



**FEDERAL RESERVE BANK
OF DALLAS**

WILLIAM H. WALLACE
FIRST VICE PRESIDENT

DALLAS, TEXAS 75222

February 21, 1985

Circular 85-27

TO: All depository financial institutions
in the Eleventh Federal Reserve District

SUBJECT

Modifications to the Interdistrict Revenue and Volume Exchange

DETAILS

The Federal Reserve System will modify a portion of its billing procedures effective February 28, 1985. The procedure, known as the Interdistrict Revenue and Volume Exchange (IRVE), is used to account for charges a depository financial institution is assessed by one Federal Reserve Bank, that is billed by another Federal Reserve Bank. For example, when an Eleventh District depository financial institution sends a "direct-send cash letter" to another Federal Reserve office, the service charge is determined by the fees of the processing Federal Reserve office, but billing and settlement for the transaction are handled by the local Federal Reserve office. Eleventh District depository financial institutions send their local Federal Reserve office a "point sheet" when direct sends are initiated. The billing Federal Reserve office uses the "point sheet" information to credit a depository financial institution for the deposit on the appropriate date and to determine service charges. Currently, all depository financial institutions inquiries regarding billing are resolved using local Federal Reserve office information.

Effective February 28, 1985, this process will be reversed. Billing for interdistrict transactions will be based on the processed volumes of the "processing" Federal Reserve Bank. The Federal Reserve offices will send billing information to the local Federal Reserve office daily on a lagged basis. Depository financial institutions will continue to be billed for all service charges by their local Federal Reserve office.

You must continue to send "point sheets" to your local Federal Reserve office for interdistrict transactions in order to receive credit for deposits in a timely manner. Requests for billing adjustments should continue to be made to the service area of your local Federal Reserve office. These requests will then be forwarded to the appropriate "processing" Federal Reserve office for adjustment.

The advice of service charges, for all services, will be removed from the daily "Reserve Account Statement." A new weekly advice will be sent on a delayed basis. The new weekly advice will contain a detailed listing of all charges by service. These reports should be used to reconcile your institution's billing charges on a weekly basis. While the Preliminary and Final Statements of service charges will remain unchanged at this time, in the near future these two billing reports will be substantially revised and will indicate summary totals only. The daily respondent statement will remain as it is.

MORE INFORMATION

For further information regarding this change in billing procedures, please contact Brian R. McKee at (214) 651-6176.

Sincerely yours,

William H. Waller