



FEDERAL RESERVE BANK
OF DALLAS

TONY J. SALVAGGIO
FIRST VICE PRESIDENT

January 14, 1993

DALLAS, TEXAS 75222

Notice 93-17

TO: The Chief Executive Officer of each member bank and others concerned in the Eleventh Federal Reserve District

SUBJECT

Revisions to the Payments System
Risk Reduction Program

DETAILS

Notice 92-103, dated October 28, 1992, contained an omission on page 47104 of Docket R-0721. A third column of footnotes, containing part of footnote eight and all of footnotes nine through twelve, was omitted from Appendix 2--Modified Procedures for Measuring Daylight Overdrafts.

ATTACHMENT

Please attach the revised page 47104 to the end of Docket R-0721. The revised page supersedes the correction dated January 8, 1993.

MORE INFORMATION

If you have any questions concerning this revision, please contact the DFI Monitoring Division at (214) 922-5584 or 922-5585.

For additional copies of this revised page or this Bank's notice 92-103, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony J. Salvaggio".

By order to the Board of Governors of the Federal Reserve System, October 6, 1992.

William W. Wiles,

Secretary of the Board.

Appendix 1—1991 Proposal for Measuring Daylight Overdrafts

Opening Balance (Previous Day's Closing Balance)

Post at the Opening of Fedwire Funds Transfer System

- + / - Government and Commercial ACH Credit Transactions
- + Advance Notice Treasury Investments
- + Treasury State and Local Government Series (SLGs) Interest and Redemption Payments
- + Treasury Checks, Postal Money Orders, Federal Reserve Bank Checks, and EZ-Clear Savings Bond Redemptions Deposited the Previous Night

Post Throughout Business Day

- + / - Fedwire Funds Transfers
- + / - Fedwire Book-Entry Securities Transfers
- + / - Net Settlement Entries ¹

Post at 9:15 a.m. Eastern Time

- Original Issues of Treasury Securities ²
- + U.S. Treasury and Government Agency Interest and Redemption Payments

Post at 11 a.m. Eastern Time

- + / - ACH Debit Transactions

Post at 11 a.m. Eastern Time and Hourly Thereafter

- + / - Commercial Check Transactions, Including Return Items
- + Currency and Coin Deposits

Post at 2 p.m. Eastern Time

- + Processed Manual Letters of Credit ³

Post at 2 p.m. Local Time

- + Same-Day Treasury Investments

Post One Hour After Deposits Deadline (4-5 p.m. Local Time)

- + Same-Day Treasury Checks, Postal Money Orders, Federal Reserve Bank Checks, and EZ-Clear Savings Bond Redemptions

Post at 5 p.m. Eastern Time

- + Processed Manual Letters of Credit
- + / - Same-Day ACH Transactions ⁴

¹ Net settlement entries would be posted one hour after settlement data are received by the Reserve Banks.

² Original issues of Government agency securities are delivered as book-entry securities transfers and would be posted when the securities are delivered to the purchasing institutions.

³ Letters of credit transactions are drawdowns of government grants.

⁴ Same-day ACH transactions include ACH return items and check truncation items.

⁵ In unusual circumstances if a depository institution does not have ready access to money markets and has demonstrated a need to make

Post After the Close of Fedwire Funds Transfer System

- + / - All Other Non-Wire Transactions (such as, Noncash, Government Coupons, TT&L Calls, Subscription for SLGs, Discount Window Loans and Repayments,⁵ and Currency and Coin Shipments.)

EQUALS

Closing Balance

Appendix 2—Modified Procedures for Measuring Daylight Overdrafts ⁶

Opening Balance (Previous Day's Closing Balance)

Post at the Opening of Fedwire Funds Transfer System

- + / - Government and Commercial ACH Credit Transactions
- + Advance Notice Treasury Investments
- + Treasury State and Local Government Series (SLGs) Interest and Redemption Payments
- + Treasury Checks, Postal Money Orders, local Federal Reserve Bank Checks, and EZ-Clerk Savings Bond Redemptions in Separately Sorted Deposits

Post Throughout Business Day

- + / - Fedwire Funds Transfers
- + / - Fedwire Book-Entry Securities Transfers
- + / - Net Settlement Entries ⁷

Post by 9:15 a.m. Eastern Time

- + U.S. Treasury and Government Agency Book-Entry Interest and Redemption Payments
- + U.S. Treasury and Government Agency Matured Coupon and Definitive Securities Received before the Maturity Date

Post Beginning at 9:15 a.m. Eastern Time

- Original Issues of Treasury Securities ⁸

Post at 11 a.m. Eastern Time

- + / - ACH Debit Transactions

Post at 11 a.m. Eastern Time and Hourly Thereafter

- + / - Commercial Check Transactions, Including Return Items
- + / - Check Correction Amounting to \$1 million or more
- + Currency and Coin Deposits
- + Credit Adjustments Amounting to \$1 million or more

Post by 1 p.m. Eastern Time

- + Same-Day Treasury Investments

unanticipated payments, Reserve Banks may post the credit for a discount window loan when it is granted, provided it is repaid 24 hours later.

⁶ The posting changes do not affect the overdraft restrictions and overdraft measurement provisions for nonbank banks established by the Competitive Equality Banking Act of 1987 and the Board's Regulation Y (12 CFR 225.52).

⁷ Net settlement entries will be posted on the next clock hour approximately one hour after settlement data are received by the Reserve Banks.

⁸ Original issues of Government agency securities are delivered as book-entry securities transfers and

Post at 2 p.m. Eastern Time

- + Processed Manual Letters of Credit ⁹

Post at 5 p.m. Eastern Time

- + Treasury Checks, Postal Money Orders, local Federal Reserve Bank Checks, and EZ-Clear Savings Bond Redemptions in Separately Sorted Deposits
- + Processed Manual Letters of Credit
- + / - Same-Day ACH Transactions ¹⁰

Post After the Close of Fedwire Funds Transfer System

- + / - All Other Non-Wire Transactions such as, Noncash, Government Coupons ¹¹ TT&L Calls, Subscription for SLGs, Discount Window Loans and Repayments,¹² and Currency and Coin Shipments.)

EQUALS

Closing Balance

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will be posted when the securities are delivered to the purchasing institutions.

⁹ Letters of credit transactions are drawdowns of government grants.

¹⁰ Same-day ACH transactions include ACH return items and check truncation items.

¹¹ U.S. Treasury and government agency matured coupons and definitive securities received on or after the maturity date.

¹² In occasional circumstances where a depository institution does not have ready access to money markets and must make unanticipated payments, Reserve Banks may post the credit for a discount window loan when it is granted, and post the repayments 24 hours later. In addition, on an exception basis and where a valid reason is given, an institution may be permitted to repay a loan before it would otherwise be due.