

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 4349]
July 16, 1956]

NEW FORM OF GOVERNMENT CHECK
Buff-Colored Card Checks Will Appear Beginning August 1, 1956

*To all Banks, and Others Concerned,
in the Second Federal Reserve District:*

The following statement was made public today:

The Treasury Department announced today that beginning about August 1, 1956, a number of Government disbursing officers will issue a new form of Government check different in appearance from the familiar green-colored punch card and conventional paper checks drawn on the Treasurer of the United States.

The new checks will be buff-colored (light brown), in punch card form, and will have a diagonal cut in the upper right corner. They will replace the comparatively few paper checks now issued by the Government.

Green punch card checks, which have a diagonal cut in the upper left corner, will continue in use.

The buff-colored checks will be introduced in connection with the adoption of high speed electronic machines to process the payment and reconciliation of Government checks. The new machines, which will go into use August 1, were installed after two years' study by the Treasury, General Accounting Office and the Bureau of the Budget, as another step to reduce costs by improving Government procedures. As previously announced, upon complete conversion to the system, annual savings of \$2,250,000 are expected.

The electronic machines, capable of accurately "remembering" facts and figures, will both process checks for payment and reconcile the checks after payment. Facts concerning each check issued, such as the serial number and amount, will be fed into the machines. When the check comes back to the Treasury for payment, the machines will either verify or throw it out as incorrect. The machines will also provide information at any time on checks still outstanding, thereby simplifying the reconciliation of accounts of disbursing officers. Costly recording and auditing procedures in check processing, performed by several hundred persons, will no longer be necessary.

The new buff-colored checks will be used primarily by disbursing officers presently issuing paper checks prepared by hand. They will require special punching at the Federal Reserve Banks, which is not necessary in the case of the more generally used green cardboard checks. The buff-color was adopted to simplify the separation of these checks.

About 350,000,000 checks are issued each year by the Government, of which 30,000,000 are now paper checks. The paper checks will be eliminated beginning August 1, and will disappear completely as those outstanding at that time are cashed.

The new buff-colored card checks will be received by this Bank and its Buffalo Branch in accordance with the provisions of Regulation J and our Operating Circulars Nos. 4, 5 and 6. Accordingly, member and nonmember clearing banks may send such checks to this Bank or its Branch as cash items for immediate credit subject to the closing times applicable to other checks on the Treasurer of the United States.

Depositing banks should make separate listings of the buff-colored and the green-colored card checks in order to facilitate the special punching of the buff-colored checks at this Bank. Paper checks drawn on the Treasurer, which will be eliminated gradually beginning August 1, 1956, should be sorted and listed with the buff-colored checks.

WILLIAM F. TREIBER,
First Vice President.

at 4349

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK 45, N.Y.

RECTOR 2-5700

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July 16, 1956

NEW DECEPTIVE COUNTERFEIT FEDERAL RESERVE NOTE

To all Banks in the
Second Federal Reserve District:

We have been requested by the United States Secret Service to alert all banks in our District to the possible appearance of a new deceptive counterfeit \$5 Federal Reserve note of the Series of 1950 A. This counterfeit note, which purports to be issued by the Federal Reserve Bank of Chicago (G), has recently appeared in various sections of the country but not as yet in the Second Federal Reserve District.

The United States Secret Service has supplied the following description of this new counterfeit:

\$5 Denomination

<u>Series</u>	<u>Check Letter</u>	<u>Face Plate</u>	<u>Back Plate</u>
1950 A	J	171	2117, or 2102, or 8225
1950 A	O	231	2117, or 2102, or 8225

All counterfeit currency received from any source should be marked for identification and forwarded to the nearest office of the United States Secret Service, rather than to Washington, D. C. In this District, the Secret Service has offices in Room 917, Federal Office Building, 90 Church Street, New York 7, New York; in the United States Court House, Buffalo 1, New York; in the Post Office Building, Syracuse, New York; and at 1060 Broad Street, Newark 1, New Jersey.

Additional copies of this letter will be furnished upon request.

WILLIAM F. TREIBER,
First Vice President.