

**FEDERAL RESERVE BANK OF DALLAS**

**DALLAS, TEXAS 75222**

**Circular No. 80-22**

**February 7, 1980**

**LARGE DOLLAR VALUE CHECKS**

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

Attached is a Federal Reserve press release dated January 14, 1980 announcing the Federal Reserve Board has decided to change its check collection rules to speed up collection of large dollar value checks--\$250,000 or more--as a means of improving the nation's payments system and reducing the amount of Federal Reserve Float.

In this connection, the Board directed the System's Conference of First Vice Presidents to develop, as soon as practicable, procedures under which banks sending checks to the Federal Reserve for collection will sort out all checks \$250,000 or more. These large checks will be given special handling by the System to speed up their collection. Checks of this size account for approximately a quarter of the average daily float.

The Board also asked the Federal Reserve Banks to complete a plan for processing of large dollar value checks received by the Federal Reserve so that the necessary information for collection can be electronically transferred to banks on which these checks are drawn, and thereby reduce float by speeding up payment.

The Board will consider the plan presented to it, and will request member banks' comments on any electronic check presentment plan that it proposes to adopt.

Sincerely yours,

**Robert H. Boykin**

**First Vice President**

# FEDERAL RESERVE press release



For immediate release

January 14, 1980

The Federal Reserve Board today announced that it has decided to change its check collection rules to speed up collection of large dollar value checks -- \$250,000 or more -- as a means of improving the nation's payments system and of cutting down the amount of Federal Reserve Float.

At the same time, and with the same objectives, the Board asked the Federal Reserve Banks to complete development of a plan first suggested by the Board last May for presenting large dollar value checks for collection electronically, instead of initially presenting them by delivery of the paper checks. This could have the added benefit of conserving fuel used in check collection.

Federal Reserve float -- currently running at approximately \$5.5 billion daily, on the average -- is the amount that the Federal Reserve has paid to banks that have sent checks received by them to the System for collection, but that has not yet been collected from the banks whose customers wrote the checks.

To reduce such float the Board directed the System's Conference of First Vice Presidents to develop, as soon as practicable, procedures under which banks sending checks to the Federal Reserve for collection will sort out all checks of \$250,000 or more. These large checks will be given special handling by the System to speed up their collection. Checks of this size account for approximately a quarter of average daily float.

At the same time, the Board also asked the System's Conference of First Vice Presidents to complete a plan for the processing of large dollar value checks received by the Federal Reserve so that the necessary

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information for collection can be electronically transferred to banks on which these checks are drawn, and thereby reduce float by speeding up payment.

The Board will consider the plan presented to it, and will request member bank comment on any electronic check presentment plan that it proposes to adopt.

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