FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. **8251**]
[January 6, 1978]

MICR Amount-Encoding of Treasury Checks for Truncation Purposes

To the Member Banks of the Second Federal
Reserve District, and Others Concerned:

Effective April 17, 1978, a new method for processing U.S. Treasury checks will be implemented in the Second Federal Reserve District. Under the new processing method, Treasury checks will be truncated at the first Reserve Bank of deposit and microfilm images and magnetic tape data will be furnished to the Treasury Department in place of the actual checks. This procedure should greatly expedite the processing cycle.

To accommodate this new mode of processing, the symbol and serial number of each Treasury check will be MICR pre-encoded, in addition to the already MICR encoded Routing Number. On some checks, an additional one-digit transaction code will be MICR-encoded in position 16; it is therefore important that this field not be used by your institution and you are requested *not* to MICR encode this position.

Enclosed is a sample Treasury check showing this new MICR encoding.

While we understand that most banks already amount-encode Treasury checks for their own use, under the new procedure amount encoding will now be a requirement for Treasury check deposits at Federal Reserve Banks. The present method of processing, utilizing the punched holes, will be replaced by full MICR processing.

Your cooperation will be appreciated in this new endeavor. If you have any questions on this matter, please contact:

Head Office

Joseph M. O'Connell, Assistant Vice President, Check Processing Function (Tel. No. 212-791-5997)

Henry F. Wiener, Manager, Check Processing Department (Tel. No. 212-791-5321)

Buffalo Branch

Robert J. McDonnell, Operations Officer (Tel. No. 716-849-5022)

PAUL A. VOLCKER,
President.

U. S. COURTS   WASHINGTON, D. C.   No. 85,901,992
SYMBOL 6000

Corporation Treasurer $\frac{15-51}{000}$

PAY TO THE
ORDER OF   NOT NEGOTIABLE

THE SUM OF   DOLLARS

DEPOSIT FUND

VO. NO.

CLERK. U. S. DISTRICT COURT

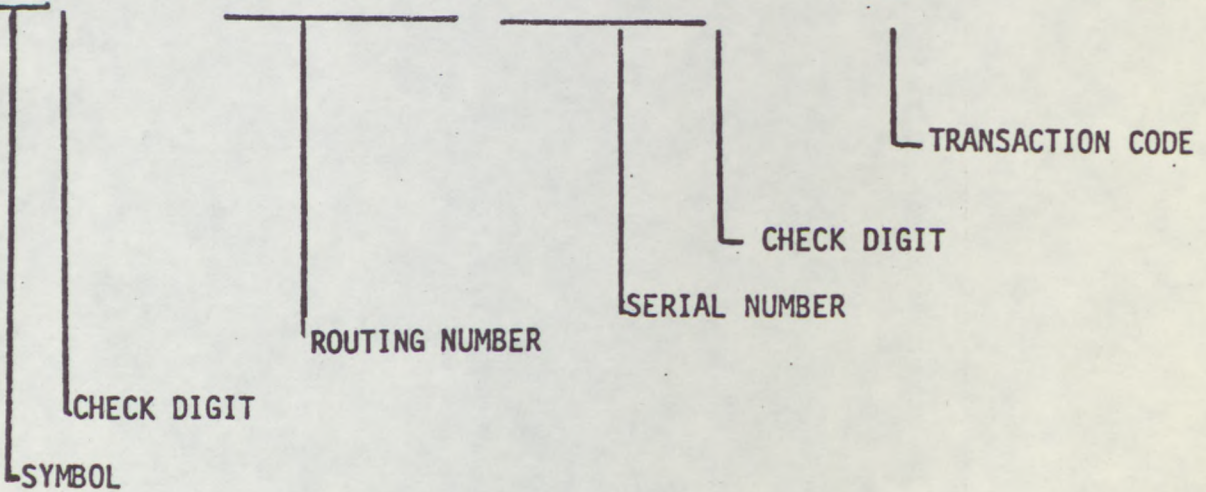**SAMPLE**

BY_____

DRAWN FOR ABOVE OBJECT _____

⑈6000 5⑈   ⑆0000⑈0051⑈   859019920⑈   5

TRANSACTION CODE

CHECK DIGIT

SERIAL NUMBER

ROUTING NUMBER

CHECK DIGIT

SYMBOL

[Enc. Cir. No. 8251]