

FEDERAL RESERVE BANK  
OF NEW YORK

[ Circular No. 7478 ]  
[ October 15, 1974 ]

COLLECTION OF CASH ITEMS

End-Point Sorted Deposits of New York Clearing House Cash Items

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

As part of its continuing program to improve the availability of credit for cash items deposited for collection in the Federal Reserve System, the Federal Reserve Bank of New York will, effective November 1, 1974, accept cash letters containing end-point sorted deposits of cash items payable by or through certain banks (as listed on the attached Pre-Sorted Immediate Credit Items—Cash Letter Recap form) that receive cash letters from this Bank's Head Office through the New York Clearing House. Such cash letters may be deposited for immediate credit until 7:30 a.m. at our Head Office, Monday through Friday.

Provided that the senders of such end-point sorted cash letters have applied for, and received, authorization from this Bank to make such deposits, the requirements for the deposit of end-point sorted cash letters are:

1. End-point sorted cash letters must be enclosed in sealed packages, which should be stamped with the legend "Pre-Sorted Immediate Credit Items."
2. Such letters must not contain nonmachineable cash items. All items (except those described in paragraph 3 below) should be fully qualified for high-speed processing.
3. American Express Travelers Cheques and First National City Travelers Checks may be deposited as non-dollar amount encoded items in such cash letters, provided each type of such items is sorted and packaged separately.
4. Each sealed package should contain at least 200 items, and all tape listings and recaps should be clearly identified and dated.
5. Tape listings and recaps of bundles should be included within each sealed package.
6. Each package should be clearly marked with the names, routing symbols, and ABA numbers of the depositing and paying banks.
7. The total dollar amount of the cash letter should be clearly marked on the package.
8. The total dollar amount of the packages destined for each of the paying banks must be listed on a Pre-Sorted Immediate Credit Items—Cash Letter Recap form, copies of which will be provided by this Bank, which should accompany each deposit.

With regard to such deposits—

(a) The grand total shown on the Pre-Sorted Immediate Credit Items—Cash Letter Recap form will be credited to the depositing bank's account on the books of this Bank.

(b) Return items will be processed by this Bank under the provisions of our Operating Circular No. 6.

(c) The usual claim and allowance procedures should be used by the payor banks. This Bank will make the resulting debit or credit adjusting entries and forward advices to the depositing bank.

(OVER)

All of the provisions of our operating circulars will apply with respect to items included in the end-point sorted deposits described above in the same manner as in the case of all other cash items accepted and forwarded by this Bank for collection. The attached Second Supplement, effective November 1, 1974, to Appendix No. 1 to our Operating Circular No. 5 contains the credit availability schedule for such deposits.

Banks interested in taking advantage of this program or desiring additional information should contact Joseph M. O'Connell, Manager, Check Processing Department (Telephone No. 212-791-5321), or John F. Sobala, Chief, Automated Check Processing Division (Telephone No. 212-791-5346), during the day, or Fred A. Denesevich, Manager, Check Processing Department (Telephone No. 212-791-5321), at night.

ALFRED HAYES,  
*President.*