

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7394]
May 17, 1974

CHECK COLLECTION SERVICES

To All Banks in the Second Federal Reserve District, and Others Concerned:

Enclosed are copies of the following documents of this Bank, *all effective July 1, 1974:*

- (a) Operating Circular No. 4, "Collection of Cash Items";
- (b) Operating Circular No. 5, "Time Schedules — Availability of Credit for Cash Items";
- (c) Appendix No. 1, "New York Head Office Time Schedule," to Operating Circular No. 5;
- (d) Appendix No. 1-A, "Jericho Office — Long Island Regional Check Processing Center (LIRPCPC) Time Schedule," to Operating Circular No. 5;
- (e) Appendix No. 1-B, "Cranford Office — North Jersey Regional Check Processing Center (NJRCPC) Time Schedule," to Operating Circular No. 5;
- (f) Appendix No. 2, "Buffalo Branch Time Schedule," to Operating Circular No. 5;
- (g) Appendix No. 2-A, "Western New York Regional Check Processing Center (WNYRCPC) Time Schedule," to Operating Circular No. 5;
- (h) First Supplement to Operating Circular No. 6, "Instructions to Collecting Banks and Paying Banks"; and
- (i) Operating Circular No. 7, "Saturday Closing."

The major check collection policy changes reflected in the enclosed documents are summarized below.

Protest and wire advice of nonpayment for cash items

The revisions to paragraph 19 of the revised Operating Circular No. 4 and the First Supplement to Operating Circular No. 6 raise the minimum dollar amount set forth in the protest and wire advice of nonpayment of cash items instructions from \$1,000 to \$2,500. Consequently, effective July 1, 1974, it will no longer be necessary to provide us with telegraph or telephone notice of the dishonor of items of less than \$2,500.

The footnote to this paragraph, defining the term "wire," has also been amended to provide for the use of the Federal Reserve communication network or a local electronic telecommunications arrangement between a Reserve Bank and a member bank in giving wire advice of nonpayment.

Nonmachineable checks

The revised Operating Circular No. 5 and its appendices establish a close-off hour of 7 a.m. daily, Monday through Friday, for cash letter deposits consisting of checks that have been rejected

as unreadable by the depositing bank's computer systems or bear other physical faults causing them to be unprocessable on high-speed MICR equipment. Credit availability for such deposits will be deferred one additional business day, up to a maximum of two business days. Consequently, city and RCPC items deposited prior to this close-off hour will be deferred one business day, and all other commercial bank checks will receive a two-business-day deferment. This action was originally announced in our Circular No. 7319, dated January 9, 1974. It is taken to provide necessary time for the processing of such items and establishes a realistic deferment of credit availability consistent with the time required for collection of the items.

Local clearings

For many years, all Federal Reserve Banks have actively encouraged banks to exchange checks directly with other banks in the same community and have offered to assist in the establishment of such arrangements and in the settlement of the resulting daily balances. This has been done in recognition of the fact that local clearings are the most efficient form of check collection procedure available. Paragraph 14 of the revised Operating Circular No. 4 and paragraph 8 of the revised Operating Circular No. 5 reflect this concept and reaffirm the policy that banks should exchange checks directly with other banks in the same community. This Bank reserves the right to require banks depositing checks drawn on other banks in the same community to "sort, list, and package such items according to the office of the paying bank at which such items are payable."

Reimbursement for direct-sent cash items

Paragraph 35 of the revised Operating Circular No. 4 provides a clarification of our present policy covering reimbursement to member banks of the costs of shipping cash items to other Federal Reserve offices. This policy generally provides that banks that send cash letters directly to Federal Reserve offices other than the one in whose District they are located be reimbursed for shipping costs at first class airmail or common carrier rates, whichever are lower. When such banks are located in the same city as a Federal Reserve office, they will be reimbursed at the above rates for direct shipments on days when the Federal Reserve office's consolidated shipment is not available.

* * *

The foregoing matters are being implemented uniformly throughout the Federal Reserve System.

Change in the workweek at the Cranford and Jericho Offices

In order to minimize any disparities in service and to provide equitable treatment to all eligible depositors, uniform Systemwide RCPC deposit deadlines are being established. Consequently, commencing July 1, 1974, the Cranford and Jericho Offices of this Bank will operate on the basis of a Monday-through-Friday workweek rather than the present Tuesday-through-Saturday workweek. The 12:01 a.m. close-off hour for deposits will remain in effect. This change has been reflected in the appendices to Operating Circular No. 5.

If you have any questions regarding these matters, you may contact any of the following:

Head Office:

Joseph M. O'Connell, Manager, Check Processing Department
(Tel. No. 212-791-5321)

John F. Sobala, Chief, Check Processing Division
(Tel. No. 212-791-5320)

Buffalo Branch:

Peter D. Luce, Assistant Cashier
(Tel. No. 716-853-1700, Extension 206)

David Schwarzmüller, Chief, Check Division
(Tel. No. 716-853-1700, Extension 249)

Cranford Office:

Whitney R. Irwin, Assistant Vice President
(Tel. No. 201-272-9000, Extension 213)

Noel R. Scaffa, Special Assistant
(Tel. No. 201-272-9000, Extension 237)

Jericho Office:

Joseph M. O'Connell, Manager, Check Processing Department
(Tel. No. 212-791-5321)

Edward H. Denhoff, Chief, Long Island Regional Check Processing Division
(Tel. No. 516-997-4500)

ALFRED HAYES,
President.

FEDERAL RESERVE BANK OF NEW YORK

[Operating Circular No. 4
Revised effective July 1, 1974]

COLLECTION OF CASH ITEMS

*To the Member Banks of the Second Federal Reserve District,
and Others Concerned¹:*

1. Regulation J of the Board of Governors of the Federal Reserve System (hereinafter referred to as Regulation J), this operating circular, and our time schedules prescribe the terms and conditions upon which we will handle cash items for collection. This operating circular, our Operating Circular No. 6, and our time schedules are issued pursuant to the provisions of Sections 4, 13, 14(e), and 16 of the Federal Reserve Act and the provisions of related statutes and in conformity with the provisions of Regulation J. All terms defined in Regulation J and used herein have the meanings stated in that regulation.

2. Unless otherwise stated, all references to the Federal Reserve Bank of New York, or "this Bank," will include the Head Office, its Buffalo Branch, and its Cranford and Jericho Offices.

Items which will be handled as cash items

3. Except as otherwise provided by this operating circular, the following items may be sent to this Bank for handling as cash items in accordance with and subject to the provisions of Regulation J, of this operating circular, and of our time schedules:

(a) Checks drawn upon any bank included in the current "Federal Reserve Par List," which indicates the banks upon which checks are collectible at par through the Federal Reserve Banks and is furnished from time to time and supplemented each month to show changes subsequent to the last complete list.

(b) Government checks, postal money orders, food coupons, and food certificates.²

(c) Such other demand items, collectible at par in funds acceptable to the Federal Reserve Bank of the District³ in which such items are payable, as we may be willing to accept as cash items.

¹ Instructions pertaining to the handling of cash items by collecting and paying banks are contained in our Operating Circular No. 6, entitled "Instructions to Collecting Banks and Paying Banks."

² Provisions governing the collection of the foregoing cash items are contained in Appendix A, Appendix B, and Appendix C, respectively, of this operating circular.

³ For the purposes of this operating circular, the Virgin Islands and Puerto Rico shall be deemed to be in or of the Second Federal Reserve District; and Guam and American Samoa shall be deemed to be in or of the Twelfth Federal Reserve District. See Regulation J, note 1.

4. Whenever any instrument is accepted by us for credit to our own account, the account of another Federal Reserve Bank, or any account on our books, we will handle the instrument as a cash item if it would have been a cash item but for the fact that it was not sent to us by a sender.

Items which will not be handled as cash items

5. This Bank will not handle any item as a cash item if

(a) A passbook, certificate, or any other document is attached to the item; or

(b) Special instructions, including requests for special advice of payment or dishonor, accompany the item; or

(c) The item consists of more than a single thickness of paper, except as provided in paragraph 41 of this operating circular; *provided, however*, that any mutilated, erroneously encoded, or other cash item contained in a carrier qualifying under existing standards for handling by high-speed check-processing equipment will be handled by us as a cash item; or

(d) Except as provided in paragraph 41 of this operating circular, the item has not been preprinted, or post-encoded before its receipt by us, with the routing symbol and the suffix of the A.B.A. routing number of the paying bank (or nonbank payor) in magnetic ink in E-13B type in the manner prescribed, and at the location assigned, by the A.B.A.; *provided, however*, that this Bank will handle such items as cash items when, in our judgment, special circumstances justify such handling.

Such items, if sent to this Bank for collection, should be sent only as noncash items and, if so sent, will be received by us for collection subject to all the terms and conditions of Regulation J and of our operating circular relating to the collection of noncash items.

6. In the event that an item which will not be handled as a cash item by virtue of paragraph 5 is sent to any Federal Reserve Bank in a cash letter, the Federal Reserve Bank will treat it as follows:

(a) An item of \$1,000 or over received from a sender located outside the city of the receiving Federal Reserve Bank or Branch will be charged back and entered for collection as a noncash item; and

(b) Any other item will be charged back and returned.

7. We reserve the right, in our discretion, to return or to handle as a noncash item any item which has previously been dishonored or if special conditions require that it be handled as a noncash item, and this Bank shall decide whether such special conditions exist.

8. A cash item payable by or through one office of a bank will not be received from another office of the same bank for collection as either a cash item or a noncash item by us or by any other Federal Reserve Bank.

Terms and conditions of collection

9. Regulation J prescribes terms and conditions under which all Federal Reserve Banks will collect checks and other cash items for the senders thereof. Such terms and conditions and the terms and conditions of this operating circular, our Operating Circular No. 6, and our time schedules will apply to the handling of all cash items which we accept for collection thereunder and to the handling of all bank drafts and other forms of payment or remittance which we receive for such items.

10. Section 210.3 of Regulation J provides that the provisions of that regulation and of the operating circulars of the Federal Reserve Banks shall be binding upon the sender of a cash item and shall be binding upon each collecting bank, paying bank, and nonbank payor to which the Federal Reserve Bank, or any subsequent collecting bank, presents, sends, or forwards a cash item received by the Federal Reserve Bank. Section 210.16 of Regulation J provides that each Federal Reserve Bank shall issue operating circulars not inconsistent with the provisions of that regulation governing the details of its operations in the handling of cash items and containing such other matters as are required by the provisions of that regulation.

11. A cash item payable in any other Federal Reserve District and forwarded for collection to the Federal Reserve Bank of such other District by us or sent direct to such Federal Reserve Bank for our account by a sender which maintains or uses an account with us will be handled by such Federal Reserve Bank subject to the terms and conditions of Regulation J and of the applicable operating circulars and time schedules of such Federal Reserve Bank; but we will give credit to the sender for such item in accordance with our time schedules.

12. Under Section 4-204(1) of the Uniform Commercial Code, a collecting bank must send items by reasonably prompt methods, taking into consideration any relevant instruction, the nature of the items, the number of such items on hand, the cost of collection involved, and the methods generally used by it or others to present such items. In furtherance of the purpose of this requirement, and in the interest of good banking, the indirect routing of cash items is discouraged, and senders may not send to us or to other Federal Reserve Banks for our account any items payable in other Federal Reserve Districts which bear the endorsements of banks located in other Federal Reserve Districts, in cases where it is evident that such items have been routed indirectly.

Preparation of cash letters by senders

13. All cash items sent to us, or to another Federal Reserve Bank direct for our account, may be listed without description. However,

each sender should bear in mind the importance of maintaining adequate records to enable it to identify its depositors or other endorsers on such items, so that, in the event any such item is lost or destroyed while in transit to a Federal Reserve Bank, or is thereafter lost or destroyed, the sender may be in a position to take appropriate action with respect to the item.⁴ All cash letters and tape listings accompanying such cash letters should be dated and identified with the name and 9-digit routing symbol-A.B.A. number, including the check digit, if any, of the sender.

14. A sender located in a city, town, metropolitan or similar area is strongly urged to exchange directly cash items payable at banks also located in that area. We reserve the right to require that a sender located in such an area must sort, list, and package such items according to the office of the paying bank at which such items are payable. We also reserve the right to require such separate sorts of cash items as we may deem appropriate; and we reserve the right to require both separate sorts and deposits in separate cash letters of Government checks, postal money orders, food coupons, and food certificates. Other instructions relative to sorting and listing of cash items are set forth in our time schedules.

Endorsements

15. All cash items sent to us, or to another Federal Reserve Bank direct for our account, should be endorsed without restriction to, or to the order of, the Federal Reserve Bank to which sent, or endorsed to, or to the order of, any bank, banker, or trust company, or endorsed with equivalent words or abbreviations thereof. The endorsement of the sender should be dated and should show the A.B.A. routing number of the sender, if any, in prominent type on both sides of the endorsement.

16. In the event a cash item is received by a Federal Reserve Bank from a sender without the endorsement thereon of such sender, the Federal Reserve Bank may present, send, or forward the item as if it bore such endorsement, or place on the item the name of such sender and the date of its receipt by the Federal Reserve Bank, or return the item to the sender for proper endorsement by the sender. This Bank makes the warranties stated in Section 210.6(b) of Regulation J by presenting, sending, or forwarding a cash item. These warranties arise whether or not such item bears the endorsement of this Bank.

⁴ In the event of the loss or destruction of a cash item while in transit, this Bank will not indemnify the sender or any prior party for costs incurred or expenses sustained in identifying the item, reconstructing it, or obtaining a substitute item and processing it for collection, nor for any other loss or expense arising from the loss or destruction.

Presentment for payment

17. As contemplated by Section 210.7 of Regulation J, any cash item may be presented for payment by a Federal Reserve Bank or a subsequent collecting bank, may be sent by a Federal Reserve Bank or a subsequent collecting bank for presentment and payment, or may be forwarded by a Federal Reserve Bank to a subsequent collecting bank with authority to present it for payment or to send it for presentment and payment. However, this Bank and the other Federal Reserve Banks reserve the right to return without presentment any cash item payable by or through a bank which is not on the "Federal Reserve Par List" or may have been reported closed.

18. We do not by this operating circular, or otherwise, agree to present any item, or to cause any item to be presented, earlier than such item is required to be presented, in the exercise of ordinary care, under the provisions of applicable State law.

Uniform instructions regarding protest and advice of nonpayment

19. Except as provided in paragraph 20 hereof, all Federal Reserve Banks will receive, handle, and forward cash items subject to the following uniform instructions regarding protest and wire advice⁵ of nonpayment, except that Government checks will not be protested; and any contrary or special instructions noted on cash letters or otherwise transmitted with cash items will be disregarded:

(a) **PROTEST** any dishonored item of \$2,500 or over:

(i) which appears on its face to have been drawn at a place which is not within any State,⁶ unless it bears on its face the A.B.A. no-protest symbol of a Federal Reserve Bank or of a preceding bank endorser, or

(ii) which bears on its face the legend, "PROTEST REQUIRED," of a Federal Reserve Bank or of a preceding bank endorser.

(b) **DO NOT PROTEST:**

(i) any item of less than \$2,500, or

(ii) any item of \$2,500 or over unless it is protestable under subparagraph (a).

(c) **WIRE ADVICE** of nonpayment of any item of \$2,500 or over, unless it has not been paid because of a missing, irregular, or unsatis-

⁵ For the purposes of this operating circular, the term "wire" includes telephone, telegraph, cable, or other form of electronic telecommunications.

⁶ The term "State" is defined in Section 210.2(n) of Regulation J to mean any State of the United States, the District of Columbia, or Puerto Rico, or any territory, possession, or dependency of the United States.

factory endorsement or unless it bears on its face the legend, "DO NOT WIRE NONPAYMENT," of a Federal Reserve Bank or of a preceding bank endorser. Include in the advice of nonpayment, the amount of the item, the reason for nonpayment, the date of our cash letter, the name of the drawer or maker, and the names of the two endorsers immediately preceding the Federal Reserve Bank or their A.B.A. routing numbers, if any.

(d) DO NOT WIRE ADVICE of nonpayment of:

(i) any item of less than \$2,500, or

(ii) any item of \$2,500 or over unless such advice is required by subparagraph (c).

20. DO NOT PROTEST AND DO NOT WIRE ADVICE of nonpayment of any cash item, 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.

21. If any sender desires to have any cash item (other than a Government check, postal money order, food coupon or food certificate) handled by us or by any other Federal Reserve Bank under any instructions differing from the uniform instructions given above, it will be necessary for such sender to forward such item as an individual noncash item, with the instructions noted in the letter of transmittal, for collection and credit when paid, in accordance with the terms of our current operating circular relating to the collection of noncash items.

22. This Bank shall have no responsibility for determining whether any other bank has (a) made or provided for the protest of any cash item protestable under the provisions of this operating circular or (b) given any wire advice of nonpayment required under the provisions hereof.

Communications concerning cash items

23. All communications between this Bank and its senders pertaining to payment, nonpayment, or tracing of cash items or in connection with receiving or transmitting pertinent information or instructions with respect to cash items, will be sent over the Federal Reserve communications system, over commercial telegraphic wires or cables, without charge to such senders. A Federal Reserve Bank may, in its discretion, use the telephone in lieu of commercial wire or cable for any purpose indicated by this paragraph.

Time schedules and availability of credit

24. Section 210.16 of Regulation J provides that the Federal Reserve Banks may classify cash items, require separate sorts and cash letters, and provide different closing times for the receipt of different classes or types of cash items. In conformity with that provision, we publish and furnish to member banks and other senders time schedules containing further provisions with regard to separate sorts and cash letters and which indicate when credit for cash items will become available for withdrawal and other use by the senders after receipt by us. For all items accepted as cash items, the senders will be given immediate credit or deferred credit, in accordance with such time schedules and as provided in Regulation J. Credit for cash letters containing items unsorted as to availability may be deferred for the longest period of availability prescribed by the current time schedules of this Bank with respect to any item enclosed.

25. Time schedules do not in many instances show the actual time required for collection, and advices from us showing the availability of items cannot be considered as advices of actual payment on the dates of availability. Credit will in all instances be subject to receipt of payment by us in actually and finally collected funds.

Immediate credit

26. For all such cash items as are accepted for immediate credit in accordance with our current time schedules, immediate credit will be given upon our books at full face value in the reserve account or other appropriate account upon the day of receipt, and the proceeds will at once be counted as reserves for the purposes of Regulation D and become available for withdrawal and other use by the sender; *provided, however*, that we may in our discretion refuse at any time to permit the withdrawal or other use of credit given for any item for which we have not yet received payment in actually and finally collected funds.

Deferred credit

27. For all such cash items as are accepted for deferred credit in accordance with our current time schedules, deferred credit will be entered upon our books at full face value, but the proceeds will not be counted as reserves for the purpose of Regulation D nor become available for withdrawal or other use by the sender until the expiration of the time specified in our time schedules, at which time credit will be transferred from the deferred account to the reserve account or other appropriate account and will then be counted as reserves for the purposes of Regulation D and become available for withdrawal and other use by the sender; *provided, however*, that we may in our discretion refuse at any time to permit the withdrawal or other use of credit given for any item for which we have not yet received payment in actually and finally collected funds.

Instructions to collecting banks and paying banks

28. Instructions pertaining to the handling of cash items by collecting banks and paying banks are set forth in our Operating Circular No. 6.

Information to senders regarding return items

29. The attention of senders is called to our "Instructions to Collecting Banks and Paying Banks" to the effect that (a) each paying bank which takes or receives a credit or obtains a refund in respect of a cash item received by it from or through a Federal Reserve Bank warrants to such Federal Reserve Bank, to a subsequent collecting bank, and to the sender and all prior parties that it took all action necessary to entitle it to recover such payment within the times limited therefor; (b) a collecting bank which returns an unpaid item to a Federal Reserve Bank warrants to such Federal Reserve Bank and to the sender and all prior parties that its return of the item was timely; (c) no Federal Reserve Bank shall have any responsibility for determining whether the paying bank took all action necessary to entitle it to recover such payment or whether the return of the item to it by a collecting bank was timely; and (d) if a paying or collecting bank, in accordance with applicable State law, makes a direct return to the depository bank of an unpaid cash item which it has received from or through us or any other Federal Reserve Bank, any provisional credit for the item between such paying or collecting bank and this Bank or any other Federal Reserve Bank, between this Bank or any other Federal Reserve Bank and the sender, and between this Bank and any other Federal Reserve Bank shall become and remain final.

30. If a cash item is returned without entry, we will make refund to the returning bank and charge the sender only if the latter specifically authorizes us to do so.

Direct sending of cash items to other Federal Reserve Banks

31. Member banks and other senders maintaining or using accounts with us which have a substantial volume or dollar amount of cash items payable in any other Federal Reserve District which they wish to collect through the Federal Reserve Banks are required to apply to us for authority to send such items direct to the Federal Reserve Bank of the District in which such items are payable for collection and credit to us; *provided, however*, that we may, in our discretion, withdraw such authority at any time. Appropriate instructions will be transmitted to the member banks and other senders which are authorized to send direct.

32. In the event that any sender maintaining or using an account with us has, in our judgment, a sufficient volume or dollar amount of

cash items payable in any other Federal Reserve District to justify direct sending and this Bank authorizes such sender to send such items direct to the Federal Reserve Bank of such other Federal Reserve District, we reserve the right to decline to accept any such items from such sender.

Direct sending of cash items to other offices of this Bank

33. A sender may apply to us for authority to send cash items directly to any office of this Bank other than the office with which it maintains an account or participates in a regional check processing center.

34. In the event that any sender maintaining or using an account with an office of this Bank has, in our judgment, a sufficient volume or dollar amount of cash items drawn on paying banks served by another office of this Bank to justify direct sending and this Bank authorizes such sender to send such items direct to such other office of this Bank, we reserve the right to decline to accept any such items from such sender unless the items are sent direct.

Reimbursement of transportation costs for member banks

35. Each member bank which sends cash items direct to other Federal Reserve offices will be reimbursed by us at first class airmail or common carrier rates, whichever is usually lower, but not for insurance, on all such items sent direct under our authority. Similar reimbursements may be made for cash items sent direct to the other offices of this Bank. In the interest of expeditious and economical handling, those direct-sending member banks that by arrangement deliver cash items payable in other Federal Reserve Districts to this Bank for consolidated shipment should not deviate from the arrangement except upon prior approval of this Bank. Transportation costs of such consolidated shipments will be paid by us. A direct-sending member bank which has an arrangement with this Bank for consolidated shipment from an office of this Bank located in the same city as the member bank will not normally be reimbursed by us when cash items are sent direct outside of the consolidated shipment, except on Sundays and holidays.

36. Claims for reimbursement of transportation costs should be submitted monthly on our forms, a supply of which will be furnished upon request. A member bank should submit its claims to the office of this Bank with which it maintains its reserve account. Upon approval of the claim, the reserve account of the member bank will be credited with the amount thereof.

37. Each direct-sending member bank should give constant attention to methods of shipment and should change the method in any

case in which shipment can be made by another method at a lower cost and without loss of time in presentment. In cases in which we pay the transportation costs, we reserve the right to require a change in method of shipment in any situation where, by the use of another method, a more efficient handling by the receiving Federal Reserve Bank will result, or presentment can consistently be made more promptly, or at a lower cost and without loss of time.

Standardization, sorting, routing, and mechanized processing

38. To facilitate the sorting, routing, and mechanized processing of cash items, and thereby promote earlier presentment and earlier return of unpaid items, it is urged that:

(a) In conformity with the A.B.A. Magnetic Ink Character Recognition Program, the routing symbol and the suffix of the A.B.A. number be encoded on all cash items in magnetic ink in E-13B type in the manner prescribed, and at the location assigned, by the A.B.A.

(b) The appropriate fractional A.B.A. routing number be clearly imprinted in the upper right corner of all cash items payable by or through all par-remitting banks, preferably in Gothic type, the face of which measures at least 8 points vertically or $1/9$ of an inch from the top to the bottom of the individual characters.

(c) Cash items be otherwise conformed to the standards prescribed by the A.B.A., including a minimum width of $2\frac{3}{4}$ inches, a maximum width of $3\frac{2}{3}$ inches, a minimum length of 6 inches, and a maximum length of $8\frac{3}{4}$ inches, and be restricted to a single thickness of card or paper.

39. If, in our judgment, the processing of any cash item by us requires the inscription thereon in magnetic ink, or otherwise, of the A.B.A. number, the routing symbol, or both, of the paying bank (or nonbank payor) or requires the inscription thereon in magnetic ink of the amount of such item, we may so inscribe the item and present, send, or forward it accordingly; and the sender of such item shall be deemed to assume the risk of loss resulting from delay caused by the act of inscribing such amount or such number, symbol, or both.

40. This Bank may present, send, or forward any cash item, in accordance with the provisions of Section 210.6 of Regulation J, on the basis of:

(a) Any A.B.A. number or routing symbol appearing thereon at the time of its receipt by us, whether inscribed by magnetic ink or by any other means, and whether or not such A.B.A. number or routing symbol is consistent with each other form of designation of the paying bank (or nonbank payor) then appearing thereon; or

(b) Any other form of designation of the paying bank (or nonbank payor) then appearing thereon, whether or not consistent with any A.B.A. number or routing symbol then appearing thereon.

Photographic copies

41. In the event we receive, as a cash item, a properly prepared photographic copy of a lost or destroyed item which was eligible for handling as a cash item, which copy bears a current endorsement of the sender and the following legend, or one of equivalent effect, signed by or in behalf of the sender:

"This is a photographic facsimile of the original check which was endorsed by the undersigned and reported lost, stolen or destroyed while in the regular course of bank collection. All prior and any missing endorsements and the validity of this facsimile are hereby guaranteed, and upon payment hereof in lieu of the original check, the undersigned will hold each collecting bank and the payor bank harmless from any loss suffered, provided the original check is unpaid and payment is stopped thereon."

we will handle the copy as follows:

(a) We will present or send the copy as a cash item to the paying bank (or nonbank payor), subject to all the rules as to remittance for, and return of, cash items; or

(b) If such paying bank (or nonbank payor) declines to handle the copy as a cash item but is willing to handle it as a noncash item, we will charge back to the sender the amount of the copy and will present or send the copy to the paying bank (or nonbank payor) as a non-cash item under the terms of our current operating circular relating to the collection of noncash items; or

(c) If such paying bank (or nonbank payor) refuses to handle the copy, we will charge back the amount of the copy and return the copy to the sender.

Right to amend

42. The right is reserved to withdraw, to add to, or to amend, at any time, any of the provisions of this operating circular and of our time schedules.

Effect of this circular on previous circular

43. This circular supersedes our Operating Circular No. 4, Revised effective September 2, 1969, and the First and Second Supplements thereto, dated April 1, 1972, and September 21, 1972, respectively.

ALFRED HAYES,
President.

APPENDIX A

GOVERNMENT CHECKS

1. Government checks drawn on the Treasurer of the United States will be handled by us as cash items in accordance with, and subject to, the provisions of Treasury Department Circular No. 21 (31 Code of Federal Regulations, Part 360). Copies of that circular will be furnished upon request. With respect to matters not covered by that circular, the terms and conditions of Regulation J applicable to cash items, of this operating circular, and of our time schedules shall be applicable to all such Government checks.

2. We will give immediate credit, subject to payment in actually and finally collected funds, for Government checks as provided in our time schedules. Such checks will be forwarded by us to the Treasurer of the United States and shall be subject in all cases to examination and payment by the Treasurer. Under Treasury Department Circular No. 21, the Treasurer has reserved the right to examine and to refuse payment of all Government checks handled by the Federal Reserve Banks.

3. Section 210.12 of Regulation J, relating to the return of cash items by paying banks, is not applicable to Government checks. In the event that the Treasurer of the United States refuses payment of any Government check upon first examination and such check, or photographic copy thereof, is returned to this Bank as outlined in Treasury Department Circular No. 21, the amount of such check will be charged back to the account of the sender and simultaneously credited to the account of the Treasurer. This Bank shall have no responsibility to the sender of any Government check, or any other owner or holder thereof, with respect to the nonpayment of any such check and return by the Treasurer of any such check or photographic copy thereof.

4. The attention of senders is directed to 31 U.S.C. §§ 122 and 129, to the effect that (a) claims on a Government check which appears of record to have been paid, must be made within six years after the date of issuance of the check and (b) an action to enforce liability upon a forged or unauthorized signature or endorsement or alteration of any Government check must be commenced within six years after the presentment of the check, or written notice of such a claim given within that period, provided that, if a claim is made upon an apparently paid check, the six-year period with respect to the commencement of an action or the giving of written notice will be extended an additional 180 days.

APPENDIX B

POSTAL MONEY ORDERS

1. Postal money orders (United States postal money orders, United States international postal money orders, and domestic-international postal money orders) will be handled by us as cash items in accordance with an agreement between the United States Postal Service and the Federal Reserve Banks as depositaries and fiscal agents of the United States pursuant to authorization of the Secretary of the Treasury. With respect to matters not covered by that agreement, the terms and conditions of Regulation J applicable to cash items, of this operating circular, and of our time schedules shall be applicable to all such postal money orders.

2. We will give immediate credit for postal money orders received from a sender maintaining or using an account with us as provided in our time schedules. Simultaneously with such credit, we will debit the amount of such money orders against the general account of the Treasurer of the United States under such symbol numbers as may be assigned by the Treasurer of the United States; and such credit to the account of the sender shall then become final as between us and the sender.

3. The agreement between the United States Postal Service and the Federal Reserve Banks provides, in effect, that no claim for refund or otherwise with respect to any postal money order debited against the general account of the Treasurer of the United States and delivered to the representative of the United States Postal Service as provided in said agreement (other than a claim based upon the negligence of a Federal Reserve Bank) shall be made against or through any Federal Reserve Bank; that, if the United States Postal Service makes any such claim with respect to any such money order, such money order will not be returned or sent to a Federal Reserve Bank, but the United States Postal Service will deal directly with the bank or the party against which such claim is made; and that the Federal Reserve Banks will assist the United States Postal Service in asserting such claim, including making their records and any relevant evidence in their possession available to the United States Postal Service. Section 210.12 of Regulation J, relating to the return of cash items by the paying banks, is not applicable to postal money orders.

4. This appendix supersedes Appendix B, Revised April 1, 1972, to Operating Circular No. 4.

APPENDIX C

FOOD COUPONS AND CERTIFICATES

Food coupons

1. Food coupons will be handled by us as cash items in accordance with an agreement made by the Secretary of Agriculture, in behalf of the United States, and by the Federal Reserve Banks as depositaries and fiscal agents of the United States pursuant to authorization of the Secretary of the Treasury. With respect to matters not covered by such agreement, the terms and conditions of Regulation J applicable to cash items, of this operating circular, and of our time schedules shall be applicable to such coupons. We will receive food coupons only from member banks, other senders that maintain accounts with us, and nonmember banks which have arranged with us to send coupons to us for collection for credit to the account of a member bank on our books. All such banks sending coupons to us should follow the instructions set forth in an outline of procedures for commercial banks in handling such coupons under the current Food Stamp Program, prepared by the United States Department of Agriculture.

2. We will accept food coupons received by us in accordance with the following terms and conditions:

(a) Redeemed food coupons should be forwarded to the office of this Bank maintaining the reserve account or other account to which the proceeds of the coupons are to be credited. We will give immediate credit for deposits of redeemed food coupons as provided in our time schedules. Such credit will not be final and will be subject to reclamation and adjustment.

(b) Food coupons should be separately sorted by denomination and should be deposited in a separate cash letter. The sending bank's transmittal letter should be clearly stamped or marked "FOOD COUPONS." The transmittal letter should show the total number of, and the total amount of, each denomination of coupons enclosed. Food coupons should be forwarded to us by the means ordinarily used by the sender for checks and other cash items; such shipments will be at the risk of the Department of Agriculture, only to the extent and under the conditions stated in 7 Code of Federal Regulations, Chapter II, Section 272.5(c). Sending banks should retain customers' deposit slips and any other pertinent records which would assist in substantiating reimbursement claims against the Department of Agriculture for coupons lost in transit.

(c) In accordance with the regulations of the United States Department of Agriculture (7 Code of Federal Regulations, Chapter II), a portion of a food coupon consisting of less than three fifths of a whole coupon shall not be accepted for redemption. Any coupon accepted for redemption shall show on its back either (i) the AUTHORIZATION NUMBER or (ii) the name of the authorized retail food store and, if

involved, the authorized wholesale food concern. Each coupon shall also be cancelled by the first bank which receives it by indelibly marking "PAID" or "CANCELLED," together with the name of the bank or its A.B.A. number, on the face of the coupon by means of an appropriate stamp. No coupon should be endorsed by any bank.

(d) Additional information concerning the collection of food coupons will be furnished by us upon request.

3. Nonmember banks which do not maintain accounts with this Bank and which have not arranged with us to deposit food coupons for collection for credit to an account of a member bank on our books should forward redeemed food coupons through ordinary collection channels.

Food certificates

4. Food certificates will be handled by us on the same basis as food coupons. Senders should consult 7 Code of Federal Regulations, Chapter II, Section 265.11(b) for information regarding the extent to which, and the conditions under which, the Department of Agriculture assumes the risk of loss of certificates while in the course of shipment.

5. This appendix supersedes Appendix C, Revised April 2, 1973, to Operating Circular No. 4.

**FEDERAL RESERVE BANK
OF NEW YORK**

[Operating Circular No. 5
Revised effective July 1, 1974]

TIME SCHEDULES

Availability of Credit for Cash Items

*To the Member Banks of the Second Federal
Reserve District, and Others Concerned:*

1. (a) Subject to the terms and conditions of Regulation J of the Board of Governors of the Federal Reserve System, our Operating Circular No. 4, relating to the collection of cash items, our Operating Circular No. 7, relating to the Saturday closing of our offices and the offices of other Federal Reserve Banks, and of this circular including its appendices, we will give credit on our books to senders at the times indicated in this circular including its appendices for cash items (a) received and accepted at any of our offices in the territory of this Bank in which the sender is located or (b) payable in other Federal Reserve Districts or in the territory of this Bank other than that in which the sender is located and sent, with our prior agreement, direct to the offices of other Federal Reserve Banks, or to any office of this Bank in the territory other than that in which the sender is located, for our account.

(b) Appendix No. 1 to this circular sets forth our Head Office time schedule; Appendix No. 1-A, our Jericho Office — Long Island Regional Check Processing Center time schedule; Appendix No. 1-B, our Cranford Office — North Jersey Regional Check Processing Center time schedule; Appendix No. 2, our Buffalo Branch time schedule; and Appendix No. 2-A, our Buffalo Branch Western New York Regional Check Processing Center time schedule.

Senders located in the Head Office territory

2. Except as indicated below, cash items sent to us by senders in the territory assigned to our Head Office in New York City (i.e., all of the Second Federal Reserve District except the following counties in the State of New York, which are in the territory assigned to our Buffalo Branch: Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Steuben, Wayne,

Wyoming, and Yates) should be sent to our Head Office. Banks participating in the Regional Check Processing Centers located at our Cranford and Jericho Offices should send cash items to those offices. Senders in the Head Office territory may, with our prior agreement, send cash items payable in the Buffalo Branch territory (those with routing symbols 0220 and 0223) to our Buffalo Branch and its Western New York Regional Check Processing Center. Senders in our Head Office territory also may, with our prior agreement, send cash items payable in our Head Office territory to any other office in the territory and send cash items payable in other Federal Reserve Districts to an office of another Federal Reserve Bank.

Senders located in the Buffalo Branch territory

3. Cash items sent to us by senders in the territory assigned to our Buffalo Branch (i.e., the aforementioned counties in New York State) should be sent to our Buffalo Branch or to its Western New York Regional Check Processing Center, except that senders may, with our prior agreement, send cash items payable in the New York Head Office territory to our Head Office in New York City, our Cranford Office — North Jersey Regional Check Processing Center, or our Jericho Office — Long Island Regional Check Processing Center and send cash items payable in other Federal Reserve Districts to an office of another Federal Reserve Bank.

Credit for cash items

4. Credit for cash items sent to our Head Office, Buffalo Branch, or Cranford or Jericho Offices is subject to applicable closing times and to sorting requirements as shown herein and in the appendices hereto. Credit for items received by us after the applicable closing times will be computed from our following business day. When items for which there are different closing times are not sorted and listed in accordance with the requirements, credit for all such items may be deferred for the longest time for which credit may be deferred for any such items as provided herein and in the appendices hereto.

Direct sending to offices of other Federal Reserve Banks and to other offices of this Bank

5. Senders that have received our permission to send cash items payable in other Federal Reserve Districts, or in the territory of this Bank other than that in which the sender is located, direct to other Federal Reserve offices for account of the office of this Bank at which

the sender's account is maintained, or that are required by us, because of volume, to send such items direct to those Federal Reserve offices, will be given credit for items so sent as specified below:

(a) Items payable in Federal Reserve Bank or Branch cities or in areas served by a Regional Check Processing Center —

Based on the time (not in excess of two business days) normally required for the collection thereof as indicated in separate availability schedules furnished to the respective direct-sending banks;

(b) Items payable in localities outside of Federal Reserve Bank or Branch cities or outside of areas served by a Regional Check Processing Center —

Two business days from the dispatch thereof;

Provided, however, That by giving notice to such effect to any sender this Bank may prescribe how, and the time or times before which, all or certain items must be dispatched by such sender in order to obtain such credit.

Time of presentment

6. We do not by this circular, or otherwise, agree to present any item, or to cause any item to be presented, earlier than such item is required to be presented, in the exercise of ordinary care, under the provisions of applicable State law.

Special sorting requirements

7. (a) Any sender that has for collection a daily average of not more than 300 immediate-credit and deferred-credit items (excluding food coupons or food certificates) payable outside of the city or town in which it is located may be permitted, upon application, to send such items to us unsorted with one cash letter: *Provided*, That the items sent to this Bank by such sender on any one day shall include all such items processed by it on that day. Credit for items so sent, when received by the applicable closing time, will be given one business day after receipt.

(b) Any sender that has for collection a daily average of not more than 2,000 immediate-credit and deferred-credit items (excluding food coupons or food certificates) payable outside of the city or town in which such sender is located may be permitted, upon application, to send such items to us unsorted with one cash letter: *Provided*, That

the dollar amount is encoded on each item in accordance with the American Bankers Association Magnetic Ink Character Recognition (MICR) Program: *Provided further*, That the items sent to this Bank by it on any one day shall include all such items processed by it on that day. Credit for items so sent, when received by us in time for presentment on the day of receipt of all immediate-credit items included with such cash letter, will be given one business day after receipt.

8. Any sender that sends cash items to us payable at banks located in the same city, town *or* metropolitan or similar area as the sender or one of its offices must sort, list, and package such items according to paying bank and is strongly urged to exchange directly cash items payable at banks located in that area. We reserve the right to require that a sender located in such an area must sort, list, and package such items according to the office of the paying bank at which such items are payable.

9. As provided in the appendices hereto, this Bank has established a later closing hour for cash letters containing end-point sorted and MICR computer-acceptable cash items payable by or at certain specified banks that receive cash letters from any of our offices: *Provided*, That the senders of such end-point sorted cash letters have applied for, and received, authorization from this Bank to make such deposits. The requirements for the deposit of end-point sorted cash letters are:

- (a) Cash letters must be enclosed in sealed packages;
- (b) Cash letters must not contain nonmachineable cash items;
- (c) Each sealed package should contain at least 200 items, and all tape listings and recaps are to be clearly identified and dated;
- (d) Tape listings and recaps of bundles should be included within each sealed package;
- (e) Each package should be clearly marked with the names, routing symbols, and A. B. A. numbers of the depositing and paying banks;
- (f) The total dollar amount of the cash letter should be clearly marked on the package;
- (g) The Cash Letter Recap form, copies of which will be provided by this Bank, must contain a listing of the total dollar amount of the packages destined to each of the paying banks and accompany each deposit;
- (h) The grand total shown on the Cash Letter Recap will be credited to the depositing bank's account on the books of this Bank;

(i) A duplicate of the Cash Letter Recap form may be prepared by the depositing bank, and this duplicate form will be receipted and returned to the depositing bank for its records;

(j) Return items will be listed by the paying bank on the Return Item Cash Letter together with other returns; and

(k) The depositing bank agrees to accept all accounting entries resulting from differences reported by the paying banks, and, in addition, any inquiries regarding adjustments will be handled directly by the depositing banks with the paying banks.

10. As used in this circular, the term "nonmachineable cash items" means those cash items that cannot be introduced into, or are rejected by, a sender's high-speed automated MICR check-processing equipment because of their physical condition, including items: (1) mutilated, torn or crumpled, or (2) bearing faulty or inadequate MICR encoding. If a sender does not use high-speed automated check-processing equipment, the term includes cash items that by observation are unqualified for high-speed automated check-processing under the preceding criteria.

11. Except as provided in paragraphs 5, 7, 8, 9, and 14, senders may send cash items to us only in accordance with the sorting requirements shown in the appendices hereto.

Effect of holidays upon availability

12. No Saturday, Sunday, or other holiday for any office of this Bank will constitute a business day in determining when we will give credit for any cash item being collected by us or for our account.

13. When the day on which credit would otherwise be given pursuant to our time schedules is a Saturday, a Sunday, or any other holiday for any office of this Bank, credit will be given on our following business day.

Credit for transfer drafts

14. Credit will be given for transfer drafts drawn by senders on their commercial bank correspondents based on actual transit time, whether received at any of our offices or sent for our account direct to the Federal Reserve Bank or Branch in the District where such draft is payable. Such drafts should be sent with separate cash letters; when such drafts are sent direct to other Federal Reserve Banks or Branches,

separate advices (marked "Transfer Drafts") of such direct sendings should be sent to the office of this Bank with which the sending bank maintains its account.

Revision of this circular

15. We reserve the right at any time, with or without notice, to revoke, modify, amend, or add to this circular, including its appendices, or any provision thereof, effective as to all senders or any of them.

Effect of this circular on previous circulars

16. This circular supersedes our Operating Circular No. 5, Revised effective September 20, 1972, and the First and Second Supplements thereto, dated October 18, 1972, and April 12, 1973, respectively.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Appendix No. 1 to
Operating Circular No. 5
Revised effective July 1, 1974

NEW YORK HEAD OFFICE TIME SCHEDULE

To the Member Banks of the Second Federal Reserve District, and Others Concerned:

1(a) Credit for cash items received and accepted at our Head Office will be given, subject to applicable closing times and to sorting and other requirements, as shown in the schedule below.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR
Member banks, other Federal Reserve offices and direct- sending member banks	Fully MICR qualified and MICR computer- acceptable items on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270 and 0280; checks on the United States Treasury and postal money orders (routing symbol 0000) if not deposited with a separate cash letter and total for each class	Immediate	5:00 a.m. Mon.-Fri. (or later, if the items are cleared on the day of receipt)
Member banks, other Federal Reserve offices and direct- sending member banks	Nonmachineable items on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270 and 0280; checks on the United States Treasury and postal money orders (routing symbol 0000) if not deposited with a separate cash letter and total for each class	One business day	7:00 a.m. Mon.-Fri.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR
Member banks	Checks on Federal Reserve Bank of New York (including Buffalo Branch); and Officers' checks of other Federal Reserve Banks deposited in separate cash letter	Immediate	3:30 p.m. Mon.-Fri.
Member banks, other Federal Reserve offices and direct-sending member banks*	End-point sorted and separately packaged deposits of fully MICR qualified and MICR computer-acceptable items payable by or at certain specified banks in the Head Office territory listed in separately furnished schedules	Immediate	2:30 a.m. Mon.-Fri.
Member banks	Checks on the United States Treasury and postal money orders deposited with a separate cash letter and total for each class**	Immediate	3:00 p.m. Mon.-Fri.
Member and non-member banks	Redeemed U.S. Department of Agriculture food coupons and food certificates deposited with a separate cash letter and total	Immediate	1:30 p.m. Mon.-Fri.
Member banks, other Federal Reserve offices and direct-sending member banks	Fully MICR qualified and MICR computer-acceptable items on banks with routing symbols 0211 through 0217	One business day	12:00 noon Mon.-Fri.
Member banks, other Federal Reserve offices and direct-sending member banks	Nonmachineable items on banks with routing symbols 0211 through 0217	Two business days	7:00 a.m. Mon.-Fri.

* All senders are required to have prior authorization before making such deposits.

** A separate sort of yellow-colored Supplemental Security Income checks (routing symbol-A.B.A. number 0000-0050) is required of those senders depositing a daily average of more than 100 United States Treasury checks.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR
Member banks, other Federal Reserve offices and direct- sending member banks*	Items payable in the Head Office territory fully MICR qualified, and sorted by depositing banks by means of MICR computer equipment into a separate cash letter for each group of banks listed in separately furnished schedules	One business day	9:30 p.m. Mon.-Fri.; 11:00 a.m. Saturday
Member banks, other Federal Reserve offices and direct- sending member banks	Fully MICR qualified and MICR computer- acceptable items on banks with routing symbol 0214	One business day	10:30 p.m. Mon.-Fri.
Member banks, other Federal Reserve offices and direct- sending member banks	Nonmachineable items on banks with routing symbol 0214	One business day	5:30 a.m. Mon.-Fri.
Member banks, other Federal Reserve offices and direct- sending member banks	Transfer drafts received in a separate cash letter drawn on sender's commercial bank correspondent (see paragraph 14, Operating Circular No. 5)	Actual transit time	Not applicable
Member banks*	Mixed cash letters from banks with daily averages of not more than 2,000 MICR amount encoded items as specified in paragraph 7(b) of Operating Circular No. 5	One business day	5:00 a.m. Mon.-Fri.

* All senders are required to have prior authorization before making such deposits.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR
Member banks*	Fully MICR qualified and MICR computer-acceptable items payable in other Federal Reserve Bank or Branch cities, or in areas served by an RCPC	See paragraph 2 of this Appendix	12:00 noon Mon.-Fri.; 11:00 a.m. Saturday
Member banks*	Fully MICR qualified and MICR computer-acceptable items payable at banks in other Federal Reserve Districts, <i>outside</i> Federal Reserve Bank or Branch cities, or <i>outside</i> areas served by an RCPC	Two business days	12:00 noon Mon.-Fri.; 11:00 a.m. Saturday
Member banks*	Nonmachineable items payable at banks in areas served by other Federal Reserve offices	Two business days	7:00 a.m. Mon.-Fri.

(b) Credit for cash items received and accepted at our Head Office, on which the dollar amount has not been previously MICR encoded, will be given, subject to the applicable closing times and to sorting and other requirements as shown in the schedule below.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR
Member banks	Items not MICR amount encoded on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270, 0280 and postal money orders with routing symbol 0000; checks on the United States Treasury if not deposited in a separate cash letter	Immediate	3:00 a.m. Mon.-Fri.

* Banks participating in consolidated shipments of interdistrict items should continue to make such deposits at the Head Office.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR
Member banks	Items not MICR amount encoded on banks with routing symbols 0211 through 0217	One business day	10:00 a.m. Mon.-Fri.
Member banks	Items not MICR amount encoded on banks with routing symbol 0214	One business day	8:30 p.m. Mon.-Fri.
Member banks*	Items not MICR amount encoded payable in other Federal Reserve Bank or Branch cities, or in areas served by an RCPC	See paragraph 2 of this Appendix	10:00 a.m. Mon.-Fri.
Member banks*	Items not MICR amount encoded payable at banks in other Federal Reserve Districts, <i>outside</i> Federal Reserve Bank or Branch cities, or <i>outside</i> areas served by an RCPC	Two business days	10:00 a.m. Mon.-Fri.
Member banks**	Mixed cash letters from banks with daily average of not more than 300 items as specified in paragraph 7(a) of Operating Circular No. 5	One business day	10:00 a.m. Mon.-Fri.

2. Credit for cash items payable in the following Federal Reserve Bank or Branch cities*** that are received Mondays through Saturdays (not otherwise public holidays) will be given, subject to applicable closing times and to sorting and other requirements, as shown below.

ONE CALENDAR DAY AFTER RECEIPT

Atlanta	Cleveland	Louisville	Philadelphia
Baltimore	Dallas	Memphis	Pittsburgh
Birmingham	Detroit	Miami ¹	Portland
Boston	Houston	Minneapolis	Richmond
Buffalo	Jacksonville	Nashville	St. Louis
Charlotte	Kansas City, Kan.	New Orleans	St. Paul, Minn.
Chicago	Kansas City, Mo.	Oklahoma City	San Antonio
Cincinnati	Little Rock	Omaha	San Francisco

* Banks participating in consolidated shipments of interdistrict items should continue to make such deposits at the Head Office.

** All senders are required to have prior authorization before making such deposits.

*** For purposes of this circular, the term "Federal Reserve Bank or Branch cities" includes Kansas City, Kan.; St. Paul, Minn.; and Miami, Florida.

¹ Cash items bearing routing symbol 0660.

TWO CALENDAR DAYS AFTER RECEIPT

Denver
El Paso

Helena
Miami²

Salt Lake City
Seattle

TWO BUSINESS DAYS AFTER RECEIPT

Los Angeles

Credit for cash items drawn on or payable at banks participating in the following Regional Check Processing Centers that are received Mondays through Saturdays (not otherwise public holidays) will be given, subject to applicable closing times and to sorting and other requirements, as shown below.

ONE CALENDAR DAY AFTER RECEIPT

Columbus RCPC³
Southwestern New England RCPC
Western New York RCPC

TWO CALENDAR DAYS AFTER RECEIPT

Baltimore-Washington RCPC
Boston RCPC
Chicago RCPC
Cincinnati RCPC
Cleveland RCPC
Columbus RCPC⁴
Denver RCPC
Gulf Coast RCPC
Indiana RCPC
Iowa RCPC
Little Rock RCPC
Louisville RCPC

Memphis RCPC
Michigan RCPC
North Texas RCPC
Omaha RCPC
Philadelphia RCPC
Pittsburgh RCPC
Portland RCPC
Salt Lake RCPC
St. Louis RCPC
Seattle RCPC
South Texas RCPC
Upper Midwest RCPC

Sorting requirements

3. Except as provided in paragraphs 5, 7, 8, 9, and 14 of Operating Circular No. 5, the general sorting requirements set forth below will apply.

Immediate-credit items

4. All immediate-credit items (routing symbols 0210, 0260, 0270, and 0280) may be deposited in a single sort, including checks on the United States Treasury and postal money orders (routing symbol 0000).

² Cash items bearing routing symbol 0670.

³ Cash items bearing routing symbols 0440.

⁴ Cash items bearing routing symbols 0441 and 0442.

Deferred-credit items

5. All deferred-credit items (all routing symbols other than those indicated in paragraph 4 above), including items payable in other Federal Reserve Districts, may be deposited in a single sort. However, we may require, where volume warrants, that such items payable in other Federal Reserve Districts, the territory served by our Buffalo Branch, and the area served by any office of this Bank be sent direct.

Effect of this appendix upon previous appendix

6. This appendix supersedes Appendix No. 1, Revised effective September 20, 1972, to Operating Circular No. 5, and the First and Second Supplements to that Appendix dated January 2, 1973, and April 26, 1973, respectively.

ALFRED HAYES,
President.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Participating banks	Checks on Federal Reserve Bank of New York (including Buffalo Branch) (Must be deposited with a separate cash letter)	Immediate	12:01 a.m.
Participating banks	Redeemed U. S. Department of Agriculture food coupons and food certificates (Must be deposited separately with a cash letter and total)	Immediate	12:01 a.m.
Participating member banks	Fully MICR qualified and MICR computer-acceptable items on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270, and 0280	Immediate	12:01 a.m.
Participating member banks	Nonmachineable items on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270, and 0280	One Business Day	12:01 a.m.
Participating member banks	Fully MICR qualified and MICR computer-acceptable items payable in the Head Office territory on banks with routing symbols 0211, 0212, 0213, 0215, 0216, and 0217	One Business Day	12:01 a.m.
Participating member banks	Nonmachineable items payable in the Head Office territory on banks with routing symbols 0211, 0212, 0213, 0215, 0216, and 0217	Two Business Days	12:01 a.m.
Participating member banks*	Items payable in the Head Office territory fully MICR qualified and sorted by depositing banks by means of MICR computer equipment into a separate cash letter for each group of banks listed in separately furnished schedules	One Business Day	8:00 p.m.
Participating member banks**	Fully MICR qualified and MICR computer-acceptable items payable in other Federal Reserve Bank or Branch cities, or in areas served by an RCPC	Refer to Paragraph 2 of Appendix No. 1 to Operating Circular No. 5	12:01 a.m.

* All senders are required to have prior authorization before making such deposits.

** Banks participating in consolidated shipments of interdistrict items should continue to make such deposits at the Head Office.

**FEDERAL RESERVE BANK
OF NEW YORK**

Appendix No. 1-A to
Operating Circular No. 5
Revised effective July 1, 1974

**JERICOH OFFICE
LONG ISLAND REGIONAL CHECK PROCESSING CENTER
(LIRPCPC) TIME SCHEDULE**

*To All Long Island Regional Check Processing Center Participating Banks,
and Others Concerned:*

Credit will be given for cash items received and accepted at our Long Island Regional Check Processing Center at this Bank's Jericho Office, subject to applicable closing times and to sorting and other requirements, as shown in the schedule below.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Participating banks, member banks, other Federal Reserve offices, and direct-sending member banks	Fully MICR qualified and MICR computer-acceptable items on participating banks with routing symbol 0214	Immediate	12:01 a.m.
Participating banks, member banks, other Federal Reserve offices, and direct-sending member banks	Nonmachineable items on participating banks with routing symbol 0214	One Business Day	7:00 a.m.
Participating banks, member banks, other Federal Reserve offices, and direct-sending member banks*	End-point sorted and separately packaged deposits of fully MICR qualified and MICR computer-acceptable items payable by or at certain specified banks with routing symbol 0214 listed in separately furnished schedules	Immediate	4:00 a.m.

* All senders are required to have prior authorization before making such deposits.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Participating banks	Checks on Federal Reserve Bank of New York (including Buffalo Branch) (Must be deposited with a separate cash letter)	Immediate	12:01 a.m.
Participating banks	Redeemed U. S. Department of Agriculture food coupons and food certificates (Must be deposited separately with a cash letter and total)	Immediate	12:01 a.m.
Participating member banks	Fully MICR qualified and MICR computer-acceptable items on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270, and 0280	Immediate	12:01 a.m.
Participating member banks	Nonmachineable items on banks in New York City and Northern New Jersey with routing symbols 0210, 0260, 0270, and 0280	One Business Day	12:01 a.m.
Participating member banks	Fully MICR qualified and MICR computer-acceptable items payable in the Head Office territory on banks with routing symbols 0211, 0212, 0213, 0215, 0216, and 0217	One Business Day	12:01 a.m.
Participating member banks	Nonmachineable items payable in the Head Office territory on banks with routing symbols 0211, 0212, 0213, 0215, 0216, and 0217	Two Business Days	12:01 a.m.
Participating member banks*	Items payable in the Head Office territory fully MICR qualified and sorted by depositing banks by means of MICR computer equipment into a separate cash letter for each group of banks listed in separately furnished schedules	One Business Day	8:00 p.m.
Participating member banks**	Fully MICR qualified and MICR computer-acceptable items payable in other Federal Reserve Bank or Branch cities, or in areas served by an RCPC	Refer to Paragraph 2 of Appendix No. 1 to Operating Circular No. 5	12:01 a.m.

* All senders are required to have prior authorization before making such deposits.

** Banks participating in consolidated shipments of interdistrict items should continue to make such deposits at the Head Office.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Participating member banks*	Fully MICR qualified and MICR computer-acceptable items payable at banks in other Federal Reserve Districts <i>outside</i> Federal Reserve Bank or Branch cities, or <i>outside</i> areas served by an RCPC	Two Business Days	12:01 a.m.
Participating member banks*	Nonmachineable items payable at banks in other areas served by Federal Reserve offices	Two Business Days	12:01 a.m.

* Banks participating in consolidated shipments of interdistrict items should continue to make such deposits at the Head Office.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

Appendix No. 1-B to
Operating Circular No. 5
Revised effective July 1, 1974

**CRANFORD OFFICE
NORTH JERSEY REGIONAL CHECK PROCESSING CENTER
(NJRCPC) TIME SCHEDULE**

*To All North Jersey Regional Check Processing Center Participating Banks,
and Others Concerned:*

Credit for cash items received and accepted at our North Jersey Regional Check Processing Center at this Bank's Cranford Office will be given, subject to applicable closing times and to sorting and other requirements, as shown in the schedule below.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Participating banks	Fully MICR qualified and MICR computer- acceptable items on participating banks with routing symbols 0212 and 0217	Immediate	12:01 a.m.
Participating banks	Nonmachineable items on participating banks with routing symbols 0212 and 0217	One Business Day	7:00 a.m.
Participating banks	Checks on Federal Reserve Bank of New York (including Buffalo Branch) (Must be deposited with a separate cash letter)	Immediate	12:01 a.m.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Participating banks	Redeemed U. S. Department of Agriculture food coupons and food certificates (Must be deposited separately with a cash letter and total)	Immediate	12:01 a.m.
Participating member banks	Fully MICR qualified and MICR computer-acceptable items on banks with routing symbols 0210, 0260, 0270, and 0280	Immediate	12:01 a.m.
Participating member banks	Nonmachineable items on banks with routing symbols 0210, 0260, 0270, and 0280	One Business Day	12:01 a.m.
Participating member banks	Fully MICR qualified and MICR computer-acceptable items payable in the Head Office territory on banks with routing symbols 0211, 0213, 0214, 0215, and 0216	One Business Day	12:01 a.m.
Participating member banks	Nonmachineable items payable in the Head Office territory on banks with routing symbols 0211, 0213, 0214, 0215, and 0216	Two Business Days	12:01 a.m.
Participating member banks, other Federal Reserve offices, and direct-sending member banks*	Items drawn on NJRCPC participating banks fully MICR qualified, and sorted by means of MICR computer equipment into a separate cash letter for each group of banks listed in separately furnished schedules	Immediate	2:00 a.m.

* All senders are required to have prior authorization before making such deposits.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Participating member banks, other Federal Reserve offices, and direct-sending member banks [*]	End-point sorted and separately packaged deposits of fully MICR qualified and MICR computer-acceptable items payable by or at certain specified banks with routing symbols 0212 and 0217 listed in separately furnished schedules	Immediate	4:00 a.m.
Participating member banks [*]	Items drawn on banks in the Head Office territory (other than NJRCPC participating banks) fully MICR qualified, and sorted by means of MICR computer equipment into a separate cash letter for each group of banks listed in separately furnished schedules	One Business Day	8:00 p.m.
Participating member banks ^{**}	Fully MICR qualified and MICR computer-acceptable items payable in other Federal Reserve Bank or Branch cities, or areas served by an RCPC	Refer to paragraph 2 of Appendix No. 1 to Operating Circular No. 5	12:01 a.m.
Participating member banks ^{**}	Fully MICR qualified and MICR computer-acceptable items payable at banks in other Federal Reserve Districts <i>outside</i> Federal Reserve Bank or Branch cities, or <i>outside</i> areas served by an RCPC	Two Business Days	12:01 a.m.
Participating member banks ^{**}	Nonmachineable items payable at banks in other Federal Reserve offices	Two Business Days	12:01 a.m.

^{*} All senders are required to have prior authorization before making such deposits.

^{**} Banks participating in consolidated shipments of interdistrict items should continue to make such deposits at the Head Office.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK OF NEW YORK

Appendix No. 2 to
Operating Circular No. 5
Revised effective July 1, 1974

BUFFALO BRANCH TIME SCHEDULE

To the Member Banks of the Second Federal Reserve District, and Others Concerned:

1(a) Credit for cash items received and accepted at our Buffalo Branch will be given, subject to applicable closing times and to sorting and other requirements, as shown below.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Member banks, other Federal Reserve offices and direct- sending member banks	Fully MICR qualified and MICR computer- acceptable items on banks in Buffalo with routing symbol 0220; checks on the United States Treasury and postal money orders (routing symbol 0000) if not deposited with a separate cash letter and a total for each class	Immediate	8:00 a.m.
Member banks	Checks on Federal Reserve Bank of New York (including Buffalo Branch); and Officers' checks of other Federal Reserve Banks deposited in separate cash letter	Immediate	3:30 p.m.
Member banks	Checks on the United States Treasury and postal money orders deposited with a separate cash letter and total for each class*	Immediate	3:00 p.m.
Member banks, other Federal Reserve offices, and direct- sending member banks	Nonmachineable items on banks in Buffalo with routing symbol 0220; checks on the United States Treasury and postal money orders (routing symbol 0000)	One business day	7:00 a.m.

* A separate sort of yellow-colored Supplemental Security Income checks (routing symbol-A.B.A. number 0000-0050) is required of those senders depositing a daily average of more than 100 United States Treasury checks.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Member and nonmember banks	Redeemed U.S. Department of Agriculture food coupons and food certificates. Must be deposited with a separate cash letter and total	Immediate	2:30 p.m.
Member banks	Fully MICR qualified and MICR computer-acceptable items payable in other Federal Reserve Bank or Branch cities	See paragraph 2(a) of this Appendix	12:00 Noon
Member banks	Fully MICR qualified and MICR computer-acceptable items payable at banks <i>outside</i> Federal Reserve Bank or Branch cities or <i>outside</i> areas served by an RCPC	See paragraph 2(b) of this Appendix	12:00 Noon
Member banks	Fully MICR qualified and MICR computer-acceptable items payable at banks in areas served by an RCPC	See paragraph 2(c) of this Appendix	12:00 Noon
Member banks	Nonmachineable items payable at banks in areas served by other Federal Reserve offices	Two business days	7:00 a.m.

(b) Credit for cash items received and accepted at the Buffalo Branch, on which the dollar amount has not been previously MICR encoded, will be given, subject to the applicable closing times and to sorting and other requirements as shown in the schedule below.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Member banks, other Federal Reserve offices, and direct-sending member banks	Items not MICR amount encoded on banks in Buffalo with routing symbol 0220; checks on the United States Treasury and postal money orders (routing symbol 0000) if not deposited with a separate cash letter and total for each class	Immediate	6:00 a.m.
Member banks	Items not MICR amount encoded payable in other Federal Reserve Bank or Branch cities	See paragraph 2(a) of this Appendix	10:00 a.m.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOUR Monday-Friday (Ex. Holidays)
Member banks	Items not MICR amount encoded payable <i>outside</i> Federal Reserve Bank or Branch cities or <i>outside</i> areas served by an RCPC	See paragraph 2(b) of this Appendix	10:00 a.m.
Member banks	Items not MICR amount encoded payable at banks in areas served by an RCPC	See paragraph 2(c) of this Appendix	10:00 a.m.

2(a) Credit for cash items payable in the following Federal Reserve Bank or Branch cities* will be given, subject to applicable closing times and to sorting and other requirements, Mondays through Fridays (not otherwise public holidays) as shown below.

ONE CALENDAR DAY AFTER RECEIPT

Atlanta	Houston	Oklahoma City
Baltimore**	Indianapolis	Omaha
Birmingham	Jacksonville	Philadelphia
Boston	Kansas City, Kan.	Pittsburgh
Charlotte	Kansas City, Mo.	Portland, Ore.
Chicago	Little Rock	Richmond
Cincinnati	Louisville	St. Louis
Cleveland	Memphis	St. Paul, Minn.
Columbus	Minneapolis	Salt Lake City
Dallas	Nashville	San Antonio
Denver***	New Orleans	San Francisco
Detroit	New York City	Seattle

TWO CALENDAR DAYS AFTER RECEIPT

Des Moines	Helena
El Paso	Miami

* For purposes of this circular, the term "Federal Reserve Bank or Branch cities" includes Kansas City, Kan.; St. Paul, Minn.; Miami, Fla.; Columbus, Ohio; Indianapolis, Ind.; and Des Moines, Iowa.

** Items drawn on banks participating in the Baltimore regional check clearing center bearing routing symbols 0540, 0550, and 0560 will, however, receive credit two calendar days after receipt.

*** Items drawn on banks in Cheyenne and Laramie, Wyoming, and Denver, Colorado (list furnished on request) that participate in the Denver regional check processing center bearing routing symbol 1070 will, however, receive credit two calendar days after receipt.

TWO BUSINESS DAYS AFTER RECEIPT

Los Angeles

(b) Credit for cash items drawn on or payable at banks outside the following Federal Reserve Bank or Branch cities or areas served by regional check processing centers will be given, subject to applicable closing times and to sorting and other requirements, Mondays through Fridays (not otherwise public holidays) as shown below.

TWO CALENDAR DAYS AFTER RECEIPT

Atlanta	Little Rock
Baltimore	Minneapolis
Birmingham	Oklahoma City
Charlotte	Omaha
Chicago	San Antonio
Dallas	San Francisco
Denver	St. Louis

TWO BUSINESS DAYS AFTER RECEIPT

Boston	Los Angeles
El Paso	New York
Helena	Richmond
Kansas	

(c) Credit for cash items drawn on or payable at banks participating in the following Regional Check Processing Centers will be given, subject to applicable closing times and to sorting and other requirements, Mondays through Fridays (not otherwise public holidays) as shown below.

ONE CALENDAR DAY AFTER RECEIPT

Minneapolis RCPC

TWO CALENDAR DAYS AFTER RECEIPT

Atlanta RCPC	Gulf Coast RCPC	North Jersey RCPC
Baltimore —	Indianapolis RCPC	North Texas RCPC
Washington RCPC	Jacksonville RCPC	Oklahoma RCPC
Birmingham RCPC	Little Rock RCPC	Omaha RCPC
Boston RCPC	Lewiston RCPC	Pittsburgh RCPC
Chicago RCPC	Long Island RCPC	Portland RCPC
Cincinnati RCPC	Louisville RCPC	Salt Lake City RCPC
Cleveland RCPC	Memphis RCPC	South Texas RCPC
Columbus RCPC	Miami RCPC	Southwestern New England RCPC
Denver RCPC	Michigan RCPC	
Des Moines RCPC	New Orleans RCPC	St. Louis RCPC

TWO BUSINESS DAYS AFTER RECEIPT

Nashville RCPC
Philadelphia RCPC
Seattle RCPC

Sorting requirements

3. Except as provided in paragraphs 5, 7, 8, 9, and 14 of Operating Circular No. 5, the general sorting requirements set forth below will apply.

Immediate-credit items

4. All immediate-credit items (routing symbol 0220) may be deposited in a single sort, including checks on the United States Treasury and postal money orders (routing symbol 0000).

Deferred-credit items

5. All deferred-credit items (all routing symbols other than those indicated in paragraph 4 above), including items payable in other Federal Reserve Districts, may be deposited in a single sort. However, we may require, where volume warrants, that such items payable in other Federal Reserve Districts, the territory served by the Head Office, and the area served by any other office of this Bank be sent direct.

Effect of this appendix upon previous appendix

6. This appendix supersedes Appendix No. 2, Revised effective January 2, 1973, to Operating Circular No. 5.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK
OF NEW YORK

**Appendix No. 2-A to
Operating Circular No. 5**

Revised effective July 1, 1974

WESTERN NEW YORK REGIONAL CHECK PROCESSING CENTER
(WNYRCPC) TIME SCHEDULE

*To All Western New York Regional Check Processing Center Participating Banks,
and Others Concerned:*

Credit for cash items received and accepted at our Western New York Regional Check Processing Center at the Buffalo Branch will be given, subject to applicable closing times and to sorting and other requirements, as shown in the schedule below. Credit for other deposits will be given in accordance with Appendix No. 2 to Operating Circular No. 5.

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOURS Monday-Friday (Ex. Holidays)
Participating banks, other Federal Reserve offices, and direct-sending member banks	Fully MICR qualified and MICR computer- acceptable items on banks with routing symbols 0223 and 0220; checks on the United States Treasury and postal money orders (routing symbol 0000), if deposited in a single cash letter. If the volume of checks on the United States Treasury and postal money orders is significant, a separate cash letter for each type is required	Immediate	12:01 a.m. at RCPC. Participating banks may also deposit items at the pickup stations in Jamestown and Rochester, subject to the 12:01 a.m. closing time in those cities
Participating banks	Checks on Federal Reserve Bank of New York (including Buffalo Branch)	Immediate	12:01 a.m. at RCPC or pickup stations in Jamestown or Rochester
Participating banks, other Federal Reserve offices, and direct-sending member banks*	End-point sorted and packaged items on participating banks outside the City of Buffalo (routing symbol 0223)	Immediate	4:00 a.m. at RCPC

ELIGIBLE SENDERS	TYPE OF ITEMS	CREDIT AVAILABILITY	CLOSING HOURS Monday-Friday (Ex. Holidays)
Participating banks, other Federal Reserve offices, and direct-sending member banks	Nonmachineable items with routing symbols 0223 and 0220	One business day	7:00 a.m.
Member banks	Nonmachineable items payable in areas served by other Federal Reserve offices	Two business days	7:00 a.m.
Participating mem- ber banks with a daily average volume not exceed- ing 300 items that are not amount- encoded	All items deposited in a single cash letter (including items pay- able in other Federal Reserve territories)	Credit computer- determined in accordance with time schedule applicable to the individual items therein. Credit for nonmachineable items deferred one business day	12:01 a.m. at RCPC or pickup stations in Jamestown or Rochester
Participating mem- ber banks with a daily average volume not exceed- ing 2,000 amount- encoded items	All items fully MICR qualified and MICR computer-acceptable deposited in a single cash letter (including items payable in other Federal Reserve territories)	Credit computer- determined in accordance with time schedule applicable to the individual items therein. Credit for nonmachineable items deferred one business day	12:01 a.m. at RCPC or pickup stations in Jamestown or Rochester

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

First Supplement to
Operating Circular No. 6
(Revised effective September 21, 1972)
Effective July 1, 1974

**INSTRUCTIONS TO COLLECTING BANKS
AND PAYING BANKS**

*To the Member Banks of the Second Federal Reserve District,
and Others Concerned:*

Operating Circular No. 6, Revised effective September 21, 1972, is amended as follows:

1. Paragraph 3 is amended to read as follows:

3. Unless otherwise stated, all references to the Federal Reserve Bank of New York, or "this Bank," will include the Head Office, its Buffalo Branch, and its Cranford and Jericho Offices.

2. Paragraph 17 is amended to read as follows:

Uniform instructions regarding protest and advice of nonpayment

17. Except as provided in paragraph 18 hereof, all paying banks and collecting banks must receive, handle, and forward cash items subject to the following uniform instructions regarding protest and wire advice⁴ of nonpayment, except that Government checks will not be protested; and any contrary or special instructions noted on cash letters or otherwise transmitted with cash items will be disregarded.

(a) PROTEST any dishonored item of \$2,500 or over:

(i) which appears on its face to have been drawn at a place which is not within any State,⁵ unless it bears on its face the

⁴ For the purpose of this operating circular, the term "wire" includes telephone, telegraph, cable, or other form of electronic telecommunications.

⁵ The term "State" is defined in Section 210.2(n) of Regulation J to mean any State of the United States, the District of Columbia, or Puerto Rico, or any territory, possession, or dependency of the United States.

(OVER)

A.B.A. no-protest symbol of a Federal Reserve Bank or of a preceding bank endorser, or

(ii) which bears on its face the legend, "PROTEST REQUIRED," of a Federal Reserve Bank or of a preceding bank endorser.

(b) DO NOT PROTEST:

(i) any item of less than \$2,500, or

(ii) any item of \$2,500 or over unless it is protestable under subparagraph (a).

(c) WIRE ADVICE of nonpayment of any item of \$2,500 or over, unless it has not been paid because of a missing, irregular, or unsatisfactory endorsement or unless it bears on its face the legend, "DO NOT WIRE NONPAYMENT," of a Federal Reserve Bank or of a preceding bank endorser. Include in the advice of nonpayment the amount of the item, the reason for nonpayment, the date of our cash letter, the name of the drawer or maker, and the names of the two endorsers immediately preceding the Federal Reserve Bank or their A.B.A. routing numbers, if any.

(d) DO NOT WIRE ADVICE of nonpayment of:

(i) any item of less than \$2,500, or

(ii) any item of \$2,500 or over unless such advice is required by subparagraph (c).

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

[Operating Circular No. 7]
[Revised effective July 1, 1974]

SATURDAY CLOSING

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

1. (a) The Federal Reserve Bank of New York, including its Buffalo Branch and its other offices, continues to be closed on each Saturday pursuant to section 24-a of the General Construction Law of New York, as amended, and each Saturday is a public holiday in all respects affecting the Federal Reserve Bank of New York. Accordingly, the books of this Bank are closed on each Saturday and, as appears in our time schedules (Operating Circular No. 5), credit that would otherwise be given on a Saturday for cash items being collected by us or for our account will be given on the following business day.

(b) All other Federal Reserve offices are also closed on each Saturday.

2. Saturday does not constitute a business day in determining the time when pursuant to our time schedules, our Head Office or Buffalo Branch will give credit for any deferred credit item being collected by us or for our account.

3. This circular supersedes our Operating Circular No. 7, Revised September 21, 1972.

ALFRED HAYES,
President.