and

(2) If, in our judgment, the processing of any cash item by us requires the inscription thereon in magnetic ink, or otherwise, of the ABA transit number, the routing symbol, or both, of the paying bank (or nonbank payor) or requires the inscription thereon in magnetic ink of the amount of such item, we may so inscribe the item and present, send, or forward it accordingly; and the sender of such item shall be deemed to assume the risk of loss resulting from delay caused by the act of inscribing such amount or such number, symbol, or both.

### **7.10 Cash letters received in mutilated condition**

In the event that our cash letter is received in a mutilated condition, please telephone this Bank before attempting to function any portion thereof. Under certain conditions when the cash letter is returned intact, tracing and identification of mutilated or destroyed cash items is expedited.

### **7.15 Photographic copies**

In the event we receive, as a cash item, a properly prepared photographic copy of a lost or destroyed item which was eligible for handling as a cash item, which copy bears a current endorsement of the sender and the following legend, or one of equivalent effect, signed by or in behalf of the sender:

"This is a photographic facsimile of the original check which was endorsed by the undersigned and reported lost, stolen, or destroyed while in the regular course of bank collection. All prior and any missing endorsements and the validity of this facsimile are hereby guaranteed, and upon payment hereof in lieu of the original check, the undersigned will hold each collecting bank and the payor bank harmless from any loss suffered, provided the original check is unpaid and payment is stopped thereon."

we will present or send the copy as a cash item to the paying bank (or nonbank payor) subject

to all the rules as to payment or remittance for, and return of, cash items; and we urge paying banks (and nonbank payors) to accept such photocopies for handling as cash items. However, if a paying bank (or nonbank payor) declines to handle the copy as a cash item but is willing to handle it as a noncash item, we will charge back to the sender the amount of the copy and will present or send the copy to the paying bank (or nonbank payor) as a noncash item under the terms of our current bulletin relating to the collection of noncash items; or, if such paying bank (or nonbank payor) refuses to handle the copy, we will charge back the amount of the copy and return the copy to the sender.

### **Supplement A**

### **RETURN OF CASH ITEMS**

Section 210.12 of Regulation J, captioned "Return of Cash Items," provides as follows:

"(a) A paying bank that receives a cash item from or through a Federal Reserve Bank, otherwise than for immediate payment over the counter, and that pays or remits for such item as provided in § 210.9(a) of this Part shall have the right to recover any payment or remittance so made if, before it has finally paid the item, it returns the item before midnight of its banking day next following the banking day of receipt or takes such other action to recover such payment or remittance within such time and by such means as may be provided by applicable State law: *Provided*, that the foregoing provisions shall not extend, nor shall the time

herein provided for return be extended by, the time for return of unpaid items fixed by the rules and practices of any clearing house through which the item was presented or fixed by the provisions of any special collection agreement pursuant to which it was presented.

(b) Any paying bank which takes or receives a credit or obtains a refund for the amount of any payment or remittance made by it in respect of a cash item received by it from or through a Federal Reserve Bank shall be deemed (1) to warrant to such Federal Reserve Bank, to a subsequent collecting bank, and to the sender and all prior parties that it took all action necessary to entitle it to recover such payment or remittance within the time or times limited therefor by the provisions of this part, by the applicable rules and practices of any clearing house through which the item was presented, by the applicable provisions of any special collection agreement pursuant to which it was presented, and, except as a longer time may be afforded by the provisions of this part, by applicable State law; and (2) to agree to indemnify such Federal Reserve Bank for any loss or expense sustained (including but not limited to attorneys' fees and expenses of litigation) resulting from its action in giving such credit or making such refund, or in making any charge to, or obtaining any refund from, the sender. No Federal Reserve Bank shall have any responsibility to such paying bank or any subsequent collecting bank or to the sender of the item or any other prior party thereon for determining whether the action hereinabove referred to was timely."

**TABLE OF CONTENTS****Section 1, GENERAL**

- 1.00 Collection contract
- 1.05 Authority

**Section 2, DEFINITIONS AND REFERENCES**

- 2.00 Definitions, references to Regulation J
- 2.05 Reference to Bulletin 1
- 2.10 Reference to Bulletins 8, 11, and 12
- 2.15 Use of term "Regional Check Processing Center" (RCPC)
- 2.20 Use of term "Participating Bank"
- 2.25 Use of term "Correspondent Bank"
- 2.30 Use of term "Relay Station"

**Section 3, CASH ITEMS TO BE HANDLED**

- 3.00 Requirements for handling by RCPCs
- 3.05 Unsorted cash items, 2,000 items daily average
- 3.10 Cash items received from a Correspondent Bank
- 3.15 Cash items received at Relay Stations
- 3.20 End-point sort requirement

**Section 4, PAYMENT FOR CASH LETTERS**

- 4.00 Time of payment
- 4.05 Forms to be used
- 4.10 Effects of new agreements
- 4.15 Termination of agreements

**Section 5, RETURN ITEMS**

## Section 1, GENERAL

This bulletin is directed to the appropriate member and nonmember banks of the Eleventh Federal Reserve District and others concerned:

### 1.00 Collection contract

Regulation J and this bulletin prescribe the terms and conditions upon which we will handle cash items for collection at Regional Check Processing Centers.

### 1.05 Authority

This bulletin is issued pursuant to the provisions of sections 4, 13, 14(e), and 16 of the Federal Reserve Act and the related statutes and in conformity with the provisions of related statutes and Regulation J.

## Section 2, DEFINITIONS AND REFERENCES

### 2.00 Definitions, references to Regulation J

All terms defined in Regulation J and used herein have the meanings stated in that regulation.

### 2.05 Reference to Bulletin 1

Several definitions, rules of construction, and other provisions applicable to this bulletin are found in our Bulletin 1, General Provisions, and are incorporated herein by reference.

### 2.10 Reference to Bulletins 8, 11, and 12

Except as may otherwise be specifically provided in this bulletin, all provisions of our Bulletins 8, 11, and 12 shall be applicable to cash items sent to Regional Check Processing Centers.

### 2.15 Use of term "Regional Check Processing Center" (RCPC)

The term "Regional Check Processing Center" (RCPC) means the location of a facility operated by or under contract with the Federal Reserve Bank of Dallas or its Branches for the receipt and handling, pursuant to the provisions of this bulletin, of cash items to be presented or forwarded for collection to any Participating Bank.

### 2.20 Use of term "Participating Bank"

The term "Participating Bank" refers to any

member or nonmember bank shown in the current supplements to this bulletin.

### 2.25 Use of term "Correspondent Bank"

A "Correspondent Bank" in this bulletin means a member bank that a Participating Bank may designate by agreement for purposes of any settlement necessitated by the Participating Bank's use of the RCPCs.

### 2.30 Use of term "Relay Station"

The term "Relay Station" means any location designated by this Bank for the receipt of cash items sent thereto, by any Participating Bank with permission of this Bank, for transport to an RCPC and subsequent handling pursuant to the provisions of this bulletin.

## Section 3, CASH ITEMS TO BE HANDLED

### 3.00 Requirements for handling by RCPCs

RCPCs will handle as cash items all items which fulfill the below requirements and which are to be presented to a Participating Bank from any Federal Reserve Bank, from any member bank of another Federal Reserve District for account of such other Federal Reserve Bank, from any member bank of this District, from a Participating Bank, or from a Correspondent Bank.

Except as otherwise provided by this bulletin, all items sent for handling to RCPCs must meet the requirements of section 3 in our Bulletin 8 and must also:

- (1) Be preprinted or post-encoded with the routing symbol and suffix of the transit number of the paying bank in magnetic ink in E-13B type in the manner prescribed and at the location assigned by the ABA;
- (2) Be amount-encoded in the manner prescribed, and at the location assigned by the ABA;
- (3) Be separately sorted in separate cash letters of Government checks, postal money orders, food stamp coupons, and items drawn on a Participating Bank; and
- (4) Be properly endorsed as set forth in section 5 of our Bulletin 8.

### **3.05 Unsorted cash items, 2,000 items daily average**

Any member bank that has for collection a daily average of not more than 2,000 amount-encoded items drawn on Participating Banks and items which originate from outside the RCPC area and which are payable outside the city or town in which such bank is located, may, upon application, be permitted to send all those items to this Bank unsorted in one cash letter. Credit for items so sent, when received in time for presentment on the day of receipt of all items drawn on Participating Banks included with such cash letter, will be given one business day after receipt.

### **3.10 Cash items received from a Correspondent Bank**

With respect to any cash item received from a Correspondent Bank under the terms of this bulletin, the relationships, rights, warranties, and liabilities existing between the Correspondent Bank and this Bank will be deemed to be the same, and the provisions of Regulation J and this Bank's bulletins shall apply, as though the Correspondent Bank had endorsed such items and sent them to the RCPC for its own account.

### **3.15 Cash items received at Relay Stations**

With the permission of this Bank, cash items may be sent to Relay Stations, and when received there, shall be deemed to have been received at the appropriate RCPC.

### **3.20 End-point sort requirement**

A sender located in a city, town, metropolitan or similar area is strongly urged to exchange directly cash items payable at banks also located in that area. We reserve the right to require that a sender located in such an area must sort, list, and package such items according to the office of the paying bank at which such items are payable.

## **Section 4, PAYMENT FOR CASH LETTERS**

### **4.00 Time of payment**

Payment for each cash letter will be effected on

the day of presentment by a debit to a member bank's reserve account. Each cash letter will be debited in full with subsequent adjustments for return items and errors.

### **4.05 Forms to be used**

The following forms will be executed by Participating Banks for payment of cash letters:

(1) An Automatic Charge Authorization covering automatic charges to a member bank's reserve account for items presented to it.

(2) An Automatic Charge Authorization to be executed by a member or nonmember bank designating the reserve account of another bank to be charged for payment of items drawn on the former. Any member bank authorizing use of its reserve account in this manner shall be deemed to designate the bank executing the agreement its agent to send cash items to the clearing center and to receive return items.

(3) A Letter of Authority to Deliver Cash Letters to a Processing Center to be used in conjunction with either of the previously named two agreements.

### **4.10 Effects of new agreements**

An executed form of Automatic Charge Authorization or a Letter of Authority to Deliver Cash Letters to a Processing Center shall effectively supersede and rescind all previous agreements of the same type and all previous agreements and authorizations concerning or related to the use of the automatic payment plan with regard to cash letters handled by an RCPC.

### **4.15 Termination of agreements**

Any party to a Letter of Authority to Deliver Cash Letters to a Processing Center may at any time give written notice of termination to the other parties. Notice of termination by this Bank will terminate the agreement as of the time stated in the notice. Notice of termination by any other party will terminate the agreement upon the later time of receipt of the notice by this Bank or the time stated in the notice. Termination shall not affect this Bank's rights to make all account

**SUPPLEMENT A****NORTH TEXAS REGIONAL CHECK PROCESSING CENTER****Time Schedule For Credit of Cash Items Presented Through The North Texas RCPC**

Credit will be given by this Bank for cash items eligible for handling hereunder when received at the Regional Check Processing Center in a separate cash letter by the closing hours indicated below:

**IMMEDIATE CREDIT**

	<b>Closing Hour</b>
From Participating Banks, Federal Reserve Banks, and from senders other than Participating Banks	Monday - Friday (if not a holiday)
RCPC Items	12:01 a.m.
End-point sorted items	12:01 a.m.
*Checks drawn on the United States Treasury, Postal Money Orders, and redeemed United States Department of Agriculture food stamps.	12:01 a.m.

**DEFERRED CREDIT**

(One business day after receipt)

Mixed cash letters from any member bank that has for collection a daily average of not more than 2,000 amount-encoded items.	12:01 a.m.
Nonmachineable items	7:00 a.m.

Contact the Dallas office for a current list of its RCPC Participating Banks.

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\*This applies to nonmember Participating Banks. Member banks may deposit these items, Monday through Friday, as set out in our Bulletin 10.



**SUPPLEMENT B**  
**GULF COAST REGIONAL CHECK PROCESSING CENTER**

Time Schedule For Credit of Cash Items Presented Through The Gulf Coast RCPC

Credit will be given by this Bank for cash items eligible for handling hereunder when received at the Regional Check Processing Center in a separate cash letter by the closing hours indicated below:

**IMMEDIATE CREDIT**

	<b>Closing Hour</b>
From Participating Banks, Federal Reserve Banks, and from senders other than Participating Banks	Monday - Friday (if not a holiday)
RCPC Items	12:01 a.m.
End-point sorted items	12:01 a.m.
*Checks drawn on the United States Treasury, Postal Money Orders, and redeemed United States Department of Agriculture food stamps.	12:01 a.m.

**DEFERRED CREDIT**

(One business day after receipt)

Mixed cash letters from any member bank that has for collection a daily average of not more than 2,000 amount-encoded items.	12:01 a.m.
Nonmachineable items	7:00 a.m.

All banks assigned 1131 routing symbol are Participating Banks in the Gulf Coast RCPC.

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\*This applies to nonmember Participating Banks. Member banks may deposit these items, Monday through Friday, as set out in our Bulletin 10.

**SUPPLEMENT C****SOUTH TEXAS REGIONAL CHECK PROCESSING CENTER****Time Schedule For Credit of Cash Items Presented Through The South Texas RCPC**

Credit will be given by this Bank for cash items eligible for handling hereunder when received at the Regional Check Processing Center in a separate cash letter by the closing hours indicated below:

**IMMEDIATE CREDIT**

	<b>Closing Hour</b>
From Participating Banks, Federal Reserve Banks, and from senders other than Participating Banks	Monday - Friday (if not a holiday)
RCPC Items	12:01 a.m.
End-point sorted items	12:01 a.m.
*Checks drawn on the United States Treasury, Postal Money Orders, and redeemed United States Department of Agriculture food stamps.	12:01 a.m.

**DEFERRED CREDIT**

(One business day after receipt)

Mixed cash letters from any member bank that has for collection a daily average of not more than 2,000 amount-encoded items.	12:01 a.m.
Nonmachineable items	7:00 a.m.

Contact the San Antonio office for a current list of its RCPC Participating Banks.

\*This applies to nonmember Participating Banks. Member banks may deposit these items, Monday through Friday, as set out in our Bulletin 10.