

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 77-42
March 29, 1977

REVISION OF BULLETINS 8, 10, AND 13

TO ALL BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

Enclosed is an addendum to Bulletin 8, entitled "Collection of Cash Items," and revised pages to Bulletin 10, entitled "Time Schedules and Other Information Concerning Cash Items," and Bulletin 13, entitled "Collection of Cash Items Through the Regional Check Processing Centers."

Effective April 1, 1977, Bulletin 8, section 7, paragraph 7.20, is being revised to increase the maximum number of cash items that can be deposited with this Bank in unsorted deposits from 2,000 to 5,000 items. Credit availability for these items will be based on current availability schedules. Section 10 has been revised by adding paragraph 10.35 concerning a special airport consolidation program the Federal Reserve System has developed for member banks located in a non-Federal Reserve city (refer to our Circular No. 77-6, dated January 6, 1977). Bulletin 10 and Supplement A and Bulletin 13 and Supplements A, B, and C have been revised to reflect the changes concerning unsorted deposits. Supplement A to Bulletin 10 has also been revised to reflect the current closing hours for cash items.

Member banks and others should insert the enclosed pages in the proper bulletins and the corresponding pages should be removed and destroyed. If you have any questions or comments concerning these revisions, please contact J. A. Clymer, Assistant Vice President, Ext. 6337, or the appropriate Branch officer having responsibility over the check collection function. Additional copies of the revised pages of Bulletins 8, 10, and 13 will be furnished upon request to the Secretary's Office of this Bank, Ext. 6267.

Sincerely yours,
Robert H. Boykin
First Vice President

Enclosures

Banks and others are encouraged to use the following toll-free incoming WATS numbers in contacting this Bank: 1-800-492-4403 (intrastate) and 1-800-527-4970 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

ADDENDUM TO BULLETIN 8

COLLECTION OF CASH ITEMS

Effective April 1, 1977, paragraph 7.20 is amended as follows:

7.20 Mixed Cash Letters

A member bank that has for collection a daily average of not more than 5,000 immediate-credit and deferred-credit items (excluding food coupons) payable outside of the city or town in which such bank is located may be permitted, upon application, to send such items to us either unsorted in one cash letter or, by arrangement, in one unsorted cash letter and one or more cash letters separately sorted by categories of items: *Provided*, That the items sent to us by such bank on any one day shall include all such items processed by it on that day. Credit for items so sent will be given in accordance with arrangements made with us based upon availability schedules, amount of items, and time of receipt of cash letters.

Effective April 1, 1977, Section 10 is amended by adding paragraph 10.35 as follows:

10.35 Airport Consolidation Program

A special airport consolidation program has been developed by the Federal Reserve System for member banks in non-Federal Reserve cities. Member banks having direct sending authority desiring to investigate the use of this program must make inquiry through their local Reserve office in order to determine probable dispatch time, airport consolidation point and time, and receive Application Forms I and II. In addition, the member banks must be willing to pay the transportation cost to the designated airport plus a consolidation cost. Each participating bank will be responsible for the proper tagging and bagging of each container and the timely delivery of appropriate accounting advices and dollar classification data to the servicing Reserve office.

BULLETIN 10

**Time Schedules and
Other Information
Concerning Cash Items**



FEDERAL RESERVE BANK OF DALLAS

SCOPE

This bulletin sets out certain rules under which credit for cash items sent by member banks to us for collection will be made available in the reserve accounts of the sending member banks. It also contains several rules with respect to the sorting and preparation of cash letters sent to this bank. Supplement A to this bulletin contains the current closing hours for various categories of cash items.

This bulletin, along with Regulation J and certain other bulletins of this bank, constitutes a portion of the contract under which cash items are handled for collection by this Bank.

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A member bank that has for collection a daily average of not more than 5,000 immediate-credit and deferred-credit items (excluding food coupons) payable outside of the city or town in which such bank is located may be permitted, upon application, to send such items to us either unsorted in one cash letter or, by arrangement, in one unsorted cash letter and one or more cash letters separately sorted by categories of items: *Provided*, That the items sent to us by such bank on any one day shall include all such items processed by it on that day. Credit for items so sent will be given in accordance with arrangements made with us based upon availability schedules, amount of items, and time of receipt of cash letters.

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)	Closing Hour
Items drawn on local banks bearing the immediate credit routing symbol*	9:00 a.m. 9:15 a.m. (El Paso only) 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 (acceptable 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	
Drafts on this Bank subject to inspection and verification of signatures after receipt at office on which drawn before payment is final	2:30 p.m.
Eleventh District Louisiana end-point sorted items (items bearing routing symbol 1111 — contact Dallas Office for specific details)	12:01 a.m. Monday-Friday (Dallas only)

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

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

Nonmachineable items (deferred one additional business day up to a maximum of two business days)	7:00 a.m.
Computer processed items specially prepared for direct introduction into high-speed check-handling equipment (contact Dallas office for specific details)	2:30 p.m. (Dallas only)

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

Group sorted items specially prepared for direct introduction to high-speed check-handling equipment (contact Dallas office for specific details)	5:00 p.m. Sunday (Dallas only) 8:00 p.m. Monday-Thursday (Dallas only)
End-point sorted items (see Section 3.25 of Bulletin 10 for Requirements)	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* (El Paso Branch only)	
Regular items	11:00 a.m.
Computer processed items	12:00 Noon

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

Unsorted cash letters with amount-encoded items, with daily average of 5,000 items or less, as provided in 3.05 of Bulletin 10	9:00 a.m. (Dallas & Houston only) 9:15 a.m. (El Paso only) 9:30 a.m. (San Antonio only)
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*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.

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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, 5,000 items daily average

Any member bank that has for collection a daily average of not more than 5,000 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

	Closing Hour
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 5,000 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.

*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

	Closing Hour
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 5,000 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.

*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

	Closing Hour
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 5,000 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.