



FEDERAL RESERVE BANK
OF DALLAS

TONY J. SALVAGGIO
FIRST VICE PRESIDENT

December 1, 1992

DALLAS, TEXAS 75222

Notice 92-118

TO: The Chief Operating Officer of each
financial institution in the Eleventh
Federal Reserve District

SUBJECT

Consolidation of Noncash Collection Services

DETAILS

Effective February 1, 1993, the Federal Reserve Bank of Dallas' noncash collection services (primarily municipal coupons and bonds) will be consolidated at the Jacksonville Branch of the Federal Reserve Bank of Atlanta in order to maintain competitive prices for customers. Beginning February 1, 1993, deposits of noncash items should no longer be forwarded to Eleventh District offices. U. S. Treasury and government agency securities and coupons, food coupons and savings bond are not included in this change and should continue to be deposited with your local Reserve Bank or Branch. We expect to facilitate a smooth transition to Jacksonville's processing and appreciate your past and continued support of our services.

Federal Reserve Banks have continued to experience a steady decline in the volume of noncash items. This decline stems from (1) the Tax Equity and Fiscal Responsibility Act of 1982, which eliminated tax-exemption benefits previously associated with bearer municipal securities and (2) the success of securities depositories in effecting the immobilization of such securities. Although Reserve Banks have attempted to reduce costs consistent with the declining volumes, it has become increasingly difficult for individual Reserve Banks to maintain competitive prices. As a result, the Federal Reserve System has elected to consolidate its noncash collection services at the Federal Reserve Bank of Cleveland and the Jacksonville Branch of the Federal Reserve Bank of Atlanta.

To continue using the Federal Reserve System's noncash collection services after February 1, 1993, this District's depositors will have to forward items directly to the Jacksonville Branch. The Jacksonville Branch will complete the collection process and related accounting. Maturing municipal coupons and bonds held in safekeeping will be forwarded to Jacksonville by us; again, the Jacksonville Branch will complete the collection process and related accounting. However, if you make a formal request, maturing coupons and bonds removed from our safekeeping can be returned to your institution. Please note that changes to the accounting settlement

arrangements, i.e., using your own account or a correspondent's account for noncash collection transactions, will continue to be made by your local Reserve Bank or Branch.

ATTACHMENT

Attached is the Jacksonville Branch's Noncash Collection price schedule, which provides details on fees and availability for noncash collection services.

MORE INFORMATION

For more information, please contact Robert Feil, (214) 922-6787, at the Dallas Office; Javier Jimenez, (915) 521-8202, at the El Paso Office; Luke Richards, (713) 652-1544, at the Houston Office; or Richard Gutierrez, (512) 978-1401, at the San Antonio Office.

For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

A handwritten signature in cursive script, appearing to read "T. J. Salzman".

SECURITIES SERVICES

NONCASH COLLECTION 1993 PRICES

MUNICIPAL COUPONS

<u>PAYING AGENT LOCATION</u>	<u>COST PER ENVELOPE</u>	<u>AVAILABILITY OF FUNDS</u>
Jacksonville City	\$2.00	2 days after receipt
Jacksonville County	\$2.90	5 days after receipt
All Other Locations	\$5.50	Credit availability is based on periodic surveys of collection experience
12th District	\$5.50	15 business days

RETURN ITEMS

<u>FEDERAL RESERVE DISTRICT</u>	<u>RETURN ITEM FEE</u>
Boston ¹	\$24.00
New York	25.00
Philadelphia ¹	20.00
Cleveland	20.00
Atlanta	25.00
Chicago	25.00
St. Louis	25.00
Dallas ²	25.00

MUNICIPAL BONDS³

<u>FEDERAL RESERVE DISTRICT</u>	<u>BOND COLLECTION FEE (per transaction)</u>
Boston ¹	\$25.50
New York	50.00
Philadelphia ¹	25.00
Cleveland	30.00
Atlanta	32.00
Chicago	36.00
St. Louis	32.00
Dallas ²	25.00

¹ Effective March 1, 1993, First and Third District Municipal coupons and bonds will be processed by the Cleveland District.

² Effective February 1, 1993, Eleventh District Municipal coupons and bonds will be processed by the Atlanta District, Jacksonville Branch.

³ Municipal bonds payable in the Jacksonville Zone will be assessed the bond collection fee plus shipping expenses. Those payable in other Federal Reserve Zones will be assessed the collection/shipping fees of both Offices.