

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 2905, February 20, 1945,]
[Amending Circular No. 2016, January 2, 1940]

COLLECTION OF CASH ITEMS

**Changes in Uniform Instructions Regarding Protest
and Advice of Nonpayment of Cash Items**

*To the Member and Nonmember Clearing Banks
of the Second Federal Reserve District:*

During July, 1944, the Bank Management Commission of the American Bankers Association submitted for the consideration of the members of the Association a proposal that general transit instructions be changed to provide for protesting items of \$100.01 or over (instead of \$50.01 or over) and for telegraphing advice of nonpayment of items of \$1,000 or over (instead of \$500 or over).

The American Bankers Association has now informed the Federal Reserve banks that a large majority of the banks of the country are in favor of the change, and has requested that the Federal Reserve banks amend, effective March 1, 1945, the uniform instructions regarding protest and advice of nonpayment subject to which the Federal Reserve banks receive, handle and forward cash items.

In accordance with such request all Federal Reserve banks are amending their circulars relating to the collection of cash items, effective March 1, 1945, and Section 6 of our Circular No. 2016, entitled "Collection of Cash Items" is hereby amended, effective March 1, 1945, to read as follows:

"SECTION 6. UNIFORM INSTRUCTIONS

Federal Reserve banks will receive, handle and forward cash items subject to the following uniform instructions regarding protest and advice of nonpayment except that United States Government checks will not be protested:

- (1) DO NOT PROTEST items of \$100 or less.
- (2) PROTEST dishonored items of \$100.01 or over, except those bearing on their face the A. B. A. no protest symbol of the Federal Reserve bank or of a preceding bank endorser.
- (3) WIRE ADVICE of nonpayment of all items of \$1,000 or over.

All Federal Reserve banks will receive, handle and forward cash items only in accordance with these uniform instructions, and any contrary or special instructions noted on cash letters or otherwise transmitted with cash items will be disregarded.

If a bank should desire to have any cash items handled by us or by any other Federal Reserve bank under any instructions differing from the uniform instructions given above, it will be necessary for such bank to forward such item as an individual noncash item, with the instructions noted in the letter of transmittal for collection and credit when paid, in accordance with the terms of our current circular relating to the collection of noncash items."

The foregoing amendment will not become effective until March 1, 1945. Until that date the current provisions of our Circular No. 2016, providing for the protest of dishonored items of \$50.01 and over and the wire advice of nonpayment of items of \$500.01 or over, remain in effect.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.