

Superseded by 258

FEDERAL RESERVE BANK OF NEW YORK

March 6, 1919.

COLLECTION OF CHECKS DRAWN UPON YOUR BANK

TO REMITTING BANKS IN DISTRICT NO. 2:

May we ask your careful consideration of the physical convenience, efficiency and economy of time resulting from your observance of the following instructions which will become effective with our outgoing letter on March 10, 1919.

SETTLEMENT BY CHECK

Heretofore in our relations with our member banks we have adjusted our records to whatever mode of settlement our correspondents have preferred in settling for checks we have sent them for collection. In some cases they have remitted and in other cases we have charged their accounts. These different methods of settlement have led to confusion of record and have resulted in inconvenience to both our member banks and ourselves. We are anxious, therefore, that if possible **a uniform method of settlement** shall be adopted. We believe that **settlements by remittance** are the most simple and satisfactory to all concerned, and we are therefore asking **all** of our correspondents to adopt hereafter this means of settling. As one of the banks now settling by remittance, we shall appreciate your continuing this practice.

METHOD OF HANDLING UNPAID ITEMS

Supplementary to the above, it is our desire that all of our correspondents comply with the **uniform procedure** of dealing with unpaid items as follows:

We respectfully request that all unpaid items, unless held for protest, shall be returned with remittance, the total of all unpaids to be deducted from footing of our letter and net amount remitted, so that in each instance the remittance plus unpaid items returned therewith plus items, if any, held for notary, will equal the amount of our relative letter. Items held over for protest should be returned with your draft in payment of the next succeeding letter, the amount of the protest fees being deducted from that letter.

For your convenience in remitting there will be enclosed with each outgoing letter a pink remittance sheet, which you are requested to use in making your remittance and to show thereon in detail any addition to or deduction from the amount of our letter and in case of error in listing or in footing, a brief explanation which will enable us promptly to adjust the account.

We feel sure that the handling of all these accounts in this uniform manner will eliminate in a large degree the confusion and difficulties that have resulted from the simultaneous use of several plans, which we realize have embarrassed our member banks as well as ourselves.

We shall much appreciate your cooperation in the successful operation of the new plan.

Very truly yours,

L. H. HENDRICKS,

Cashier.