

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 10290]
[March 30, 1989]

CHECK SERVICES

Revised Price Schedules, Effective May 1, 1989

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

Effective May 1, 1989, there will be new prices for return item check services. Prices for forward check collection and payor bank services will remain unchanged. Information about deposit deadlines, credit availability, and prices for check services, together with information on check collection and payor bank services offered at each of this Bank's offices, is provided in the enclosure: *Check Services: Collection and Return Item Price Schedules for In-Zone Depositors.*

New procedures and services to expedite the return of unpaid checks were introduced by Reserve Banks on September 1, 1988, as required by the Expedited Funds Availability Act (EFA) and Regulation CC. The new return item check services differ significantly from the return services provided prior to the implementation of EFA. Reserve Banks now accept, process, and return any unpaid item directly to the depository bank (*bank of first deposit*). (Prior to September 1988, Reserve Banks accepted and processed only those returned checks it had collected, and returned each check to the institution (*prior endorser*) that deposited the check with the Federal Reserve for forward collection.)

Reserve Banks have also accelerated their handling of returned checks by processing returns of local checks on an overnight basis and dispatching them the morning following receipt. (Previously, most Reserve Banks manually processed local returns during the day following receipt and dispatched them the following morning; nonlocal returns were manually processed by two Reserve offices, which lengthened the return process.)

Initial prices for these services were adopted before the Reserve Banks had any experience with the new return item check procedures. Experience indicates that actual return item check costs are exceeding original projections. The primary cause of the higher-than-anticipated costs is the poor quality of incoming return item deposits. Even though most returns are being deposited in qualified form, they are of poor physical quality because of improper packaging and noncompliance with the indorsement standard. These factors, along with high return item check adjustment levels, have forced Reserve Banks to devote additional resources to return item processing. Although Reserve Banks and depository institutions have worked together to improve the quality of return item deposits and of return item operations, problems persist.

Reserve Banks are addressing returned check quality issues in a coordinated fashion Systemwide, with the objective of achieving the same high quality for returned check processing as for the processing of forward collection checks. Several major initiatives that are underway include improving carrier envelope document quality, reducing the number of misdirected qualified returned checks, improving indorsement quality, and reducing the reject rate of qualified deposits. The new return item prices are based on achieving continued improvements in deposit quality

while recovering the associated costs. Although price stability is an important part of our total service commitment, modest changes in return prices for 1990 will be made if these improvements are not effective.

Please refer to the enclosure for further details. 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 Services Department
(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

In announcing its approval of the revised prices for Federal Reserve returned check services, the Board of Governors of the Federal Reserve System issued the following statement:

The Federal Reserve Board has announced revised prices for Federal Reserve returned check services. The prices will become effective May 1, 1989, and remain in effect through 1989.

The Board's action at this time is in response to declining check recovery rates in the latter part of 1988, after Reserve Banks began offering new returned check services on September 1, 1988. The declining rates are primarily a function of lower than anticipated returned check revenue and higher than expected costs resulting from the poor quality of qualified check deposits. The Federal Reserve is actively addressing quality problems and is working directly with depository institutions to reduce operational costs and to improve the overall quality of returned check deposits.

Under the new returned check fee schedules, the Federal Reserve anticipates recovering 102.9 percent of total check costs during the time that the new prices are in effect, from May through December 1989, and 100.5 percent for the full year.

The proposed raw return fees are an average of \$0.19 more than current fees, which brings the System average price to \$0.72. The proposed qualified return prices have increased by an average of \$0.14, resulting in a new System average price of \$0.212. Fine sort fees were adjusted in four Districts at an average increase of \$0.0022.

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

In addition, printed on the following pages is an excerpt from the *Federal Register* of March 22, 1989, containing the text of the Board's official notice in this matter.

E. GERALD CORRIGAN,
President.

FEDERAL RESERVE SYSTEM

Fees for Federal Reserve; Returned Check Services

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice of new fee schedules for Federal Reserve returned check services.

SUMMARY: The Board has approved new fees for the Federal Reserve Banks' returned check services in response to declining check recovery rates in the last four months of 1988. The revised fees should allow the Federal Reserve to achieve full cost recovery for total check services in 1989.

EFFECTIVE DATE: New fees are effective May 1, 1989.

FOR FURTHER INFORMATION CONTACT: Gayle Thompson, Program Leader (202/452-2934), or Nalini T. Rogers, Senior 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:

Background

In May 1988, the Board authorized Federal Reserve Banks to provide new returned check services in order to expedite the return of unpaid checks, as required by Regulation CC, which implements the Expedited Funds Availability Act ("EFA") (53 FR 19490, May 27, 1988). The Board approved prices for these new services in June 1988 and, at the same time, reduced forward collection fees (53 FR 24148, June 27, 1988). The new fees and services became effective September 1, 1988. Prior to September 1988, the Federal Reserve Banks did not price returned checks explicitly but incorporated the cost of handling returned checks into their forward collection fees.

The new Federal Reserve returned check services differ significantly from the return services provided by the Reserve Banks prior to the implementation of EFA. Reserve Banks now accept and process any returned check, and return checks directly to the depository bank. In contrast, prior to September 1, 1988, a Federal Reserve Bank accepted and processed only those returned checks it collected, and returned each check to the institution that deposited the check with the Federal Reserve for forward collection.

Reserve Banks also accelerated their

handling of returned checks by processing returns of local checks on an overnight basis and by dispatching them the morning following receipt. Nonlocal raw returns¹ are qualified for automated processing prior to dispatch to the second Federal Reserve office on the evening following receipt. Nonlocal returns deposited in qualified form are dispatched to the second Federal Reserve office on the night of receipt or the following night. Previously, Reserve Banks processed local returns during the day and dispatched them the following morning. Nonlocal returns were processed manually by two Reserve Bank offices, lengthening the return process by one day.

The Federal Reserve adopted its returned check prices before the Reserve Banks had experience with the new returned check procedures. The new fees were based on Reserve Bank estimates of the costs of providing these services and the revenue that would be received. Revenue projections were particularly dependent on the estimated proportion of returned checks that would be received by the Reserve Banks as either raw, qualified, or fine sort deposits. When it approved the new check prices, which were to be effective through 1989, the Board indicated that it would review the prices in the spring of 1989 to determine whether earlier adjustments to the fees for these services were warranted.

Experience in late 1988 indicated that most Reserve Banks were receiving lower revenues than had been anticipated and that actual returned check costs exceeded estimates. This experience is reflected in the decline in check service cost recovery from 101 percent for the first eight months of 1988, prior to the implementation of EFA and the new return services, to approximately 93 percent for the last four months of the year.

The lower than anticipated returned check revenue is primarily due to a greater than expected proportion of deposits received in qualified form than in raw form. Because qualified prices are lower than raw prices, Reserve Banks are receiving less revenue than projected.

¹ A raw returned check is a return that has not been prepared for automated processing. A qualified returned check ("QRC") 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.

The primary cause of the higher than anticipated costs is the poor quality of incoming returned check deposits. Even though most returns are being deposited in qualified form, the low quality of many of those deposits results in significant costs for Reserve Banks. Poor physical quality of the returns, improper packaging, and noncompliance with the indorsement standard, along with high returned check adjustment levels, have forced Reserve Banks to devote additional resources to return processing. Reserve Banks have worked with depository institutions to improve the quality of return deposits and have also devoted considerable attention to improving returned check operations. Although the industry has been very cooperative and quality has improved since the implementation of the new return services, problems persist.

Quality Improvement Initiatives

Reserve Banks are addressing returned check quality issues in a coordinated fashion Systemwide, with the objective of achieving the same high quality for returned check processing as for the processing of forward collection checks. Several major initiatives are currently underway in the Federal Reserve System that are expected to improve return operations. These initiatives include improving carrier envelope document quality, reducing the number of misdirected qualified returned checks, improving indorsement quality, and reducing the reject rate of qualified deposits.

Variations in the quality of carrier envelopes used in the QRC process result in serious problems with envelopes that jam check equipment or that cannot be properly indorsed or microfilmed. Federal Reserve guidelines for carrier envelope document quality are being finalized for release during the second quarter of 1989. These guidelines will provide carrier envelope characteristics that will increase the likelihood that a carrier can be processed on high-speed check equipment without operational difficulties. In addition, the American National Standards Institute has agreed to develop long-term carrier envelope specification standards.

The Reserve Banks are also counselling institutions that encode returns to the incorrect institution, thus causing the returns to be misdirected. This problem slows the return of the check to the depository bank and adds significantly to Reserve Bank and depository institution adjustment cases.

Alerting those institutions that create this problem and advising them on how to qualify returned checks properly should result in a decline in the number of misdirected qualified returns.

The major underlying quality problem that results in misdirected QRCs and returns for which the depository bank cannot be identified is the lack of adherence by the depository bank to the Regulation CC indorsement standard. Unreadable indorsements caused the misrouting and delay of returned checks, thereby precluding the expeditious return of these checks. To facilitate compliance with the indorsement standard, each Federal Reserve office has efforts underway to determine the major indorsement problems in its region and to work directly with institutions and equipment vendors to improve indorsement quality. In addition, the Federal Reserve is actively investigating alternative, more efficient indorsement processes, such as machine-readable indorsements using bar-code technology, that would automate the process of reading indorsements and decrease the likelihood of incorrectly reading the indorsement.

The poor quality of many qualified returned checks causes them to reject when processed on automated check equipment. The Reserve Banks have established QRC reject rate policies to improve the quality of deposits. Most Reserve Banks have notified their depository institutions that, beginning February 1, 1989, qualified return letters that have reject rates above a certain percent will be treated as raw returns and be charged the raw, rather than the qualified, price, with availability on those items to be deferred by one day. The reject rate threshold in most Districts is 15 percent. The majority of returned check cash letters have reject rates well below 15 percent; therefore, this threshold will affect only the relatively few institutions whose deposits create the most significant operational problems. Reserve Banks will review their threshold rates periodically and lower them as the overall quality of qualified return deposits improves. Institutions that are depositing poor quality QRC cash letters are being

counseled by their local Federal Reserve Bank on the specific problems with their cash letters so that they can take the necessary actions to improve the quality of their deposits.

Discussion

Despite ongoing efforts to improve the quality of incoming returned check deposits, revised 1989 cost and revenue estimates, based on the fees in effect as of September 1, 1988, indicate that total check costs are expected to exceed anticipated revenues. As of January 1989, Reserve banks projected a Systemwide 1989 cost recovery rate of 98.6 percent in the check collection and return service. This figure is significantly below the budgeted cost recovery rate of 103.4 percent. Based on the revised low recovery rate estimate and the experience of higher returned check costs, the Board concluded that the System should reprice its returned check services as of May 1989, with the new prices to remain in effect at least until December 31, 1989. Returned check prices will be reviewed again in the fall as part of the annual repricing of all Federal Reserve Bank services, with any fee adjustments to take effect on January 1, 1990.

The adjustments to Federal Reserve returned check prices reflect returned check costs more accurately, by recovering, at a minimum, Federal Reserve floor costs (i.e., direct and support costs). Based on revised returned check prices, the Federal Reserve anticipates recovering total check costs during the time that the new prices are in effect, i.e., May through December 1989. The new prices reflect anticipated cost reductions resulting from future quality improvements.

The estimated total check cost recovery after the returned check fee changes is 102.9 percent for the period May-December 1989, and 100.5 percent for the year. The total cost for the check service in 1989, including the private sector adjustment factor, is projected to be \$540.9 million. Total revenue is estimated to be \$543.5 million. There are a total of 730 returned check products, and of this total, 633 prices have increased and 97 remain unchanged. The new raw return fees are an average of

\$0.19 more than current fees, bringing the System average price to \$0.72. The new qualified return prices increase current fees an average of \$0.14, resulting in a new System average price of \$0.212. These fee changes increase the spread between the System average raw and qualified prices from \$0.48 to \$0.51. Four districts have increased their return fine sort fees an average of \$0.0022, to reflect the higher adjustment costs associated with fine sort returns.

Although the Reserve Banks expect aggregate return volume to be stable, they project considerable movement among products based on past volume trends and the effects of the proposed price changes. Reserve Banks estimate that the Federal Reserve will handle 228 million returned checks in 1989. They project that 76 percent of the returns will

be qualified prior to deposit with the Reserve Bank, 22 percent deposited as raw returns, and 2 percent deposited as fine sort deposits (in contrast to earlier budget estimates of 55 percent, 44 percent, and 1 percent, respectively). Reserve Banks that will have relatively high qualified prices expect an increase in fine sort volume. Reserve Banks that have increased significantly the spread between raw and qualified prices project an increase in qualified deposits. A wider price spread between raw and qualified return prices encourages institutions to deposit their returned checks in qualified form, which expedites the return process, and also provides greater incentives to 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.

Copies of the new fee schedules for the Federal Reserve returned check service are available from local Federal Reserve Banks.

By order of the Board of Governors of the Federal Reserve System, March 16, 1989.

William W. Wiles,

Secretary of the Board.

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BILLING CODE 6210-01-M



Federal Reserve Bank of New York

SCHEDULE I

CHECK SERVICES

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

Effective May 1, 1989

[Enc. Cir. No. 10290]

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 Representatives

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 Services Department (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	AVAILABILITY	FORWARD COLLECTION ITEMS		RETURN ITEMS			
			PER ITEM CHARGE ^{1/}	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE ^{1/7/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/7/}	CUT-OFF TIME
City								
Unsorted Regular	0210,0260, 0280,2260	Immediate	2.7¢	7:00 a.m.	95¢	12:01 a.m.	18¢	7:00 a.m.
Unsorted Premium	0210,0260, 0280,2260	Immediate	4.6¢	8:30 a.m.			21¢	8:30 a.m.
Group	0210	Immediate	2.3¢	8:30 a.m.				
RCPC								
Unsorted Regular	0214,0219, 0280,2214, 2219	Immediate	2.4¢	12:01 a.m.	95¢	12:01 a.m.	18¢	12:01 a.m.
Unsorted Premium	0214,0219, 0280,2214, 2219	Immediate	4.6¢	2:30 a.m.			25¢	2:30 a.m.
Group	^{2/}	Immediate	2.0¢	12:01 a.m.				
Group Premium	^{2/}	Immediate	2.8¢	3:00 a.m.				
Fine Sort ^{2/}								
City (Jericho depositors only)	0210,0260, 0280,2260	Immediate	0.8¢ ^{3/}	9:30 a.m.	0.8¢ ^{3/}	9:30 a.m.	0.8¢ ^{3/}	9:30 a.m.
RCPC	0214,0219, 0280,2214, 2219	Immediate	0.9¢ ^{3/}	4:00 a.m.	0.9¢ ^{3/}	4:00 a.m.	0.9¢ ^{3/}	4:00 a.m.
Country								
	0211,0215, 0216,2211, 2215,2216	1 Business Day	3.6¢	12:00 noon	95¢	12:01 a.m.	24¢	12:00 noon
Other Feds ^{2/4/5/}								
Unsorted Regular	All	Computed	5.2¢	12:01 a.m.	\$1.30	12:01 a.m.	45¢	12:01 a.m.
Group B	^{2/}	Immediate	4.8¢	12:01 a.m.				

Mixed Cash Letter ^{2/4/5/8/}

Early	In-Zone (City)		2.7¢		95¢		23¢	
	In-Zone (RCPC)		2.4¢		95¢		23¢	
	In-District	Computed	2.7¢	10:00 p.m.	95¢	8:00 p.m.	25¢	10:00 p.m.
	Other Feds		5.2¢		\$1.30		50¢	
Regular	In-Zone (City)		2.7¢				28¢	
	In-Zone (RCPC)		2.4¢				28¢	
	In-District	Computed	2.7¢	12:01 a.m.			30¢	12:01 a.m.
	Other Feds		5.2¢				55¢	

Non-machineable (Standard)

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

Unencoded Mixed Cash Letter ^{2/4/}

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

High Dollar Group Sort

^{2/}	Immediate	9.8¢ ^{6/}	8:30 a.m.
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Government Checks

	Immediate	—	3:00 p.m.
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Savings Bonds

	Immediate	—	12:00 noon
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^{1/} A cash letter fee of 50¢ applies to all intradistrict cash letters except mixed and other fed return letters, 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 \$8.50 also applies to High Dollar Group Sort cash letters.

^{7/} A cash letter fee of \$1.00 applies to mixed and other Fed return letters.

^{8/} A fixed availability option is also available for mixed return items. Contact an Account Manager for details.

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

PRODUCT	ROUTING SYMBOL	AVAILABILITY	FORWARD COLLECTION ITEMS		RETURN ITEMS			
			PER ITEM CHARGE ^{1/}	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE ^{1/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/}	CUT-OFF TIME
Fine Sort^{2/}	0210,0260, 0280,2260	Immediate	0.8¢	9:30 a.m.	0.8¢	9:30 a.m.	0.8¢	9:30 a.m.
Government Checks		Immediate	—	3:00 p.m.				
Postal Money Orders		Immediate	—	3:00 p.m.				
Savings Bonds		Immediate	—	12:00 noon				

^{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	AVAILABILITY	FORWARD COLLECTION ITEMS		RETURN ITEMS			
			PER ITEM CHARGE ^{1/}	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE ^{1/7/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/7/}	CUT-OFF TIME
City								
Unsorted Regular	0210,0260, 0280,2260	Immediate	2.7¢	7:00 a.m.	95¢	12:01 a.m.	18¢	7:00 a.m.
Unsorted Premium	0210,0260, 0280,2260	Immediate	4.6¢	8:30 a.m.			21¢	8:30 a.m.
Group	0210	Immediate	2.3¢	8:30 a.m.				
RCPC								
Unsorted Regular	0212,0270, 2212	Immediate	2.4¢	12:01 a.m.	95¢	12:01 a.m.	18¢	12:01 a.m.
Unsorted Premium	0212,0270, 2212	Immediate	4.6¢	2:30 a.m.			25¢	2:30 a.m.
Group Regular	^{2/}	Immediate	2.0¢	12:01 a.m.				
Group Premium	^{2/}	Immediate	2.8¢	3:00 a.m.				

Fine Sort ^{1/}									
City (Cranford depositors only)	0210,0260, 0280,2260	Immediate	0.8 ^{3/}	9:30 a.m.	0.8 ^{3/}	9:30 a.m.	0.8 ^{3/}	9:30 a.m.	
RCPC	0212,0270, 2212	Immediate	0.9 ^{3/}	4:00 a.m.	0.9 ^{3/}	4:00 a.m.	0.9 ^{3/}	4:00 a.m.	
Other Feds ^{2/4/}									
Unsorted Regular	All	Computed	5.4 [¢]	12:01 a.m.	\$1.30	12:01 a.m.	45 [¢]	12:01 a.m.	
Unsorted Premium	All	Computed	5.9 [¢]	10:00 p.m.					
Unsorted Weekend Group A	All	Computed	5.2 [¢]	8:00 p.m. Sat			40 [¢]	8:00 p.m. Sat	
Group A	^{2/}	Computed	5.7 [¢]	10:30 p.m. M-Th					
Group B	^{2/}	Immediate	4.6 [¢]	12:01 a.m. T-Fri					
Group D	^{2/}	1 Business Day	5.6 [¢]	1:00 a.m. Sat					
				12:01 a.m. T-Fri					
				1:00 a.m. Sat					
Mixed Cash Letter ^{2/4/8/}									
Early	In-Zone (City)		2.7 [¢]		95 [¢]		23 [¢]		
	In-Zone (RCPC)		2.4 [¢]		95 [¢]		23 [¢]		
	In-District	Computed	2.7 [¢]	10:00 p.m.	95 [¢]	8:00 p.m.	25 [¢]	10:00 p.m.	
	Other Feds		5.4 [¢]		\$1.30		50 [¢]		
Regular	In-Zone (City)		2.7 [¢]				28 [¢]		
	In-Zone (RCPC)		2.4 [¢]				28 [¢]		
	In-District	Computed	2.7 [¢]	12:01 a.m.			30 [¢]	12:01 a.m.	
	Other Feds		5.4 [¢]				55 [¢]		
Non-machineable									
Standard	0212,0270, 2212	1 Business Day	19.8 [¢]	8:30 a.m.					
Non-Standard	All	2 Business Days	\$1.00	8:30 a.m.					
Other Feds	All	2 Business Days	24.8 [¢]	8:30 a.m.					
Unencoded Mixed Cash Letter ^{2/4/}									
	In-Zone		6.4 [¢]						
	In-District	Computed	6.7 [¢]	8:00 p.m.					
	Other Feds		9.4 [¢]						
High Dollar Group Sort									
	^{2/}	Immediate	9.8 ^{5/}	8:30 a.m.					
Super High Dollar Group Sort									
	^{2/}	Immediate	28.5 ^{6/}	1:00 a.m.					
Government Checks									
		Immediate	—	3:00 p.m.					
Savings Bonds									
		Immediate	—	12:00 noon					

^{1/} A cash letter fee of 50.0[¢] applies to all intradistrict cash letters except mixed and other Fed return letters, 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 \$9.50 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.

^{7/} A cash letter fee of \$1.00 applies to mixed and other Fed return letters.

^{8/} A fixed availability option is also available for mixed return items. Contact an Account Manager for details.

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

PRODUCT	ROUTING SYMBOL	AVAILABILITY	FORWARD COLLECTION ITEMS		RETURN ITEMS			
			PER ITEM CHARGE ^{1/}	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE ^{1/7/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/7/}	CUT-OFF TIME
City	0210,0260, 0280,2260	Immediate	2.7¢	12:01 a.m.	90¢	12:01 a.m.		
RCPC								
Unsorted Regular	0213,2213	Immediate	2.3¢	12:01 a.m.	90¢	12:01 a.m.	17¢	12:01 a.m.
Unsorted Premium	0213,2213	Immediate	4.6¢	2:45 a.m.			24¢	2:45 a.m.
Group Regular	^{2/}	Immediate	2.0¢	12:01 a.m.				
Group Premium	^{2/}	Immediate	2.8¢	3:00 a.m.				
Fine Sort ^{2/}	0213,2213	Immediate	0.9¢ ^{3/}	4:00 a.m.	0.9¢ ^{3/}	4:00 a.m.	0.9¢ ^{3/}	4:00 a.m.
Other Feds ^{2/4/5/}								
Unsorted Regular	All	Computed	5.2¢	12:01 a.m.	\$1.20	12:01 a.m.	45¢	12:01 a.m.
Group A	^{2/}	1 Business Day	5.1¢	10:00 p.m.				
Group B	^{2/}	Immediate	4.5¢	12:01 a.m.				
Group C	^{2/}	1 Business Day	5.2¢	12:01 a.m.				
Mixed Cash Letter ^{2/5/8/}								
Early	In-Zone		2.3¢		90¢		22¢	
	In-District	Computed	2.8¢	10:00 p.m.	90¢	8:00 p.m.	26¢	10:00 p.m.
	Other Feds		5.2¢		\$1.20		50¢	
Regular	In-Zone		2.3¢				27¢	
	In-District	Computed	2.8¢	12:01 a.m.			30¢	12:01 a.m.
	Other Feds		5.2¢				55¢	
Premium	In-Zone		4.6¢				34¢	
	In-District	Computed	2.8¢	1:30 a.m.			30¢	1:30 a.m.
	Other Feds		5.2¢				55¢	

Non-machineable

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

**Unencoded Mixed
Cash Letter ^{2/5/}**

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

**High Dollar
Group Sort**

^{2/}	Immediate		13.8¢ ^{6/}	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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Government Checks

	Immediate		—	3:00 p.m.
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Savings Bonds

	Immediate		—	12:00 noon
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^{1/} A cash letter fee of 50.0¢ applies to all intradistrict cash letters except mixed and other Fed return letters, 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/} A cash letter fee of \$16.50 applies to High Dollar Group Sort cash letters.

^{7/} A cash letter fee of \$1.00 applies to mixed and other Fed return letters.

^{8/} A fixed availability option is also available for mixed return items. Contact an Account Manager for details.

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

PRODUCT	ROUTING SYMBOL	AVAILABILITY	FORWARD COLLECTION ITEMS		RETURN ITEMS			
			PER ITEM CHARGE ^{1/}	CUT-OFF TIME	RAW RETURNS		QUALIFIED RETURNS	
					PER ITEM CHARGE ^{1/2/}	CUT-OFF TIME	PER ITEM CHARGE ^{1/2/}	CUT-OFF TIME
City								
Unsorted Regular	0220,2220	Immediate	2.1¢	8:15 a.m.	90¢	12:01 a.m.	16¢	8:15 a.m.
RCPC								
Unsorted Regular	0223,2223	Immediate	2.3¢	12:01 a.m.	90¢	12:01 a.m.	17¢	12:01 a.m.
Unsorted Premium	0223,2223	Immediate	4.6¢	3:15 a.m.			24¢	3:15 a.m.
Fine Sort ^{2/}								
City	0220,2220	Immediate	0.8¢ ^{3/}	9:30 a.m.	0.8¢ ^{3/}	9:30 a.m.	0.8¢ ^{3/}	9:30 a.m.
RCPC	0223,2223	Immediate	0.9¢ ^{3/}	4:15 a.m.	0.9¢ ^{3/}	4:15 a.m.	0.9¢ ^{3/}	4:15 a.m.
Other Feds ^{2/4/}								
Early	All	Computed	5.0¢	8:00 p.m. Mon-Thurs			45¢	8:00 p.m. Mon-Thurs
Late	All	Computed	5.0¢	12:01 a.m. 6:00 p.m. Saturday	\$1.20	12:01 a.m.	40¢	12:01 a.m. 6:00 p.m. Saturday
Mixed Cash Letter ^{2/4/7/}								
Early	In-Zone (City)		2.1¢		90¢	8:00 p.m.	21¢	
	In-Zone (RCPC)		2.3¢	8:00 p.m.	90¢	Mon-Thurs	22¢	8:00 p.m.
	In-District	Computed	2.7¢	Mon-Thurs	90¢	2:00 p.m.	26¢	Mon-Thurs
	Other Feds		5.0¢		\$1.20	Saturday	50¢	
Regular	In-Zone (City)		2.1¢	12:01 a.m.			26¢	12:01 a.m.
	In-Zone (RCPC)		2.3¢	6:00 p.m.			27¢	6:00 p.m.
	In-District	Computed	2.7¢	Saturday			30¢	Saturday
	Other Feds		5.0¢				55¢	
Premium	In-Zone (City)		2.1¢				26¢	
	In-Zone (RCPC)		4.6¢				34¢	
	In-District	Computed	2.7¢	2:00 a.m.			30¢	2:00 a.m.
	Other Feds		5.0¢				55¢	
Non-machineable (standard)								
City	0220,2220	1 Business Day	19.8¢	8:30 a.m.				
RCPC	0223,2223	1 Business Day	19.8¢	8:30 a.m.				
Other Feds	All	2 Business Days	24.8¢	8:30 a.m.				

Unencoded Mixed Cash Letter ^{2/4/}	In-Zone		6.3¢	
	In-District	Computed	6.7¢	12:01 a.m.
	Other Feds		9.0¢	
High Dollar Group Sort	^{2/}	Immediate	12.8¢ ^{5/}	8:30 a.m.
Government Checks		Immediate	—	3:00 p.m.
Savings Bonds		Immediate	—	12:00 noon

^{1/} A cash letter fee of **50.0¢** applies to all intradistrict cash letters except mixed and other Fed return letters, 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/} A cash letter fee of **\$3.75** applies to High Dollar Group Sort cash letters.

^{6/} A cash letter fee of **\$1.00** applies to mixed and other Fed return letters.

^{7/} A fixed availability option is also available for mixed return items. Contact an Account Manager for details.

PAYOR BANK SERVICES PRICE SCHEDULE

<u>SERVICE TYPE</u>	<u>SERVICE LEVEL</u>	
	Basic^{1/}	Enhanced^{2/}
Account Total Service ^{3/}		
Minimum Daily Fee	\$18 up to 18 totals;	\$27 up to 18 totals;
Additional Charges	\$.25 per total above 18	\$.25 per total above 18; plus a \$.03 surcharge per low speed item handled above 10 ^{4/}
Delivery Fee		
Magnetic Tape	\$40	\$40
Electronic Transmission	\$50	\$50
Facsimile or Telephone ^{5/}	\$10	\$10
Hardcopy	no charge	no charge
MICR Line Capture Service^{3/}		
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/}
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 10 ^{4/}
Account Level Sorting Service ^{3/}		
Head Office		
Minimum Daily Fee		\$9.50 for low speed outsort pockets;
Additional Charges		\$.001 per item above 25,000
Buffalo and Utica		
Minimum Daily Fee	\$25 for additional high speed outsort pockets; ^{6/}	\$34 for high and low speed outsort pockets; ^{6/}
Additional Charges	\$.001 per item above 25,000	\$.001 per item above 25,000
Jericho and Cranford		
Minimum Daily Fee	\$50 for additional high speed outsort pockets; ^{6/}	\$59 for high and low speed outsort pockets; ^{6/}
Additional Charges	\$.001 per item above 25,000	\$.001 per item above 25,000

