

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 9107]
July 15, 1981

Procedures in the Event of a Disruption
of Normal U. S. Postal Services

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

In the event of a disruption of normal U.S. postal services, you are requested to use other means of transportation and communication to this Bank's offices. In this connection, please note the following:

Collection matters and other correspondence .

1. There may be delays in the presentment, return, and giving of advices of nonpayment of cash items and noncash items.
2. We will continue to give credit for cash items in accordance with our time schedules from the date of actual receipt of such items (when received by applicable closing hours) at the Head Office, Buffalo Branch, and Regional Check Processing Centers, but we reserve the right to charge back any unpaid items at any time.
3. Provided that appropriate arrangements can be made, cash letters from this Bank (other than the non-machinable cash letters described in paragraph 4 below) that are normally sent by mail will be sent by courier to a central point where paying banks can pick them up. In addition, sending banks may leave cash letters at those central points for delivery to this Bank or to their New York City correspondents; such cash letters may be accompanied by any return items, noncash items sent for collection, related advices, and other correspondence that the sending banks may wish to send to this Bank or to their New York City correspondents. Reports being submitted to our Deposit Reports Division (including the "Report of Transaction Accounts, Other Deposits and Vault Cash" and "Report of Certain Eurocurrency Transactions"), or to our Market Reports or International Reports Divisions should be included in these shipments. However, valuables (e.g., currency, securities, or coupons) should *not* be included in these shipments. Depository institutions will be individually notified of their pickup and dropoff points. If it is more convenient to do so, cash letters and other correspondence that would normally be sent by first-class mail to the Head Office may be delivered by depository institutions to the Buffalo Branch or a Regional Check Processing Center for forwarding to the Head Office.
4. In cases where we normally send, within the Second Federal Reserve District, non-machinable cash letters by mail directly to a depository institution and machinable cash letters

by courier to a processing center or another depository institution, the non-machinable cash letters (and other correspondence normally sent by-mail) will be sent together with the machinable cash letters to the processing center or other depository institution, where they may be picked up by the paying banks.

Interdistrict shipments

5. Our consolidated check shipments to Federal Reserve offices (including RCPCs) in other districts will continue to be made in accordance with the schedules in effect at the beginning of the disruption.

6. We will also attempt to provide for the transportation of return items and first-class mail addressed to financial institutions in other Federal Reserve districts. Such material should be enclosed in individually addressed, sealed envelopes that bear the correct amount of first-class postage, if the provisions of the Private Express Statutes are not waived by the U.S. Postal Service. The envelopes should then be sorted according to receiving Federal Reserve office and consolidated in individual containers; both the envelopes and the containers should be identified as to (1) sending banks, and (2) destination (Reserve Bank office). Such material received at our Head Office by midnight or at our Buffalo Branch by 8 p.m. will be dispatched shortly thereafter. If the material is delivered to one of our Regional Check Processing Centers, it will be forwarded to our Head Office and dispatched with the next scheduled Head Office shipment. While each office of this Bank will exercise diligence in handling these shipments and will make every effort to expedite delivery, this Bank cannot assume liability for the timeliness or the contents of such shipments. In addition, you may be charged the related shipping costs for the dispatch of this mail. Therefore, indicate the weight of the shipment on the lower right hand corner of the tag. *Valuables will not be accepted for shipment under this arrangement.*

(Any questions relating to paragraphs 1-6 above may be referred to our Check Processing Department (212-791-5323).)

7. Other Federal Reserve offices will provide for shipments to this District of the kinds described in paragraph 6 above. Accordingly, when our Head Office receives shipments addressed to depository institutions in this District, we will forward them to the addressees by the methods indicated in paragraphs 3 and 4 above; however, local depository institutions will be requested to make pickups at our Head Office. The cooperation of local depository institutions is requested in making pickups as promptly as possible. Similar mail received by our Buffalo Branch will be available for pickup at the Branch; for information call the Mail Room (716-849-5058).

Direct deposit program

8. For depository institutions participating in the Direct Deposit of Federal Recurring Payments Program that normally receive entry registers and settlement reports by mail, such data will either be sent by courier to a central point for pickup or directly to their processing centers, or delivered with their cash letters in the manner indicated in paragraph 3 above. Depository institutions will be individually notified of the mode of delivery that will be followed in the event of a disruption of mail service.

(Any questions relating to the Direct Deposit of Federal Recurring Payments Program may be referred to our Electronic Payments Staff (212-791-6788).)

Currency and coin

9. Institutions that normally receive currency or coin by armored carrier service provided either by this Bank or by the Buffalo Branch should continue to use that service in accord-

ance with this Bank's Operating Circular No. 3. Institutions that normally receive currency or coin from this Bank or the Buffalo Branch by registered mail should anticipate delays; such banks are requested to minimize shipments to and from this Bank and the Buffalo Branch by making exchanges with other institutions in their local area when possible. Institutions using registered mail that experience undue hardship because of their inability to receive currency or coin through exchanges should call this Bank collect for alternate arrangements, as indicated below:

Head Office — Currency or Coin orders	(212) 791-5061
Buffalo Branch — Currency or Coin	(716) 849-5024

Securities and coupons

10. Institutions wishing to send securities to this Bank for redemption, registration, denominational exchange, CPD transfer, or collateral or other safekeeping transactions should make arrangements to ensure safe delivery. To provide added protection, it is suggested that the institutions use restrictive endorsements, where applicable, as provided in Treasury Department Circular No. 853, Revised effective April 11, 1973 (the text of which is contained in this Bank's Circular No. 7143, dated May 15, 1973). Questions or instructions regarding securities shipments or securities held in safekeeping at this Bank may be directed to the appropriate personnel by calling the Head Office of this Bank collect as noted below:

Redemption of registered or bearer securities	(212) 791-5815
Registration	(212) 791-5364
Denominational exchange	(212) 791-5815
CPD transfer	(212) 791-5820
Collateral and other safekeeping transactions (other than collateral for advances)	(212) 791-5382
Collateral for advances	(212) 791-5395

The Bank is considering arrangements for the shipment of securities *from* this Bank, but delays in receipt should be anticipated.

11. Paying agents for U.S. Savings Bonds that normally send their paid bond transactions to this Bank by mail should make arrangements to send them by other means. Questions or instructions concerning all savings bond transactions may be directed as follows:

Paid bonds	(212) 791-5962, -5963
Redemption	(212) 791-5968, -5969
Reissue	(212) 791-5965, -5966
Unissued stock shipments	(212) 791-5978, -5979

If necessary, we will attempt to make special arrangements for shipments of unissued bond stock by this Bank to issuing agents, but delays in receipt should be anticipated.

12. Institutions wishing to submit subscriptions or tenders for offerings of Treasury securities should send them by telegraph to the Securities Operations Division of our Head Office. Such subscriptions or tenders should be sent in sufficient time to be received by this Bank prior to the Treasury's official deadline for receipt of subscriptions or tenders. Banks may telephone the Securities Operations Division (212-791-5465), also in a timely manner, and should be prepared to give the appropriate word from the Securities Test Word List. Such subscriptions or tenders will be subject to written confirmation, which should be sent to this Bank together with cash letters in the manner indicated in paragraph 3 above. Of course, those institutions that normally hand-deliver subscriptions or tenders to this Bank should continue to do so.

13. Depository institutions should make their own arrangements to deliver coupons and bonds to this Bank. If you have any questions regarding such items, please call the Head Office of this Bank collect (212-791-7726). Although we are making special arrangements for shipping coupons and bonds for collection, delays should be anticipated.

14. Depository institutions located in the Buffalo Branch territory may direct any inquiries regarding paragraphs 10 through 12 above by calling the Branch (716-849-5043 or 5130).

Federal tax deposits

15. Depository institutions that are designated as Federal Tax Depositories and that normally send their completed Federal Tax deposit advices of credit (Form 2284) to this Bank by mail should make arrangements to use one of the following alternatives for delivering such advices:

— Hand-deliver the advices directly to this Bank's Treasury Tax and Loan Section located at 33 Liberty Street, Room 618; or

— Deliver the advices either to this Bank's RCPC serving the depository or to the designated dropoff point mentioned in paragraph 3 above. Enclose such advices in a sealed envelope and address the envelope to the attention of the Treasury Tax and Loan Section at this Bank or affix our address label to the envelope.

Accounting matters

16. Daily Deposit Account and TT&L Account statements, supporting advices, reports prepared by the Accounting Department of this Bank relating to the maintenance of required reserves, and monthly statements of service charges will be forwarded with our cash letters to the pick-up points indicated in paragraph 3 above. The distribution of these statements and reports to those banks that normally receive the daily Deposit Account and TT&L statements through our Regional Check Processing Centers will not be affected. Of course, those banks that normally pick up such statements and advices directly at this Bank should continue to do so. Any other bank that wishes to pick up such material directly at this Bank may do so; the material will be available at the Account Processing Section, Room 617. However, if you normally do not make such pick-ups, please advise us if you intend to do so, in order that this material will not be forwarded by us to the designated pick-up points; you may request this service by calling the Account Processing Section (212) 791-6623 or 6624.

General

17. In view of the emergency conditions that may prevail, this Bank will handle mail as provided above only at the sender's own risk and under the following conditions: All shipments should comply with regulations that would apply if the shipments were sent by means of the U.S. Postal Service. Any and all packages may be refused for any reason and may be returned if refused by any other party. No Federal Reserve Bank shall have any responsibility for any valuables or nonmailable matter sent to it, for any failure on the part of the sender to comply with the Private Express Statutes or any other law, for any neglect, misconduct, mistake or default of any other person, for procuring insurance on any shipment, or for any special instructions. This Bank, and any other Reserve Bank to which a package may be sent, shall have no liability to any sender or any other person in connection with a shipment handled by it, including without limitation liability for misdelivery, loss, or delay. The sender shall indemnify each Reserve Bank handling a shipment for any loss to it, or expense incurred by it, resulting from such handling.

18. If you have any inquiries not covered by the foregoing, please call, at the Head Office, our Bank Relations Office (212-791-6071, -6072, -6600) or, at the Buffalo Branch, our Bank Relations and Public Information Staff (716-849-5022).

ANTHONY M. SOLOMON,
President.