

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 4544 ]  
[ December 20, 1957 ]

**CASH ITEMS AND NONCASH ITEMS PAYABLE IN PUERTO RICO**

**Protest and Wire Advice**

*To all Member and Nonmember Clearing Banks  
in the Second Federal Reserve District:*

As announced on December 2, 1957, in our Circular No. 4538, beginning January 1, 1958 we will receive and handle for collection cash items and noncash items payable in Puerto Rico. We have been advised that the minimum charge for protesting a dishonored item in Puerto Rico is \$15. Added to the \$15 is the amount of any incidental expense, such as the cost of travel involved in making presentment, as well as the cost of sending a cable giving advice of nonpayment when such advice is called for by applicable instructions.

**Cash items.**—Uniform instructions regarding protest and wire advice of nonpayment under which we will receive, handle and forward a *cash* item are set forth in paragraph 13 of our Operating Circular No. 4, which reads in part as follows:

(1) DO NOT PROTEST items of \$500 or less.

(2) PROTEST dishonored items of \$500.01 or over, except those bearing on their face the A.B.A. no protest symbol of a Federal Reserve Bank or of a preceding bank endorser.

(3) DO NOT WIRE ADVICE of nonpayment of items of less than \$1,000.

(4) WIRE ADVICE of nonpayment of all items of \$1,000 or over, except those not paid because of missing, irregular or unsatisfactory endorsement and those bearing on their face "DO NOT WIRE NONPAYMENT" with the A.B.A. transit number of a Federal Reserve Bank or of a preceding bank endorser. Include in the wire advice of nonpayment the A.B.A. transit numbers or the names of the two endorsers immediately preceding the Federal Reserve Bank.

(5) DO NOT PROTEST AND DO NOT WIRE ADVICE of nonpayment of any check, regardless of amount, endorsed by the Treasurer of the United States, or endorsed for credit to the Treasurer of the United States, or bearing on its face or in an endorsement the legend "This check is in payment of an obligation to the United States and must be paid at par. N.P. Do not wire nonpayment" or words of similar import.

Accordingly, a bank sending us a cash item of \$500.01 or over payable in Puerto Rico, may, if its depositor does not require protest, avoid imposition of protest charges in the event of dishonor by stamping its no protest symbol on the face of the item. In addition, if the item is for \$1,000 or over and the depositor does not require wire advice of nonpayment, the charge to cable such advice can be avoided by use of the appropriate legend indicated in (4) above.

**Noncash items.**—Instructions regarding the protest of *noncash* items are set forth in paragraph 16 of our Operating Circular No. 8, as follows:

In the absence of specific instructions in the sending bank's collection letter, this bank will receive, handle and forward noncash items subject to the following protest instructions:

(a) DO NOT PROTEST items of \$500 or less.

(b) PROTEST dishonored items of \$500.01 or over, except bonds, debentures, coupons, and other similar securities.

Accordingly, a bank sending us a noncash item of \$500.01 or over payable in Puerto Rico (except bonds, debentures, coupons and other similar securities), may, if its depositor does not require protest, avoid imposition of protest charges in the event of dishonor by instructing us in its collection letter that the item should not be protested. In accordance with the provisions of paragraph 22 of Operating Circular No. 8, we will request telegraphic advice of payment or nonpayment of noncash items only when instructed to do so by sending banks.

ALFRED HAYES,  
*President.*