

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 78-150

October 24, 1978

ENCODING ERRORS ON TREASURY CHECKS

TO ALL BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

Previous circular letters distributed by this Bank have advised of the implementation of truncation procedures for the processing of Treasury checks during the first half of 1978. Our experience with these new procedures has revealed, what is in our opinion, an unusually large number of adjustments due to encoding errors in the amount field.

The Federal Reserve Banks are no longer in a position to detect this type of error for adjustment, since no comparison can be made between the Hollerith punched amount and the encoded amount. Each bank submitting Treasury checks is encouraged to review its operations to detect encoding errors prior to presentment to the Federal Reserve Bank.

The Treasury Department usually detects encoding errors during its processing operations. Its procedures provide for adjustment of 85 percent of these errors within a 30-day period after submission of the records to the Treasury Department. In effect, most adjustments should be made within 45 days of submission of the items to a Federal Reserve Bank.

Since it is apparent that not all encoding errors will be adjusted quickly, banks are encouraged to report significant encoding errors, giving cash letter date, total, tape total and position of item, along with a photocopy of the check in question as soon as possible. If these errors are not reported to the Federal Reserve Bank on a timely basis, significant delays in obtaining the appropriate adjustment from the Treasury Department are possible.

If you have any questions, please contact Thomas D. Holloway, Assistant Manager of this Bank's Mailing Department (Ext. 6297); Lillian Childress, Manager of the Checks Department at our El Paso Branch (915/544-4730); John Bullock, Manager of the Checks Department at our Houston Branch (713/659-4433); or Henry Juenke, Manager of the Checks Department at our San Antonio Branch (512/224-2141).

Sincerely yours,

Robert H. Boykin

First Vice President

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.