



FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT
AND CHIEF OPERATING OFFICER

August 31, 1989

DALLAS, TEXAS 75222

Circular 89-53

TO: The Chief Operations Officer of
all financial institutions in the
Eleventh Federal Reserve District

SUBJECT

**Introduction of a pilot program involving the receipt and deposit of
return items in forward collection cash letters in the Dallas office territory**

DETAILS

As part of a Federal Reserve pilot program being tested in the Dallas office territory, all financial institutions will have the option of receiving and depositing return items commingled in forward presentment cash letters beginning October 2, 1989.

The program, which is designed to further accelerate the return process, will only apply to cash letters deposited at the Dallas office. Participating institutions that deposit returns in forward presentment cash letters must agree to receive returns commingled in their incoming Fed cash letter.

A return item deposited in forward collection cash letters will be charged the appropriate forward collection fee if the institution to which it is being returned is a participant in the program. Other returns deposited in a commingled cash letter will be assessed the normal return item fee.

We feel that this program represents a significant improvement in the return item process and look forward to testing the concept.

MORE INFORMATION

For further information, please call Jack A. Clymer at (214) 651-6337 or Robert L. Whitman at (214) 698-4357.

Sincerely,

A handwritten signature in cursive script that reads "William H. Wallace".