

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 2906]
[February 20, 1945]

CASH LETTERS

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

*To All Banks and Trust Companies in the Second Federal Reserve District
to which Cash Letters of Federal Reserve Bank of New York Are Addressed:*

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. All Federal Reserve banks are taking action in conformity with such request.

Under normal circumstances we would prepare for use after March 1, new cash letter forms which would contain the amended instructions. We have on hand, however, a substantial supply of our present cash letter forms and, in keeping with our program of conservation of paper and supplies, we wish to continue to use our present forms until the supply on hand has been exhausted.

This is to notify you, therefore, that while we will continue to use our present supply of cash letter forms containing transit instructions which were in effect prior to that date, it is understood that all items listed on such cash letter forms and forwarded to your bank for collection on and after March 1, 1945, will be presented for payment subject to the following instructions regarding protest and advice of nonpayment:

Wire direct to this bank on day of presentation advice of nonpayment of all items of \$1,000 or over, naming endorsement immediately preceding that of this bank and giving reason for nonpayment.

Do not protest items of \$100 or less. Do not protest items endorsed by the Treasurer of the United States, Collectors of Internal Revenue or of Customs, or other items that are in payment of obligations to the United States.

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. Deduct all dishonored items from remittance and return them at once.

Similarly, the present supply of remittance forms (REM. 4.12) will continue to be used notwithstanding that they refer to transit instructions in effect prior to March 1, 1945.

ALLAN SPROUL,
President.

CASH LETTER

CHECK DEPARTMENT
TRANSIT DIVISION

Date _____

DEBIT

We enclose herewith for Credit cash items as listed below.

Protest dishonored items of \$10.01 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 indorser.

Wire Direct to this bank on day of presentation, advice of non-payment of all items of \$500.00 or over, naming endorsement immediately preceding that of this bank and giving reason for non-payment.

[illegible]

CASH LETTER

Date _____

DEBIT

DEBIT

DATE

DRAWN ON

RECEIVED FROM

AMOUNT

CASH ITEMS AS HEREIN LISTED ARE SENT, ENCLOSED HEREWITH, TO THE ABOVE BANK FOR IMMEDIATE REMITTANCE. SEE INSTRUCTIONS BELOW.

Protest dishonored items of \$50.01 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. Deduct All Dishonored Items From Remittance And Return Them At Once.

Do Not Protest items \$50.00 or less. Do Not Protest items endorsed by the Treasurer of the United States, Collector of Internal Revenue and Customs, or other items that are in payment of an obligation to the United States.

Wire Direct to this bank on day of presentation, advice of non-payment of all items of \$500.00 or over, naming endorsement immediately preceding that of this bank and giving reason for non-payment.

DATE

DRAWN ON

RECEIVED FROM

AMOUNT

CASH ITEMS AS HEREIN LISTED ARE SENT, ENCLOSED HEREWITH, TO THE ABOVE BANK FOR IMMEDIATE REMITTANCE. SEE INSTRUCTIONS BELOW.

Protest dishonored items of \$50.01 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. Deduct All Dishonored Items From Remittance And Return Them At Once.

Do Not Protest items \$50.00 or less. Do Not Protest items endorsed by the Treasurer of the United States, Collector of Internal Revenue and Customs, or other items that are in payment of an obligation to the United States.

Wire Direct to this bank on day of presentation, advice of non-payment of all items of \$500.00 or over, naming endorsement immediately preceding that of this bank and giving reason for non-payment.

