

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 3235]
July 16, 1947

DIRECT SENDING OF CASH ITEMS TO OTHER FEDERAL RESERVE BANKS

Reimbursement of Transportation Costs

*To all Member Banks in the
Second Federal Reserve District:*

Beginning August 1, 1947, all Federal Reserve Banks (and branches) will reimburse their member banks for postage or other transportation costs on all cash items sent direct to other Federal Reserve Banks and branches for collection. Accordingly, each member bank in the Second Federal Reserve District, which sends cash items direct to other Federal Reserve Banks and branches for collection pursuant to the provisions of our current circular regarding collection of cash items, will be entitled to reimbursement for postage or other transportation costs on all such items sent direct on and after August 1, 1947.

For the purpose of this circular, immediate-credit items sent direct to our Buffalo Branch by member banks in the territory assigned to our Head Office in New York City, and immediate-credit items sent direct to our Head Office by member banks in the territory assigned to our Buffalo Branch, will be considered items sent direct to another Federal Reserve Bank and reimbursement for the transportation costs of such items may be claimed.

Claims for reimbursement of such costs should be submitted monthly on our Form TR.181 (a supply of which will be furnished upon request) and should be received by us not later than the tenth day of the month following the month during which such costs were incurred. Member banks located in the territory assigned to our Buffalo Branch should submit their claims to the Branch. Upon approval of the claim, the reserve account of the member bank will be credited with the amount thereof.

On and after August 1, 1947, the cost of our consolidated air freight shipments of cash items in process of collection will be borne entirely by this bank; and, accordingly, no claim for reimbursement in connection therewith will be filed by the banks participating in such shipments.

Each direct-sending member bank may, for the present, continue to use the method of transportation which it is now using. We request such banks to give constant attention to methods of shipment and to change its method in any case in which shipments can be made at a lower cost without loss of time in presentment. We reserve the right to instruct any such bank to change its method of transportation, if, by the use of another method, presentment can consistently be made more promptly, or at a lower cost and without loss of time.

Member banks having a substantial volume of cash items payable in other Federal Reserve districts, which do not as yet have permission to send such items direct to other Federal Reserve Banks and branches, are urged to apply to us for such permission.

The right is reserved to withdraw, add to, or amend at any time, any of the provisions of this circular.

ALLAN SPROUL,
President.