

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 5937]
February 1, 1967]

Revision of New York Head Office
and Buffalo Branch Time Schedules

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

Enclosed is a copy of our Operating Circular No. 5, entitled "Time Schedules—Availability of Credit for Cash Items," effective February 20, 1967. That circular, with its Appendix No. 1, "New York Head Office Time Schedule," and Appendix No. 2, "Buffalo Branch Time Schedule," will supersede our Operating Circular No. 5, "New York Head Office Time Schedule," and our Operating Circular No. 6, "Buffalo Branch Time Schedule."

The new circular reflects a number of changes in sorting requirements and closing hours resulting from conversion to automated procedures. Some of the more significant changes are indicated below.

Reduced sorting requirements

Generally speaking, member banks and nonmember clearing banks that send cash items to our Head Office or Buffalo Branch for collection will be required to make only two sorts: one of immediate-credit items and one of deferred-credit items, whether or not the items are MICR amount-encoded. However, this Bank continues to reserve the right to require direct sending of items payable in other Federal Reserve Districts where the volume so warrants, and we encourage such direct sendings whenever practicable in order to expedite presentment of the items and availability of credit to the sending banks. Availability of credit for items sent direct to other Federal Reserve offices is calculated from the date of dispatch, and the shipping charges for such sendings are paid for or reimbursed by this Bank. We also reserve the right, in cases of large-volume depositors, to require one or two additional sorts of immediate- or deferred-credit deposits if the items are not MICR amount-encoded.

More favorable closing times for MICR qualified deposits

In a number of instances, later closing hours have been established for various classifications of cash items that are MICR amount-encoded or that are fully qualified in the transit number and amount field for computer processing, as compared with closing hours for items that are not so qualified. Attention is specifically called to the following differences between the closing hours for MICR amount-encoded deposits and those for deposits that are not so encoded:

1. When received at our Head Office or Buffalo Branch, on Mondays through Fridays—
 - (a) The closing time for immediate-credit items that are not MICR amount-encoded will be two hours earlier than for such items that are MICR amount-encoded.

(OVER)

(b) The closing time for deferred-credit items that are not MICR amount-encoded will be one hour earlier than for such items that are MICR amount-encoded.

(c) The later closing time for items of \$500 and over deposited in a separate cash letter will be applicable only if the items are MICR amount-encoded. Also, such closing time will be one hour later than now provided at our Head Office.

2. When received at our Head Office on Saturdays—

(a) With respect to Second District deferred-credit items, we will process on Saturdays, and compute availability therefrom, items of \$500 and over only if the items are MICR amount-encoded and deposited in a separate cash letter.

(b) Similarly, with respect to items payable in other Federal Reserve Districts, we will process on Saturdays, and compute availability therefrom, only cash letters containing items that are MICR amount-encoded.

We have taken these actions to encourage a continuing increase in the percentage of cash item deposits that are qualified for MICR processing. Other changes may be made in the future to provide further advantages for deposits that are qualified for high-speed handling.

Special arrangements

The attention of depositing banks is specifically called to the following special arrangements, which we believe should be carefully considered, since they may reduce the number of sorts required or provide later closing hours or earlier availability of credit:

(1) Unsorted cash letters containing not more than 300 items.—This arrangement is available at both our Head Office and Buffalo Branch. Procedures are described in paragraph 6(a) of Operating Circular No. 5.

(2) Unsorted cash letters containing not more than 2,000 MICR amount-encoded items.—This arrangement is available at both our Head Office and Buffalo Branch. Procedures are described in paragraph 6(b) of Operating Circular No. 5.

(3) Later closing times for specially prepared deposits of certain Second District deferred-credit items fully MICR qualified in both the transit number and amount fields and sorted by depositing banks by means of computer equipment into separate cash letters by groups of banks as listed in separately furnished schedules.—This arrangement is available at our Head Office and affords substantially later closing times for the depositing banks. Such deposits will be accepted up to 9:30 p.m. (now 9 p.m.) on Mondays through Fridays, and 11 a.m. (now 10 a.m.) on Saturdays. The arrangement is more fully described in our Circular No. 5846, dated August 2, 1966. Further details will be furnished upon request.

(4) Later closing times for certain immediate-credit items, if deposited with a separate cash letter and total for each class.—Checks on the Treasurer of the United States, regardless of amount, and all postal money orders will be accepted up to 1:30 p.m. at our Head Office and 2:30 p.m. at our Buffalo Branch. The following items will be accepted up to 3:30 p.m. at our Head Office and Buffalo Branch:

- (a) Checks on the Treasurer of the United States in amounts of \$5,000 and over.
- (b) Checks on Federal Reserve Bank of New York (including Buffalo Branch).
- (c) Officers' checks of other Federal Reserve Banks.

Additional copies of the revised operating circular, with its appendices, will be furnished upon request.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

[**Operating Circular No. 5**
Revised effective February 20, 1967]

TIME SCHEDULES

Availability of Credit for Cash Items

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

1. Subject to the terms and conditions of Regulation J of the Board of Governors of the Federal Reserve System, our Operating Circular No. 4, relating to the collection of cash items, our Operating Circular No. 7, relating to Saturday closing of our offices and the offices of other Federal Reserve Banks and Branches, and of this circular including its appendices, we will give credit on our books to member and nonmember clearing banks at the times indicated in this circular including its appendices for cash items (a) received and accepted at our Head Office or our Buffalo Branch, and (b) payable in other Federal Reserve Districts and sent, with our permission, direct to the Federal Reserve Banks of such other Districts for our account. Appendix No. 1 to this circular sets forth our Head Office time schedule, and Appendix No. 2, our Buffalo Branch time schedule.

2. Cash items sent to us by member and nonmember clearing banks in the territory assigned to our Head Office in New York City (i.e., all of the Second Federal Reserve District except the following counties in the State of New York, which are in the territory assigned to our Buffalo Branch: Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Steuben, Wayne, Wyoming, and Yates) should be sent to our Head Office, except that such banks may, with our prior agreement, send cash items payable in the Second Federal Reserve District, other than those with routing symbols 0000, 0210, 0260, 0270, and 0280, to our Buffalo Branch. Cash items sent to us by member and nonmember clearing banks in the territory assigned to our Buffalo Branch (i.e., the aforementioned counties in New York State) should be sent to our Buffalo Branch, except that such banks may, with our prior agreement, send cash items payable in the Second Federal Reserve District, other than those with routing symbols 0000 and 0220, to our Head Office in New York City.

Credit for cash items

3. Credit for cash items sent to our Head Office or Buffalo Branch is subject to applicable closing times and to sorting requirements as shown herein and in the appendices hereto. Credit for items received by us after the applicable closing times will be computed from our following business day. When items for which there are different closing times are not sorted and listed in accordance with the requirements, credit for all such items may be deferred for the longest time for which credit may be deferred for any of such items as provided herein and in the appendices hereto.

Direct sending to other Federal Reserve Banks

4. Member and nonmember clearing banks that have received our permission to send cash items payable in other Federal Reserve Districts direct to other Federal Reserve Banks for account of this Bank or that are required by us, because of volume, to send such items direct to other Federal Reserve Banks or Branches will be given credit for items so sent as specified below :

(a) Items payable in Federal Reserve Bank or Branch cities—

Based on the time (not in excess of two business days) normally required for the collection thereof as indicated in separate availability schedules furnished to the respective direct-sending banks;

(b) Items payable in localities outside of Federal Reserve Bank or Branch cities—

Two business days from the dispatch thereof; provided, however, that this Bank may, by giving notice to such effect to any member or nonmember clearing bank, prescribe how, and the time or times before which, all items or certain items must be dispatched by such bank in order to obtain such credit.

Time of presentment

5. We do not by this circular, or otherwise, agree to present any item, or to cause any item to be presented, earlier than such item is required to be presented, in the exercise of ordinary care, under the provisions of the Uniform Commercial Code of New York.

Special sorting requirements

6. (a) Any member or nonmember clearing bank that has for collection a daily average of not more than 300 immediate-credit and

deferred-credit items payable outside of the city or town in which such bank is located may, upon application, be permitted to send its cash items to us unsorted with one cash letter. Credit for items so sent, when received by us prior to the applicable closing time, will be given one business day after receipt.

(b) Any member or nonmember clearing bank that has for collection a daily average of not more than 2,000 immediate-credit and deferred-credit items payable outside of the city or town in which such bank is located may, upon application, be permitted to send its cash items to us unsorted with one cash letter, provided the dollar amount is encoded on each item in accordance with The American Bankers Association Magnetic Ink Character Recognition Program (MICR amount-encoded). Credit for items so sent, when received by us in time for presentment on the day of receipt of the immediate-credit items included therein, will be given one business day after receipt.

7. Any member or nonmember clearing bank that sends to us cash items payable at banks located in the same city or town as the sending bank or one of its offices must sort, list, and package such items according to drawee banks.

8. Except as provided in paragraphs 4, 6, 7, and 11, member banks and nonmember clearing banks may send cash items to us only in accordance with the sorting requirements shown in the appendices hereto.

Effect of holidays upon availability

9. No Saturday, Sunday, or other holiday for this Bank will constitute a business day in determining when our Head Office or Buffalo Branch will give credit for any cash item being collected by us or for our account.

10. When the day on which credit would otherwise be given pursuant to our time schedules is a Saturday, a Sunday, or any other holiday for this Bank, credit will be given on our following business day.

Credit for transfer drafts

11. Credit will be given for transfer drafts drawn by member banks or nonmember clearing banks on their commercial bank correspondents based on actual transit time, whether received at our Head Office or our Buffalo Branch or sent for our account direct to the

Federal Reserve Bank or Branch in the District where such draft is payable. Such drafts should be sent with separate cash letters; when such drafts are sent direct to other Federal Reserve Banks or Branches, separate advices (marked "Transfer Drafts") of such direct sendings should be sent to the office of this Bank with which the sending bank maintains its account.

Revision of this circular

12. We reserve the right at any time, with or without notice, to revoke, modify, amend, or add to this circular, including either of its appendices, or any provision thereof, effective as to all member banks and nonmember clearing banks or any of them.

Effect of this circular on previous circulars

13. This circular supersedes our Operating Circular No. 5, Revised effective October 31, 1960, our Operating Circular No. 6, Revised effective July 1, 1959, and the First and Second Supplements, dated September 25, 1964 and December 3, 1965, respectively, to both operating circulars.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Appendix No. 1 to
Operating Circular No. 5
February 20, 1967

NEW YORK HEAD OFFICE TIME SCHEDULE

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

1. Credit for cash items received and accepted at our Head Office will be given, subject to applicable closing times and to sorting and other requirements, as shown below.

Immediate credit

2. Immediate credit will be given for the following items received on Mondays through Fridays that are not public holidays:

<i>Items</i>	<i>Closing times</i>
Items on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270, 0280*; checks on the Treasurer of the United States and postal money orders (routing symbol 0000), if not deposited with a separate cash letter and total for each class	If MICR amount-encoded 6:00 a.m. If not MICR amount-encoded 4:00 a.m. (Or later, whether or not MICR amount-encoded, if the items are cleared on the day of receipt)
Checks on the Treasurer of the United States and postal money orders	If deposited with a separate cash letter and total for each class 1:30 p.m.
Redeemed U. S. Department of Agriculture food stamp coupons	Must be deposited with a separate cash letter and total 1:30 p.m.
Checks on the Treasurer of the United States in amounts of \$5,000 and over	If deposited with a separate cash letter and total for each class 3:30 p.m.
Checks on Federal Reserve Bank of New York (including Buffalo Branch)	
Officers' checks of other Federal Reserve Banks	

* Banks that are participants in the Long Island Check Clearing Bureau should clear 0280 items, as well as 0214 items, through that Bureau.

Deferred credit

3. Deferred credit for all items, other than those specified in paragraph 2 and transfer drafts (see paragraph 11 of Operating Circular No. 5), that are received on Mondays through Fridays (not public holidays) and, with respect to certain items, that are received on Saturdays (not otherwise public holidays) will be given as indicated below:

(a) Unsorted items from certain sending banks and items payable in the Second Federal Reserve District—

ONE BUSINESS DAY AFTER RECEIPT

<i>Unsorted items</i>	<i>Closing times</i>
Mixed cash letters from banks with daily averages of not more than 300 items as specified in paragraph 6(a) of Operating Circular No. 5	Mondays through Fridays 1:30 p.m.
Mixed cash letters from banks with daily averages of not more than 2,000 MICR amount-encoded items as specified in paragraph 6(b) of Operating Circular No. 5	Mondays through Fridays 6:00 a.m. (Or later if the immediate-credit items are cleared on the day of receipt)

TWO BUSINESS DAYS AFTER RECEIPT

<i>Items payable in Second Federal Reserve District</i>	<i>Closing times</i>
Items on banks with routing symbols 0211 through 0217, and 0223	Mondays through Fridays If MICR amount-encoded 1:30 p.m. If not MICR amount-encoded 12:30 p.m.
Items of \$500 and over on above banks, if MICR amount-encoded and deposited in a separate cash letter	Mondays through Fridays 3:30 p.m. Saturdays 11:00 a.m.
Items fully MICR qualified in both the transit number and amount fields and sorted by depositing banks by means of computer equipment into a separate cash letter for each group of banks listed in separately furnished schedules	Mondays through Fridays 9:30 p.m. Saturdays 11:00 a.m.

(b) Items payable in the following Federal Reserve Bank or Branch cities*—

ONE CALENDAR DAY AFTER RECEIPT

Atlanta	Detroit	Omaha
Baltimore	Houston	Philadelphia
Boston	Jacksonville	Pittsburgh
Buffalo	Kansas City, Kan.	Richmond
Charlotte	Kansas City, Mo.	St. Louis
Chicago	Louisville	St. Paul, Minn.
Cincinnati	Memphis	San Antonio
Cleveland	Minneapolis	San Francisco
Dallas	Nashville	Seattle
Denver	New Orleans	

TWO CALENDAR DAYS AFTER RECEIPT

Birmingham	Little Rock	Portland, Ore.
El Paso	Oklahoma City	Salt Lake City
Helena		

TWO BUSINESS DAYS AFTER RECEIPT

Los Angeles

(c) Items payable at banks on the Par List in other Federal Reserve Districts, outside Federal Reserve Bank or Branch cities—

TWO BUSINESS DAYS AFTER RECEIPT

The closing times for the items listed in subparagraphs (b) and (c) above are as follows:

Mondays through Fridays		
If MICR amount-encoded		1:30 p.m.
If not MICR amount-encoded		12:30 p.m.
Items of \$500 and over that are MICR amount-encoded and deposited in a separate cash letter		3:30 p.m.
Saturdays		
If MICR amount-encoded		11:00 a.m.

Sorting requirements

4. Except as provided in paragraphs 4, 6, 7, and 11 of Operating Circular No. 5, the general sorting requirements set forth below will apply.

* For purposes of this circular, the term "Federal Reserve Bank or Branch cities" includes Kansas City, Kan., and St. Paul, Minn.

Immediate-credit items

5. All immediate-credit items may be deposited in a single sort, including checks on the Treasurer of the United States and postal money orders (routing symbols 0000, 0210, 0260, 0270, and 0280). However, if such items are not MICR amount-encoded we may require, where volume warrants, a separate sort of checks on the Treasurer of the United States and postal money orders, or of each.

Deferred-credit items

6. All deferred-credit items, including items payable in other Federal Reserve Districts (all routing symbols other than those indicated in paragraph 5 above), may be deposited in a single sort. However, we may require, where volume warrants, that such items payable in other Federal Reserve Districts be sent direct and that such items that are not MICR amount-encoded be sorted into the following two classes:

(a) Those payable in the Second Federal Reserve District with routing symbols 0211 through 0217, and 0223, and

(b) Those payable in other Federal Reserve Districts, and in the City of Buffalo with routing symbol 0220, where the volume is not sufficient to require direct sending.

Effect of this appendix upon previous circular

7. The applicable closing times in this appendix supersede the closing times specified in our Circular No. 5846, dated August 2, 1966.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Appendix No. 2 to
Operating Circular No. 5
February 20, 1967

BUFFALO BRANCH TIME SCHEDULE

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

1. Credit for cash items received and accepted at our Buffalo Branch will be given, subject to applicable closing times and to sorting and other requirements, as shown below.

Immediate credit

2. Immediate credit will be given for the following items received on Mondays through Fridays that are not public holidays:

<i>Items</i>	<i>Closing times</i>
Items on banks in Buffalo (routing symbol 0220); checks on the Treasurer of the United States and postal money orders (routing symbol 0000), if not deposited with a separate cash letter and total for each class	If MICR amount-encoded 8:00 a.m. If not MICR amount-encoded 6:00 a.m. (Or later, whether or not MICR amount-encoded, if the items are cleared on the day of receipt)
Checks on the Treasurer of the United States and postal money orders	If deposited with a separate cash letter and total for each class 2:30 p.m.
Redeemed U. S. Department of Agriculture food stamp coupons	Must be deposited with a separate cash letter and total 2:30 p.m.
Checks on the Treasurer of the United States in amounts of \$5,000 and over	If deposited with a separate cash letter and total for each class 3:30 p.m.
Checks on Federal Reserve Bank of New York (including Buffalo Branch)	
Officers' checks of other Federal Reserve Banks	

Deferred credit

3. Deferred credit for all items, other than those specified in paragraph 2 and transfer drafts (see paragraph 11 of Operating Circular

No. 5), that are received on Mondays through Fridays (not public holidays) will be given as indicated below:

(a) Unsorted items from certain sending banks and items payable in the Second Federal Reserve District—

ONE BUSINESS DAY AFTER RECEIPT

<i>Unsorted items</i>	<i>Closing times</i>
Mixed cash letters from banks with daily averages of not more than 300 items as specified in paragraph 6(a) of Operating Circular No. 5	2:00 p.m.
Mixed cash letters from banks with daily averages of not more than 2,000 MICR amount-encoded items as specified in paragraph 6(b) of Operating Circular No. 5	8:00 a.m. (Or later if the immediate-credit items are cleared on the day of receipt)

TWO BUSINESS DAYS AFTER RECEIPT

<i>Items payable in Second Federal Reserve District</i>	<i>Closing times</i>
Items on banks with routing symbols 0211 through 0217, and 0223	If MICR amount-encoded 2:00 p.m. If not MICR amount-encoded 1:00 p.m.
Items of \$500 and over on above banks, if MICR amount-encoded and deposited in a separate cash letter	3:00 p.m.

(b) Items payable in the following Federal Reserve Bank or Branch cities*—

ONE CALENDAR DAY AFTER RECEIPT

Atlanta	Jacksonville	Philadelphia
Baltimore	Kansas City, Kan.	Pittsburgh
Birmingham	Kansas City, Mo.	Portland, Ore.
Boston	Little Rock	Richmond
Charlotte	Louisville	St. Louis
Chicago	Memphis	St. Paul, Minn.
Cincinnati	Minneapolis	Salt Lake City
Cleveland	Nashville	San Antonio
Dallas	New Orleans	San Francisco
Denver	New York City	Seattle
Detroit	Oklahoma City	
Houston	Omaha	

* For purposes of this circular, the term "Federal Reserve Bank or Branch cities" includes Kansas City, Kan., and St. Paul, Minn.

TWO CALENDAR DAYS AFTER RECEIPT

El Paso

Helena

TWO BUSINESS DAYS AFTER RECEIPT

Los Angeles

(c) Items payable at banks on the Par List in other Federal Reserve Districts, outside Federal Reserve Bank or Branch cities—

TWO BUSINESS DAYS AFTER RECEIPT

The closing times for the items listed in subparagraphs (b) and (c) above are as follows:

Mondays through Fridays

If MICR amount-encoded

12:30 p.m.

If not MICR amount-encoded

11:30 a.m.

Sorting requirements

4. Except as provided in paragraphs 4, 6, 7, and 11 of Operating Circular No. 5, the general sorting requirements set forth below will apply.

Immediate-credit items

5. All immediate-credit items may be deposited in a single sort, including checks on the Treasurer of the United States and postal money orders (routing symbols 0000 and 0220). However, if such items are not MICR amount-encoded we may require, where volume warrants, a separate sort of checks on the Treasurer of the United States and postal money orders, or of each.

Deferred-credit items

6. All deferred-credit items, including items payable in other Federal Reserve Districts (all routing symbols other than those indicated in paragraph 5 above), may be deposited in a single sort, provided they are deposited prior to the closing hours applicable to items specified in paragraphs 3(b) and 3(c) above. However, we may require, where volume warrants, that such items payable in other Federal Reserve Districts be sent direct and that such items that are not MICR amount-encoded be sorted into the following two classes:

(a) Those payable in the Second Federal Reserve District with routing symbols 0211 through 0217, and 0223, and

(b) Those payable in other Federal Reserve Districts, and in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270, and 0280, where the volume is not sufficient to require direct sending.

ALFRED HAYES,
President.