



FEDERAL RESERVE BANK  
OF DALLAS

WILLIAM H. WALLACE  
FIRST VICE PRESIDENT  
AND CHIEF OPERATING OFFICER

September 1, 1989

DALLAS, TEXAS 75222

Circular 89-52

**TO:** The Chief Operations Officer of  
all financial institutions in the  
Dallas office territory

**SUBJECT**

**Introduction of check truncation services in the Dallas office  
territory**

**DETAILS**

Effective October 2, 1989, the Federal Reserve Bank of Dallas will begin offering check truncation services in the Dallas office territory.

Check truncation services are designed to increase the efficiency of handling paper checks or share drafts. MICR-line data from checks processed by the Fed will be captured and delivered to the customer institution or a designated processor either electronically over the RESPONSE network or via magnetic tape. The physical checks will be microfilmed, then safekept for a period of 90 days and subsequently destroyed. Microfilm of the checks will be kept for seven years. Return items will be pulled upon notification and processed during the next return item processing cycle. Also, the physical checks or information contained on the checks will be retrieved and delivered upon request.

Financial institutions that use the check truncation services will benefit from the cost savings resulting from the reduced handling of paper checks and a reduction of risk associated with late returns.

Fees associated with check truncation services are listed on the reverse side of this circular.

**MORE INFORMATION**

For further information concerning check truncation services, please consult this Bank's Bulletin 17 or call Robert L. Whitman at (214) 698-4357 or Eric Lendl at (214) 651-6626.

Sincerely yours,

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

For additional copies of any circular please contact the Public Affairs Department at (214) 651-6289. Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank (800) 442-7140 (intrastate) and (800) 527-9200 (interstate).

**Truncation:**

|                         |         |
|-------------------------|---------|
| Basic Service           | \$ .020 |
| Fine Sort:              |         |
| per item                | \$ .020 |
| per package             | \$ 2.00 |
| Return Item:            |         |
| via fax transmission    | \$ 1.70 |
| via telephone           | \$ 2.00 |
| Retrievals              | \$ 1.25 |
| Data Transmission       | \$ .005 |
| Magnetic Tape surcharge | \$12.50 |

NOTE: The basic service includes MICR-line data capture, microfilming, and safekeeping of all high-speed and rejected checks. The physical checks will be kept for 90 days and microfilm for seven years.

Fine sort truncation fees will be charged if the customer requests that their checks included in package sort cash letters be truncated.

Return item notification can be made through facsimile equipment or telephone contact with the Fed. Fees are different for each notification type.

Retrieval requests are handled through telephone contact with the Fed.

A separate fee is charged for electronic transmission of the MICR-line data based on the number of checks transmitted. Also, there is a magnetic tape surcharge if that media is chosen as the data delivery mechanism.