



**FEDERAL RESERVE BANK
OF DALLAS**

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

DALLAS, TEXAS
75265-5906

February 28, 1997

Notice 97-14

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

SUBJECT

**Changes to the Uniform Operating Circular
for ACH Items**

DETAILS

Our recent conversion to a consolidated operating platform and the resulting changes to our processing deadlines require an update to our Uniform Operating Circular for Automated Clearinghouse Operations.

The change to GENERAL section, paragraph 3 is necessary since the Federal Reserve Bank of New York now uses the centralized Federal Reserve ACH processing platform and began operating a commercial ACH as of August 16, 1996.

Appendix 2 has been changed to reflect our new processing schedule, which became effective October 1, 1996.

ATTACHMENTS

GENERAL section, page 1, and Appendix 2 are attached.

MORE INFORMATION

For more information, please contact Billy Musgrave at (214) 922-6488. For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

Helen E. Holcomb

APPENDIX 2

TIME SCHEDULE FOR AUTOMATED CLEARINGHOUSE ITEMS

CUTOFF HOURS

This schedule shows the closing hours for this Bank's receipt of automated files containing debit and/or credit items of various classes, as well as voice response, paper, automated and telephone returns and notifications of change (NOCs), as well as return debit items of \$2,500 or more.

CLOSING TIMES¹

	<u>Immediate Settlement²</u>	<u>Next-day Settlement (all items)</u>
Automated items	2:00 p.m. ET	3:00 a.m. ET ³
Voice response returns	1:30 p.m. ET	1:30 a.m. ET
Paper returns and NOCs	8:00 a.m. ET	8:00 p.m. ET
Telephone return debit items of \$2,500 or more	1:30 p.m. ET	8:00 p.m. ET

¹Closing times represent the end of the deposit window. Files must be completely received (that is, data transmission fully concluded) by the closing time. Sending institutions should coordinate the beginning of their transmission within the window to ensure completion by the closing time. Deposits of 500,000 items or more must be received 30 minutes earlier than the indicated deadline. Times listed are Eastern Time. Sending institutions using non-electronic means for transmission, because of contingency situations, may be required to submit tapes at earlier deadlines.

²Immediate settlement is applicable only to returns and NACS (National Association of Check Safekeeping) items. Items received after the immediate settlement deadline will get next-day settlement.

³Fees for premium processing of automated items will begin at 8:00 p.m. ET and end at 3:00 a.m. ET.

(Appendix 2 continued on the next page)

APPENDIX 2 *(continued)*

EFFECTIVE DATE WINDOWS

Items (other than returns, NOCs, and NACS items) should specify an effective date within the following effective date windows, computed from this Bank's processing date.

Class	Effective Date Window
Credit items	One (1) or two (2) banking days
Debit items	One (1) banking day only

Items received with an effective date later than the effective date window will be returned to the sender.

SETTLEMENT DATES

If an effective date is not specified or if an item specifies an effective date the same as or earlier than this Bank's processing date, the settlement date is the banking day following our processing date. The settlement date for immediate settlement items (returns and NACS items) is the date of receipt, or the next banking day if received after the immediate settlement window has closed. In the event of Reserve Bank operating problems, some other items may also be included as immediate settlement items.

If an item specifies a settlement date that is a standard Reserve Bank holiday, the settlement date is the next banking day for the Bank.

If an item specifies a settlement date that is not a banking day for the sending institution or the receiving institution, settlement is effected, with respect to that party, as follows:

ACH DEBIT ITEMS

Sending institution closed: Credit sending institution's account on settlement date.

Receiving institution closed: Debit receiving institution's account on settlement date, or receiving institution may choose next-day debit with as-of adjustment or explicit charge for float, provided we have received written notification of each election 10 business days in advance of the settlement date that is not a banking day for the receiver.

ACH CREDIT ITEMS

Sending institution closed: Debit sending institution's account on settlement date.

Receiving institution closed: Credit receiving institution's account on settlement date.

For purposes of determining the deadline for return, the receiving institution is not considered to receive an item made available to it on the day it is closed until its next banking day.

APPENDIX 2 (continued)

BANKING DAYS

Our banking days include all days except the following standard holidays that are observed by Reserve Banks:⁴

- All Saturdays
- All Sundays
- New Year's Day (January 1)
- Martin Luther King, Jr. Day (third Monday in January)
- Presidents' Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Columbus Day (second Monday in October)
- Veterans Day (November 11)
- Thanksgiving Day (fourth Thursday in November)
- Christmas Day (December 25)

If January 1, July 4, November 11, or December 25 falls on a Sunday, the following Monday is a standard Reserve Bank holiday.

⁴ The New Orleans Branch of the Federal Reserve Bank of Atlanta closes on Mardi Gras.