

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-134  
November 4, 1983

RETURN ITEM PILOT QUESTIONNAIRE

TO THE OPERATIONS OFFICER AT THE  
DEPOSITORY INSTITUTION ADDRESSED IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

The Eleventh District implemented Phase II of the Return Item Pilot on October 3, 1983. During this phase, Eleventh District offices are returning unpaid items direct to the institution of first deposit within the Eleventh District if that institution has a check processing autocharge agreement with the local Reserve office and the Reserve office presents cash items to that institution or its designated intercept point. If an institution does not have a check processing autocharge agreement with the local Reserve office, any unpaid items are returned through the normal collection chain.

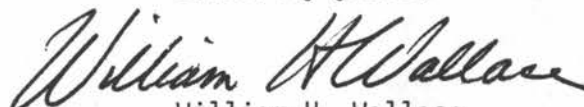
During Phase II, a price incentive is offered payor institutions depositing returns that can be processed by automated means. Payor institutions depositing items in this manner are charged a processing fee of \$.25 instead of \$.50.

In an effort to assess the overall impact of the Return Item Pilot program thus far, we would appreciate your comments and input through the enclosed questionnaire. By November 18, 1983, please return the completed questionnaire to the Federal Reserve Bank of Dallas in the enclosed postage paid preaddressed envelope.

If you have any questions, please contact Donald L. Jackson, (214) 651-6118 at the Head Office; Robert W. Schultz, (915) 544-4730 at the El Paso Branch; Vernon L. Barteo, (713) 659-4433 at the Houston Branch; or John A. Bullock, (512) 224-2141 at the San Antonio Branch.

Additional copies of this circular will be furnished upon request to the Public Affairs Department, Extension 6289.

Sincerely yours,



William H. Wallace  
First Vice President

Enclosures

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Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

ELEVENTH DISTRICT  
RETURN ITEM PILOT SURVEY

Please circle the appropriate letter or fill in a blank for each question.

1. Institution Name : \_\_\_\_\_
2. Institution Routing-Transit Number : \_\_\_\_\_
3. Completed by : \_\_\_\_\_
4. Have you experienced an increase or reduction in operating expenses as a result of direct return ?
  - a. Increase of \$ \_\_\_\_\_ per month in the following expenses  
\_\_\_\_\_
  - b. Decrease of \$ \_\_\_\_\_ per month in the following expenses  
\_\_\_\_\_
  - c. No change.
5. Has there been any change in volume of return items that you send to the Fed as a result of the new return item service ?
  - a. Increase of \_\_\_\_\_ per day.
  - b. Decrease of \_\_\_\_\_ per day.
  - c. No change.
6. Why the change indicated in question 5., if any? \_\_\_\_\_  
\_\_\_\_\_
7. Items that are returned to an institution of first deposit within the Eleventh District can be prepared for automated processing by attaching a strip to the bottom of the item or placing the item in a transparent document carrier and then encoding the routing and transit number of the institution of first deposit and the amount. A 25 cent price break is available for returns prepared in this manner. Are you preparing your returns for automated handling ?
  - a. Yes.
  - b. Not now, but in the near future.
  - c. No.
8. If your institution does not plan to deposit automated returns, please explain why not ? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. Is the strip that has been added to the return by the Fed causing any adverse impact on operations at your institution ?  
(Institutions in Dallas and Houston territories only.)
  - a. Major problems, such as \_\_\_\_\_  
\_\_\_\_\_
  - b. Minor problems we can or already have overcome.
  - c. No.

ELEVENTH DISTRICT  
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10. Are you experiencing a decrease in losses on unpaid items as a result of the Feds notification on all large items and direct return ?
- a. Yes, and we estimate avoided losses at \$ \_\_\_\_\_ per month.
  - b. No change.
11. Have you or do you plan to implement any programs or take any steps within your institution in a effort to reduce the number of checks returned by your institution ?
- a. Yes, a new overdraft program.
  - b. Yes, immediately returning items only if they are over \$ \_\_\_\_.
  - c. Yes, \_\_\_\_\_
  - d. No.
12. As the first endorsing institution, do you feel you have been receiving unpaid items more timely since Phase II of the Return Item Pilot began on October 3, 1983 ?
- a. Yes, and we estimate the time decreased \_\_\_\_\_ day(s).
  - b. No, and we estimate the time increased \_\_\_\_\_ day(s).
  - c. No change.
13. If "Yes" to question 12., have you or do you plan to change your funds availability practices to your customers ?
- a. Yes, such as \_\_\_\_\_
  - b. No.
14. If "No" to question 12., why is it taking longer for the items to be returned to you ?
- \_\_\_\_\_
- \_\_\_\_\_
15. Do you wish to continue to be notified for large unpaid items returned for the reason "endorsement missing" ?
- a. Yes, because \_\_\_\_\_
  - b. No, because \_\_\_\_\_
16. During Phase III of the Pilot, the Eleventh District Reserve offices will accept unpaid items that were not originally presented for collection through the Federal Reserve Banks. Do you plan to deposit these types of returns with the local Reserve office ?
- a. No.
  - b. Not applicable at this instituion.
  - c. Yes, \_\_\_\_\_ additional items per day, with \_\_\_\_\_ % of the additional items having an Eleventh District first endorser.

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17. Is the return of unpaid items directly to the institution of first deposit a service the financial community wants ?

- a. Yes, because \_\_\_\_\_
- b. No, because \_\_\_\_\_

18. Please provide any additional comments that you may have.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attach additional sheets if more space is needed for any of your responses. Please be sure to show the question number you are answering. Return Questionnaire to :

Mr. Lawrence R. Lane  
Federal Reserve Bank  
400 South Akard  
Station K  
Dallas, Texas 75222