

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 10248]
July 8, 1988

CHECK SERVICES

New Price Schedules, Effective September 1, 1988

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

Effective September 1, 1988, new price schedules for check services will be implemented at all Federal Reserve Banks. Information about deposit deadlines, credit availability, and prices for the check collection, return item and payor bank services offered at each of the five offices in the Second District is provided in the enclosure: *Check Services: Collection and Return Item Price Schedules for In-Zone Depositors*.

The schedules highlight a number of changes developed in response to the Expedited Funds Availability Act enacted by Congress in August 1987. Effective September 1, 1988, forward collection and return item services will be priced separately. Thus, the forward collection fees will no longer provide for the handling of return items. The schedules reflect the new price structure and include price and deadline information for return items as well as forward collection items.

In announcing its approval of the new prices and deadlines, the Board of Governors of the Federal Reserve System issued the following statement:

The Federal Reserve Board has approved prices and deadlines for new Federal Reserve returned check services as well as revised prices and deadlines for forward collection services.

The prices and deadlines become effective September 1, 1988, and remain in effect through 1989.

The Board's action at this time is in response to the new check return services that will be offered by the Federal Reserve Banks beginning September 1, 1988. These new services are designed to facilitate bank compliance with requirements of the Expedited Funds Availability Act by reducing risk to depository banks from making funds available for withdrawal on a more prompt basis.

The total cost to the Federal Reserve for check services in 1988, including the Private Sector Adjustment Factor (PSAF), is projected to be \$511.6 million. Total revenue in 1988 is estimated at \$514.8 million, resulting in a 100.6 percent cost recovery rate. In 1989, the total cost for check services, including PSAF, is projected to be \$539.3 million. Total revenue in 1989 is estimated at \$548.8 million, resulting in a 101.8 percent cost recovery rate.

Raw-returned check prices range from 30 cents to 75 cents per check for local returns and 40 cents to 95 cents for nonlocal returned checks. Qualified returned check prices are generally double to triple the corresponding forward collection fees. Fees for fine-sort returned checks are the same as those for fine-sort forward collection items.

Printed on the following pages is an excerpt from the *Federal Register* of June 27, 1988, containing the text of the Board's official notice in this matter.

If you have any questions, we encourage you to contact your Account Manager or one of the following Check officers at your local Federal Reserve office:

Account Managers:

Head Office (212) 720-6600
Buffalo Branch (716) 849-5085

New York Head Office

Matthew J. Puglisi,
Manager, Check Adjustment and Check
Processing Departments (212) 720-6551

Buffalo Branch

David P. Schwarzmuller,
Operations Officer (716) 849-5018

Cranford Office

Fred A. Denesevich,
Regional Manager (201) 272-9000

Jericho Office

Anthony N. Sagliano,
Regional Manager (516) 997-4569

Utica Office

Angus J. Kennedy,
Regional Manager (315) 768-2220

E. GERALD CORRIGAN,
President.

FEDERAL RESERVE SYSTEM

Fees and Deadlines for Federal Reserve Check Services

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board has approved prices and deadlines for new Federal Reserve returned check services as well as revised prices and deadlines for forward collection services.

EFFECTIVE DATE: Prices and deadlines are effective September 1, 1988.

FOR FURTHER INFORMATION CONTACT: Steven O. App, Manager (202/452-3760), Gayle Thompson, Program Leader (202/452-2934), or Nalini T. Rogers, Analyst (202/452-3801), Division of Federal Reserve Bank Operations; for the hearing impaired *only*: Telecommunications Device for the Deaf, Earnestine Hill or Dorothea Thompson (202/452-3544).

SUPPLEMENTARY INFORMATION: The Expedited Funds Availability Act (Title VI of the Competitive Equality Banking Act, enacted by Congress on August 10, 1987 (12 U.S.C. 4001-4010)) is designed to ensure prompt availability of funds and to expedite the return of checks. Specific funds availability schedules are required by the Act and will become effective on September 1, 1988. On May 13, 1988, the Board authorized the Federal Reserve Banks to provide new services to expedite the return of unpaid checks, effective September 1, 1988. These services are designed to reduce

the risk to depository banks¹ from making funds available for withdrawal on a more prompt basis and in accordance with the schedules required by the Act. The Board is publishing prices and deadlines for the new Federal Reserve returned check services as well as revised prices and deadlines for forward collection services.

Currently, the Federal Reserve does not explicitly price returned checks; instead the costs of handling returned checks are incorporated into the Federal Reserve's forward collection fees. The new returned check services are being priced explicitly, with the fees being assessed on the paying or the returning bank depositing returns with the Federal Reserve.² Price ranges for the new returned check services were published in the December 1987 proposal to implement the Expedited Funds Availability Act (52 FR 47112), and more specific office-by-office estimated price ranges and deadlines were published on

¹ "Bank" is defined in Regulation CC to include all depository institutions. A "paying bank" is the bank that pays the check and includes payable through and payable at banks. A "depository bank" is the bank in which the check is first deposited. A "returning bank" is a bank, other than the paying bank or the depository bank, that handles a returned check.

² Returns must be explicitly priced since some returned checks handled by the Federal Reserve will not follow the same route as they followed in the forward collection process, and therefore may not be subject to the Reserve Bank's forward collection fees. Also, under the new check services, paying banks and returning banks can deposit returned checks with the Federal Reserve in various ways that result in different costs being incurred.

April 11, 1988 (52 FR 11960) to assist correspondent banks in developing competing returned check services and to provide other banks with information that would be useful in planning how to most effectively meet their new expeditious return responsibilities.

Implementation of new returned check services are projected to increase the cost of 1988 Reserve Bank check operations by as much as \$15 million above the approved 1988 budgeted amounts. A \$15 million supplemental check operating budget for 1988 was approved by the Board on December 9, 1987. The Reserve Banks have estimated that costs will be \$30 million higher in 1989, reflecting the full year impact of new returned check services.

The total costs for check services, including the Private Sector Adjustment Factor ("PSAF"), in 1988 are projected to be \$511.6 million.³ Total revenue in 1988 is estimated at \$514.8 million, resulting in a 100.6-percent cost recovery rate. This projection is lower than the 102-percent recovery rate projected last fall due to the inclusion of costs to implement the new returned check services, which will not be fully recovered through returned check prices within the September-December 1988 period. In 1989, the total cost for check services, including PSFA, is projected to be \$539.3 million. Total revenue in 1989 is estimated at \$548.8 million, resulting in a cost recovery rate of 101.8 percent.

³ Costs include those associated with new returned check services.

The 1989 prices have been developed before the development of the 1989 budgets or the computation of the 1989 PSAF. A PSAF comparable to that for 1988 was assumed in calculating the 1989 prices. An initial computation of the 1989 PSAF has recently been completed, and it appears that these imputed costs will be lower than the amount used in the check repricing exercise. The reduced PSAF is largely attributable to the reduced earnings reported for 1987 by the bank holding companies included in the sample upon which the Federal Reserve bases its PSAF computation. The Board is reviewing the approved PSAF methodology and, if necessary, will issue for public comment proposed changes in the methodology in the fall of 1988. The Board anticipates that this review will include the determination of assets to be included in the pro forma priced services balance sheet, the capital structure, and the financing and tax rates. Applying the reduced PSAF to the new check prices will result in a higher than projected overrecovery of check collection costs.

Federal Reserve forward collection check volume is expected to continue to grow at a decreasing rate. Check volume growth in 1988 and 1989 is projected at 3 percent and 2.7 percent respectively, compared to a 4.7 percent growth rate in 1987. Reserve Banks project an increase in returned check volume of 21 percent in 1989 compared to 1987, due to the implementation of the Expedited Funds Availability Act. (The growth impact in 1988 returned check volume was understated due to the partial year impact and is not considered in this analysis.) Due to the uncertainty of the actual effect of the Expedited Funds Availability Act on Federal Reserve returned check volume, the cost recovery rate could be substantially different than projected.

The Board has reduced forward collection per item fees by an average of 0.2 cents as a result of the removal of returned check costs from the cost base for these prices. Currently, returned check costs comprise approximately 10 percent of Reserve Bank total check

collection costs. On a System average basis, the new basic city price is reduced one mill, the basic RCPC price is reduced two mills, the city fine-sort price is reduced two mills, and the RCPC fine-sort price is reduced two mills. Since fine-sort prices typically are less than one cent while processed prices average more than two cents, the decline in fine-sort prices averages about twenty percent compared to about a seven-percent decrease in processed prices. The new collection fees are in conformance with System guidelines.

The new prices become effective September 1, 1988, and are scheduled to remain in effect through 1989. Forward collection price reductions in some districts will be less than the total returned check costs being removed from the collection fees due to an anticipated increase in unit costs in 1989. In other districts, the forward collection price reductions are greater than the amount of return costs, because the districts are attempting to lower their cost recovery rates.

Raw returned check⁴ prices range from 30 cents to 75 cents for local returns and 40 cents to 95 cents for nonlocal returned checks. Qualified returned check prices are generally double to triple the corresponding forward collection fees. Fees for fine-sort returned checks are the same as those for fine-sort forward collection items. With ten exceptions out of the approximately 800 individual prices for returned checks, all prices are within the ranges published by the Board on April 5, 1988.

The Board believes that the price spread between raw and qualified returned check prices not only reflects the differences in Federal Reserve costs for processing these types of checks, but also encourages institutions to deposit their returned checks in qualified form. Currently, Reserve Banks expect to receive 46 percent of returned check

⁴ A raw returned check is a return that has not been prepared for automated processing. A qualified returned check is a return that has been prepared for automated processing by placing a strip on the check, or placing the check in a carrier envelope, and encoding the strip or envelope with the routing number of the depository bank, the amount of the check, and a special return identifier.

volume as qualified returned checks. Depositors would reduce their per item charges by 25 cents to 90 cents by qualifying their returned checks, depending on the Reserve Bank office and the type of returned check. Qualifying checks for automated processing often expedites the return process. The price spread between raw and qualified returned check products also creates an opportunity for correspondent banks to offer returned check services in which they accept raw returned checks, deliver some returns directly to the depository bank and qualify other returns for delivery through a Reserve Bank or other returning bank.

The Board has also revised fees for certain other check services, including return item notification and truncation services. Unit costs for payor bank services and for the Interdistrict Transportation System are expected to remain constant through 1989 and therefore these prices have not been changed at this time. Check collection and return fees will be reviewed in the spring of 1989 and the Board will make price adjustments to be effective in mid-1989, if warranted.

The deadlines for check collection services are generally the same as those currently in effect; only minor changes to the current deadlines have been adopted. Deadlines for qualified and fine-sort returned check services parallel forward collection deadlines. For raw returned checks, Reserve Bank offices generally offer a midnight deadline for sorted returned checks and a deadline between 8:00 p.m. and 10:00 p.m. for mixed returned checks. Many offices offer additional raw returned check deadlines as well. All deadlines are in conformance with System guidelines.

Copies of the fee schedules and deadlines for Federal Reserve Bank priced services are available from local Federal Reserve Banks.

By order of the Board of Governors of the Federal Reserve System, June 21, 1988.

William W. Wiles,
Secretary of the Board.

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Federal Reserve Bank of New York

SCHEDULE I

CHECK SERVICES

**Collection and Return Item Price Schedules
for In-Zone Depositors**

Effective September 1, 1988

FED CONTACTS FOR CHECK SERVICES

Bank Services Office

Head Office

Howard Crumb, Senior Bank Services Officer (212) 720-6812
Bruce Cassella, Bank Services Officer -6070

Account Managers

Al Bevacqua -6603
Ron Cook -6823
Kathy Hollings -6601
Rocco Magnotta -6825
Chuck Mineer -8045
Wezley Richards -6602

Customer Relations Representative

Jim Burns -6600
Clem Maglione -1913

Buffalo Branch

Bob McDonnell, Operations Officer (716) 849-5022

Account Manager

Phil Coletti -5085

Check Processing

Head Office

Matthew Puglisi, Manager, Check Processing and Check Adjustment Departments (212) 720-6551

Buffalo Branch

David Schwarzmuller, Operations Officer (716) 849-5018

Cranford Office

Fred Denesevich, Regional Manager (201) 272-9000

Jericho Office

Anthony Sagliano, Regional Manager (516) 997-4569

Utica Office

Angus Kennedy, Regional Manager (315) 768-2220

JERICHO OFFICE
CHECK COLLECTION AND RETURN ITEM SERVICE AND PRICE SCHEDULE
IN-ZONE DEPOSITORS
MONDAY - FRIDAY

PRODUCT	ROUTING SYMBOL	FORWARD COLLECTION ITEMS			RETURN ITEMS			
		PER ITEM CHARGE ^{1/}	AVAILABILITY	CUT-OFF TIME	PER ITEM CHARGE ^{1/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/}	CUT-OFF TIME
City								
Unsorted Regular	0210,0260, 0280,2260	2.7¢	Immediate	7:00 a.m.	75¢	12:01 a.m.	8.1¢	7:00 a.m.
Unsorted Premium	0210,0260, 0280,2260	4.6¢	Immediate	8:30 a.m.			9.8¢	8:30 a.m.
Group	0210	2.3¢	Immediate	8:30 a.m.				
RCPC								
Unsorted Regular	0214,0219, 0280,2214, 2219	2.4¢	Immediate	12:01 a.m.	75¢	12:01 a.m.	7.2¢	12:01 a.m.
Unsorted Premium	0214,0219, 0280,2214, 2219	4.6¢	Immediate	2:30 a.m.			9.4¢	2:30 a.m.
Group	^{2/}	2.0¢	Immediate	12:01 a.m.				
Group Premium	^{2/}	2.8¢	Immediate	3:00 a.m.				
Fine Sort ^{2/}								
City	0210,0260, 0280,2260	0.8¢ ^{3/}	Immediate	9:30 a.m.			0.8¢ ^{3/}	9:30 a.m.
RCPC	0214,0219, 0280,2214, 2219	0.9¢ ^{3/}	Immediate	4:00 a.m.			0.9¢ ^{3/}	4:00 a.m.
Country								
	0211,0215, 0216,2211, 2215,2216	3.6¢	1 Business Day	12:00 noon	75¢	12:01 a.m.	10.8¢	12:00 noon
Other Feds ^{2/4/5/}								
Unsorted Regular	All	5.2¢	Computed	12:01 a.m.	85¢	12:01 a.m.	15.0¢	12:01 a.m.
Group B	^{2/}	4.8¢	Immediate	12:01 a.m.				

Mixed Cash Letter ^{2/4/5/}

Early	In-Zone (City)	2.7¢			75¢		8.1¢	
	In-Zone (RCPC)	2.4¢			75¢		7.2¢	
	In-District	2.7¢	Computed	10:00 p.m.	75¢	8:00 p.m.	8.1¢	10:00 p.m.
	Other Feds	5.2¢			85¢		15.0¢	
Regular	In-Zone (City)	2.7¢					8.1¢	
	In-Zone (RCPC)	2.4¢					7.2¢	
	In-District	2.7¢	Computed	12:01 a.m.			8.1¢	12:01 a.m.
	Other Feds	5.2¢					15.0¢	

Non-machineable (Standard)

City	0210,0260,	19.8¢	1 Business Day	8:30 a.m.
	0280,2260			
RCPC	0214,0219,	19.8¢	1 Business Day	8:30 a.m.
	0280,2214,			
	2219			
Country	0211,0215,	19.8¢	2 Business Days	8:30 a.m.
	0216,2211,			
	2215,2216			
Other Feds	All	24.8¢	2 Business Days	8:30 a.m.
Non-Standard	All	\$1.00	2 Business Days	8:30 a.m.

Unencoded Mixed Cash Letter ^{2/4/}

In-Zone	6.4¢		
In-District	6.7¢	Computed	8:00 p.m.
Other Feds	9.2¢		

High Dollar Group Sort

^{2/}	9.8¢ ^{6/}	Immediate	8:30 a.m.
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^{1/} A cash letter fee of 50¢ applies to all intradistrict cash letters and return letters except fine sort and High Dollar Group Sort cash letters.

^{2/} Contact an Account Manager for details.

^{3/} A fixed charge of \$4.50 applies to each fine sort endpoint for cash items and return items.

^{4/} Availability on these deposits is subject to our interterritory crediting procedures.

^{5/} On Friday nights and Saturday mornings, there is one consolidated cut-off time of 1:00 a.m.

^{6/} A cash letter fee of \$8.00 also applies to High Dollar Group Sort cash letters.

HEAD OFFICE
CHECK COLLECTION AND RETURN ITEM SERVICE AND PRICE SCHEDULE
IN-ZONE DEPOSITORS
MONDAY - FRIDAY

PRODUCT	ROUTING SYMBOL	FORWARD COLLECTION ITEMS			RETURN ITEMS			
		PER ITEM CHARGE ^{1/}	AVAILABILITY	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE	CUT-OFF TIME	PER ITEM CHARGE ^{1/}	CUT-OFF TIME
Fine Sort ^{2/}	0210,0260, 0280.2260	0.8¢	Immediate	9:30 a.m.			0.8¢	9:30 a.m.

^{1/} A fixed charge of \$4.50 applies to each fine sort endpoint.

^{2/} Contact an Account Manager for details.

CRANFORD OFFICE
CHECK COLLECTION AND RETURN ITEM SERVICE AND PRICE SCHEDULE
IN-ZONE DEPOSITORS
MONDAY - FRIDAY

PRODUCT	ROUTING SYMBOL	FORWARD COLLECTION ITEMS			RETURN ITEMS			
		PER ITEM CHARGE ^{1/}	AVAILABILITY	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE ^{1/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/}	CUT-OFF TIME
City								
Unsorted Regular	0210,0260, 0280,2260	2.7¢	Immediate	7:00 a.m.	75¢	12:01 a.m.	8.1¢	7:00 a.m.
Unsorted Premium	0210,0260, 0280,2260	4.6¢	Immediate	8:30 a.m.			9.8¢	8:30 a.m.
Group	0210	2.3¢	Immediate	8:30 a.m.				
RCPC								
Unsorted Regular	0212,0270, 2212	2.4¢	Immediate	12:01 a.m.	75¢	12:01 a.m.	7.2¢	12:01 a.m.
Unsorted Premium	0212,0270, 2212	4.6¢	Immediate	2:30 a.m.			9.4¢	2:30 a.m.
Group Regular	^{2/}	2.0¢	Immediate	12:01 a.m.				
Group Premium	^{2/}	2.8¢	Immediate	3:00 a.m.				
Group Premium Plus	^{2/}	3.8¢	Immediate	6:00 a.m.				

Fine Sort	0212,0270, 2212	0.9¢ ^{3/}	Immediate	4:00 a.m.		0.9¢ ^{3/}	12:00 a.m.
Other Feds ^{2/4/}							
Unsorted Regular	All	5.4¢	Computed	12:01 a.m.	85¢	12:01 a.m.	15.0¢
Unsorted Premium	All	5.9¢	Computed	10:00 p.m.			15.0¢
Unsorted Weekend	All	5.2¢	Computed	8:00 p.m. Sat			15.0¢
Group A	^{2/}	5.7¢	Computed	10:30 p.m. M-Th 1:00 a.m. Sat			8:00 p.m. Sat
Group B	^{2/}	4.6¢	Immediate	12:01 a.m. T-Fri 1:00 a.m. Sat			
Group D	^{2/}	5.6¢	1 Business Day	12:01 a.m. T-Fri 1:00 a.m. Sat			
Mixed Cash Letter ^{2/4/}							
Early	In-Zone	2.4¢			75¢		7.2¢
	In-District	2.7¢	Computed	10:00 p.m.	75¢	8:00 p.m.	8.1¢
	Other Feds	5.4¢			85¢		15.0¢
Regular	In-Zone	2.4¢					7.2¢
	In-District	2.7¢	Computed	12:01 a.m.			8.1¢
	Other Feds	5.4¢					15.0¢
Non-machineable							
Standard	0212,0270, 2212	19.8¢	1 Business Day	8:30 a.m.			
Non-Standard	All	\$1.00	2 Business Days	8:30 a.m.			
Other Feds	All	24.8¢	2 Business Days	8:30 a.m.			
Unencoded Mixed ^{4/}							
Cash Letter	In-Zone	6.4¢					
	In-District	6.7¢	Computed	8:00 p.m.			
	Other Feds	9.4¢					
High Dollar							
Group Sort	^{2/}	9.8¢ ^{5/}	Immediate	8:30 a.m.			
Super High Dollar							
Group Sort	^{2/}	28.5¢ ^{6/}	Immediate	1:00 a.m.			

^{1/} A cash letter fee of 50.0¢ applies to all intradistrict cash letters and return letters except fine sort, High Dollar Group Sort and Super High Dollar Group Sort cash letters.

^{2/} Contact an Account Manager for details.

^{3/} A fixed charge of \$4.50 applies to each fine sort endpoint for cash items and return items.

^{4/} Availability on these deposits is subject to our interterritory crediting procedures.

^{5/} A cash letter fee of \$9.00 applies to High Dollar Group Sort cash letters.

^{6/} A cash letter fee of \$40.00 applies to Super High Dollar Group Sort cash letters.

UTICA OFFICE
CHECK COLLECTION AND RETURN ITEM SERVICE AND PRICE SCHEDULE
IN-ZONE DEPOSITORS
MONDAY - FRIDAY

PRODUCT	ROUTING SYMBOL	FORWARD COLLECTION ITEMS			RETURN ITEMS			
		PER ITEM CHARGE 1/	AVAILABILITY	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE 1/	CUT-OFF TIME	PER ITEM CHARGE 1/	CUT-OFF TIME
City	0210,0260, 0280,2260	2.7¢	Immediate	12:01 a.m.	75¢	12:01 a.m.		
RCPC								
Unsorted Regular	0213,2213	2.3¢	Immediate	12:01 a.m.	75¢	12:01 a.m.	6.9¢	12:01 a.m.
Unsorted Premium	0213,2213	4.6¢	Immediate	2:45 a.m.			9.2¢	2:45 a.m.
Group Regular	2/	2.0¢	Immediate	12:01 a.m.				
Group Premium	2/	2.8¢	Immediate	3:00 a.m.				
Fine Sort 2/	0213,2213	0.9¢ ^{3/}	Immediate	4:00 a.m.			0.9¢ ^{3/}	4:00 a.m.
Other Feds 2/4/5/								
Unsorted Regular	All	5.2¢	Computed	12:01 a.m.	85¢	12:01 a.m.	15.0¢	12:01 a.m.
Group A	2/	5.1¢	1 Business Day	10:00 p.m. M-Th 1:00 a.m. Sat				
Group B	2/	4.5¢	Immediate	12:01 a.m. T-Fri 1:00 a.m. Sat				
Group C ^{5/}	2/	5.2¢	1 Business Day	12:01 a.m. T-Fri 1:00 a.m. Sat				
Mixed Cash Letter 2/5/								
Early	In-Zone	2.3¢			75¢		6.9¢	
	In-District	2.8¢	Computed	10:00 p.m.	75¢	8:00 p.m.	8.4¢	10:00 p.m.
	Other Feds	5.2¢			85¢		15.0¢	
Regular	In-Zone	2.3¢					6.9¢	
	In-District	2.8¢	Computed	12:01 a.m.			8.4¢	12:01 a.m.
	Other Feds	5.2¢					15.0¢	
Premium	In-Zone	4.6¢					9.2¢	
	In-District	2.8¢	Computed	1:30 a.m.			8.4¢	1:30 a.m.
	Other Feds	5.2¢					15.0¢	

Non-machineable

Standard	0213,2213	19.8¢	1 Business Day	8:30 a.m.
Non-Standard	All	\$1.00	2 Business Days	8:30 a.m.
Other Feds	All	24.8¢	2 Business Days	8:30 a.m.

Unencoded Mixed Cash Letter ^{2/5/}

In-Zone		6.3¢		
In-District		6.8¢	Computed	8:00 p.m.
Other Feds		9.2¢		

High Dollar Group Sort

^{2/}		13.8¢ ^{7/}	Immediate	8:30 a.m.
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Albany Relay

^{2/}		\$10.00 per day per user		^{2/}
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Rochester Relay

^{2/}		0.8¢		^{2/}
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^{1/} A cash letter fee of 50.0¢ applies to all intradistrict cash letters and return letters except fine sort and High Dollar Group Sort cash letters.

^{2/} Contact an Account Manager for details.

^{3/} A fixed charge of \$4.50 applies to each fine sort endpoint for cash items and return items.

^{4/} On Friday nights and Saturday mornings, there is one consolidated cut-off time 1:00 a.m.

^{5/} Availability on these deposits is subject to our interterritory crediting procedures.

^{6/} Credit availability will be one business day for items deposited by 1:00 a.m. Saturday except for those drawn on country endpoints.

^{7/} A cash letter fee of \$16.00 applies to High Dollar Group Sort cash letters.

**BUFFALO BRANCH
CHECK COLLECTION AND RETURN ITEM SERVICE AND PRICE SCHEDULE
IN-ZONE DEPOSITORS
MONDAY - FRIDAY**

PRODUCT	ROUTING SYMBOL	FORWARD COLLECTION ITEMS			RETURN ITEMS				
		PER ITEM CHARGE ^{1/}	AVAILABILITY	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS		
					PER ITEM CHARGE ^{1/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/}	CUT-OFF TIME	
City									
Unsorted Regular	0220,2220	2.1¢	Immediate	8:15 a.m.	75¢	12:01 a.m.	6.3¢	8:15 a.m.	
RCPC									
Unsorted Regular	0223,2223	2.3¢	Immediate	12:01 a.m.	75¢	12:01 a.m.	6.9¢	12:01 a.m.	
Unsorted Premium	0223,2223	4.6¢	Immediate	3:15 a.m.			9.2¢	3:15 a.m.	
Fine Sort ^{2/}									
City	0220,2220	0.8¢ ^{3/}	Immediate	9:30 a.m.			0.8¢ ^{3/}	9:30 a.m.	
RCPC	0223,2223	0.9¢ ^{3/}	Immediate	4:15 a.m.			0.9¢ ^{3/}	4:15 a.m.	
Other Feds ^{2/4/}	All	5.0¢	Computed	10:00 p.m. Tues-Thurs 4:00 p.m. Saturday	85¢	12:01 a.m.	15.0¢	10:00 p. m. Tues-Thurs 4:00 p.m. Saturday	
Mixed Cash Letter ^{2/4/}									
Regular	In-Zone (City)	2.1¢		12:01 a.m.	75¢		6.3¢	12:01 a.m.	
	In-Zone (RCPC)	2.3¢		4:00 p.m.	75¢		6.9¢	4:00 p.m.	
	In-District	2.7¢	Computed	Saturday	75¢	8:00 p.m. ^{5/}	8.1¢	Saturday	
	Other Feds	5.0¢			85¢		15.0¢		
Premium	In-Zone (City)	2.1¢					6.3¢		
	In-Zone (RCPC)	4.6¢					9.2¢ ^{6/}		
	In-District	2.7¢	Computed	2:00 a.m.			8.1¢	2:00 a.m.	
	Other Feds	5.0¢					15.0¢		
Non-machineable (standard)									
City	0220,2220	19.8¢	1 Business Day	8:30 a.m.					
RCPC	0223,2223	19.8¢	1 Business Day	8:30 a.m.					
Other Feds	All	24.8¢	2 Business Days	8:30 a.m.					
Non-Standard	All	\$1.00	2 Business Days	8:30 a.m.					

**Unencoded Mixed
Cash Letter ^{2/4/}**

In-Zone 6.3¢
In-District 6.7¢
Other Feds 9.0¢

Computed

12:01 a.m.

**High Dollar
Group Sort**

^{2/}

12.8¢^{7/}

Immediate

8:30 a.m.

^{1/} A cash letter fee of 50.0¢ applies to all intradistrict cash letters and return letters except fine sort and High Dollar Group Sort cash letters.

^{2/} Contact an Account Manager for details.

^{3/} A fixed charge of \$4.50 applies to each fine sort endpoint for cash items and return items..

^{4/} Availability on these deposits is subject to our interterritory crediting procedures.

^{5/} Saturday deadline of 12:00 noon.

^{6/} The Saturday price for In-Zone (RCPC) is 6.9¢.

^{7/} A cash letter fee of \$3.25 applies to High Dollar Group Sort cash letters.

PAYOR BANK SERVICES PRICE SCHEDULE

Service Type	Service Level	
	Basic ¹	Enhanced ²
Account Total Service ^{3/}		
1) Magnetic Tape		
Minimum Daily Fee	\$40 up to 50 totals	\$49 up to 50 totals
Additional Charges	\$.10 per total above 50	\$.10 per total above 50; plus a \$.03 surcharge per low speed item handled above 10 ⁴ .
2) Electronic Transmission		
Minimum Daily Fee	\$50 up to 50 totals	\$59 up to 50 totals
Additional Charges	\$.25 per total above 50	\$.25 per total above 50; plus a \$.03 surcharge per low speed item handled above 10 ⁴ .
3) Facsimile, Telephone or Hardcopy		
Minimum Daily Fee	\$28 up to 28 totals	\$37 up to 28 totals
Additional Charges	\$1 per total above 28 totals	\$1 per total above 28 totals; plus a \$.03 surcharge per low speed item handled above 10 ⁴ .
MICR Line Capture Service ^{3/}		
1) Magnetic Tape		
Minimum Daily Fee	\$25 up to 25,000 items	\$34 up to 25,000 items
Additional Charges	\$.001 per item above 25,000	\$.001 per item above 25,000; plus a \$.03 surcharge per low speed item handled above 10 ⁴ .
2) Electronic Transmission		
Minimum Daily Fee	\$50 up to 5,000 items	\$59 up to 5,000 items
Additional Charges	\$.005 per item above 5,000 plus telephone line charges	\$.005 per item above 5,000 plus telephone line charges; plus a \$.03 surcharge per low speed item handled above ⁴ .
Account Level Sorting Service ^{3/}		
Head Office		
Minimum Daily fee		\$9.50 for low speed pocket outsort
Additional Charges		\$.001 per item above 25,000
Buffalo and Utica		
Minimum Daily Fee	\$25 for additional high speed outsort pocket ⁵ ;	\$34 for high and low speed outsort pockets ⁵ ;
Additional Charges	\$.001 per item above 25,000	\$.001 per item above 25,000
Cranford		
Minimum Daily Fee	\$75 for additional high speed outsort pocket ⁵ ;	\$84 for high and low speed outsort pockets ⁵ ;
Additional Charges	\$.001 per item above 25,000	\$.001 per item above 25,000
Jericho		
Minimum Daily Fee	\$50 for an additional high speed outsort pocket ⁵ ;	\$59 for high and low speed outsort pockets ⁵ ;
Additional Charges	\$.001 per item above	\$.001 per item above 25,000

Package Sort Processing Service

Head Office

Minimum Daily Fee
Additional Charges

\$2.30 up to 100 items
\$.023 per item above 100

\$2.30 up to 100 items;
\$.023 per item above 100

Buffalo Branch and RCPCs

Minimum Daily Fee
Additional Charges

\$1.20 up to 100 items
\$.012 per item above 100

\$1.20 up to 100 items;
\$.012 per item above 100

Large Dollar Reject Item Notification

Minimum Daily Fee
Additional Charges

\$5 up to 5 items
\$1 per item above 5 for tele-
phone or facsimile advice of
reject items \$25,000 and over

Microfilming ^{3/6/}

\$.002 per item

^{1/} High Speed data capture only.

^{2/} Both high and low speed data capture. Items processed on low speed equipment are sorted into two cash letters, one containing specified accounts and the other containing all other items. No additional charge is made for this separation.

^{3/} Contact an Account Manager for details on Head Office Payor Bank Services.

^{4/} Per item surcharge applies to those low-speed items within a specified account number range and all out-of-range items for which the low-speed operator keys the account number. The first 10 low speed items are included in the minimum charge.

^{5/} Subject to a maximum of two additional outsort pockets for each sort type.

^{6/} Contact an Account Manager for details.