

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 9278]
[April 20, 1982]

CHECK COLLECTION
Amendments to Operating Circulars Nos. 4 and 6

To All Depository Institutions in the Second Federal Reserve District:

In a continuing effort to improve the efficiency of the check collection services provided by the Federal Reserve Banks and to facilitate access by financial institutions to those services, the following changes have been put into effect:

- (a) The Reserve Banks may, at their option, encode the dollar amount on cash items.
- (b) The Reserve Banks may, at their option, accept deposits of city items from city depository institutions.
- (c) Cash items may be direct-sent to other Reserve Banks without our prior approval but according to prescribed procedures.
- (d) All cash items must show the city and state address of the paying bank on their face, and the routing number on the items must be associated with the stated address.

Enclosed are supplements to our Operating Circulars Nos. 4 and 6, reflecting these changes. Questions thereon may be directed as follows:

At the Head Office –

John F. Sobala, Assistant Vice President (Tel. No. 212-791-5997)

At our Buffalo Branch –

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

At our Cranford Office –

Fred A. Denesevich, Regional Manager (Tel. No. 201-272-9000)

At our Jericho Office –

Joseph M. O'Connell, Regional Manager (Tel. 516-997-4500)

At our Utica Office –

Robert C. Thoman, Vice President (Tel. No. 315-736-8321)

ANTHONY M. SOLOMON,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Third Supplement to
Operating Circular No. 4
(Revised effective November 13, 1980)
Effective March 15, 1982

COLLECTION OF CASH ITEMS
Amount Encoding by Reserve Banks,
Local Clearing Items, Direct Sending,
and Address of Paying Banks on Cash Items

*To All Depository Institutions in the
Second Federal Reserve District:*

Operating Circular No. 4 is amended as follows:

1. Subparagraph (d) of paragraph 6 is amended, and subparagraph (e) is added to that paragraph, as follows:

6. We do not handle any item as a cash item if:

* * *

(d) Except as provided in paragraphs 54 and 55 of this circular regarding photocopies, the item has not been preprinted or postencoded, as prescribed by the American Bankers Association, before we receive it with (1) the Federal Reserve routing symbol and the suffix of the institutional identifier³ of the paying bank (or nonbank payor), and (2) except as provided in our time schedule, the dollar amount of the item. We handle these items as cash items, however, when we judge that special circumstances justify such handling; or

(e) The item does not state on its face the city and state address of the paying bank associated with the routing number on the item.

* * *

2. Paragraph 14 is amended by deleting the first sentence and amending the second one. As amended, paragraph 14 reads as follows:

14. We reserve the right to require banks located in the same city, town, metropolitan or similar area to sort, list, and package items payable in the same area according to the office of the paying bank where the items are payable. We also reserve the right to require separate sorts of cash items, and separate sorts of Government checks, postal money orders, and food coupons. Our time schedules contain other instructions for sorting and listing cash items.

3. Paragraph 17 is amended to read as follows:

Direct sending to other reserve offices

17. A sender that maintains or uses an account with us and that has cash items payable in another District, or in the territory of another office of this Bank, may send the items directly to the Reserve office of that District or territory under procedures we prescribe. Under Section 210.4 of Regulation J, items sent direct are deemed to have been handled by us. Senders that by arrangement deliver cash items payable in other Districts to us or to another designated location for consolidated shipment should give us prior notice of any deviation from that arrangement.

4. The last sentence of paragraph 49 is amended to read as follows:

The sender assumes the risk of loss resulting from any delay caused by our inscribing the item and presenting or sending it accordingly, except in the case of an item that is not amount encoded and is classified as a cash item in our time schedule.

ANTHONY M. SOLOMON,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

First Supplement to
Operating Circular No. 6
(Revised effective November 13, 1980)
Effective March 15, 1982

COLLECTION OF NONCASH ITEMS

Amount Encoding

*To All Depository Institutions in the
Second Federal Reserve District:*

Operating Circular No. 6 is amended by adding the following sentence to the end of paragraph 4 (b) (v):

We reserve the right to refuse to handle an item that is not amount encoded as a noncash item if the item could be sent as a cash item under our time schedule.

ANTHONY M. SOLOMON,
President.

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