

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 78-121

August 30, 1978

REVISED SUPPLEMENT A TO BULLETIN 8

TO ALL BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

Paragraphs A-1.00 and A-2.00 of Supplement A to our Bulletin 8 have been changed to incorporate the procedures necessitated by the implementation of the Treasury Check Truncation Program. Paragraph A-4.00 has been changed to remove a duplication of wording erroneously printed during a previous revision.

We are enclosing a revised Supplement A to Bulletin 8, which reflects the changes mentioned above. Member banks and others should file the supplement in their Regulations Binder and the corresponding page should be removed and destroyed.

Questions concerning these changes should be directed to T. E. Spreng, Assistant Vice President at the Head Office, Ext. 6336.

Additional copies of the supplement will be furnished upon request to the Secretary's Office of this Bank, Ext. 6267.

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosure

Banks and others are encouraged to use the following 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.

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 240). 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, after handling by us as fiscal agent of the United States in accordance with requirements of the United States Treasury, 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 depositaries 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 possession 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 depositories 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.