

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 9312  
June 24, 1982

Wire Chargebacks for Large Dollar  
Adjustments and Return Items

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

The requirement of the Monetary Control Act of 1980 that the Federal Reserve System explicitly price float has prompted us to initiate a number of programs prior to actual implementation of float pricing. The objective of these programs is to adjust our operational procedures where feasible in order to minimize the impact of explicit pricing of float on our customers. Beginning July 19, 1982, new procedures for processing interdistrict and interterritory return items, and cash letter adjustments, of \$50,000 and over will be instituted nationwide. In both cases, a wire credit/charge procedure will be initiated through the Federal Reserve Communications System.

As you are probably aware, return items are now accepted for immediate credit, although they often cannot be returned to institutions in other Federal Reserve territories for at least one or two days. We will still offer immediate credit on return items to our customers, but the wire chargeback procedure will enable the receiving Reserve office to debit the endorsing institution's account on a same-day basis. The originating Reserve office will initiate such a wire chargeback only after the physical item has been received. Of course, this wire chargeback is not intended to substitute for a paying bank initiating its usual wire advice of nonpayment for an item of \$2,500 or more. The wire chargeback or advice of interdistrict cash letter adjustments will be handled as follows:

- A copy of the cash letter adjustment wire/return item advice (see Attachment A) will be sent to you on the same day the account balance is debited or credited. This adjustment notice could be your source document for initiating any accounting entries.
- In addition, you will receive telephone notification of each entry on the same day a transaction is posted to your account.
- For cash letter adjustments, a standard BAI cash letter adjustment confirmation (see Attachment B) will also be forwarded to you. This duplicate of the original adjustment advice will be stamped "CONFIRMATION COPY." The confirmation box on the lower right of the advice will include the date of the original adjustment.
- Return items will be forwarded to you in a separate cash letter stamped "PRECHARGED RETURN ITEMS."

We are announcing these changes now in order to give our customers enough time to prepare for the July 19, 1982 implementation. If you have questions concerning the new procedures, please feel free to contact a check processing officer at the office of this Bank that serves you. That officer will be pleased to discuss the procedures with you in greater detail.

ANTHONY M. SOLOMON,  
*President.*

WIRE ADVICE

906619

(A) 3456789 (B) 43  
(C) 1000301 (D) 1234 (E) \$52,991.23  
(F) CHGO / (G) / (H) R. WHITE / (I) 4/16/82 / (J) \$949,919.19 / (K) \$299,064.11  
(L) BANK / (M) \$438.01 / (N) \$24.80 / (O) 72000648  
(P) / (Q) / (R) / (S) 123456789 / (T) / (U)  
(V) / (W) / ENCLOSURE NOT LISTED

FIELD DESCRIPTIONS

- A - Your bank's nine digit routing and transit number.
- B - Two digit type code: 41 = return item debit, 42 = cash letter adjustment debit, 43 = cash letter adjustment credit.
- C - Nine digit routing and transit number of sending Federal Reserve office.
- D - Four digit reference number of sending Federal Reserve office.
- E - Dollar amount of transaction.
- F&G - Name of sending Federal Reserve office.
- H - Name of person at sending Federal Reserve office who prepared this transaction.
- I - Cash Letter date.
- J - Cash Letter total.
- K - Bundle total.
- L - Your bank's name.
- M - Item before.
- N - Item after.
- O - Your reference number.
- P - Item listed as.
- Q - Item should be.
- R - Maker of item.
- S - Your endorser.
- T - Bank item drawn on.
- U - Check date.
- V - Internal reference numbers of sending Federal Reserve office.
- W - Reason for transaction.

<input type="checkbox"/> WE REQUEST CREDIT TO OUR ACCOUNT		<input type="checkbox"/> WE DEBIT YOUR ACCOUNT		ACCOUNT NBR.	CODE NBR.	REF. NBR. <b>163048</b>
<input type="checkbox"/> DEPOSIT	DATED	<input type="checkbox"/> ERROR IN ADDITION <input type="checkbox"/> BUNDLE RECAP <input type="checkbox"/> CHECK AMOUNT <input type="checkbox"/> PHOTO ATTACHED	DATE	AMOUNT		
	TOTAL		LISTED	\$		
<input type="checkbox"/> CASH LETTER	\$	<input type="checkbox"/> CHECK(S) LISTED NOT ENCLOSED <input type="checkbox"/> BUNDLE MISSING <input type="checkbox"/> NONCASH ITEM (ATTACHED)	\$	SHOULD BE	MAKER	
VEEN	BUNDLE TOTAL		\$	DRAWN ON	ENDORSER	
	YOUR IDENTIFICATION NBR				CHECK DATE	
ORMAL REFERENCE		PREPARED BY		COMMENTS		
BIT			CREDIT DUE FROM:			
IL TO			( )			
OUNT			( )			
		CONFIRMATION		POSTED TO YOUR ACCOUNT ON DATE:		
EDIT						