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ADDRESS REPLY TO
FEDERAL RESERVE BOARD

November 27, 1918.

X-1293

SUBJECT: Identification of collection items.

Gentlemen:

In connection with the privilege accorded member banks of forwarding for "collection direct" to Federal Reserve Banks, items drawn on member banks and other banks on the interdistrict par list, the work of the sending banks would be greatly facilitated if all member institutions would have printed on their customers' checks, in a conspicuous and convenient place, the following legend:

| | |
|---------------------|---|
| MEMBER | 2 |
| F.R.B. | |
| DISTRICT NO. | |
| Collectible at par. | |

It has been suggested that non-member banks maintaining deposits with Federal Reserve Banks through which their items are collectible, as well as all non-member banks that have agreed to remit at par for items sent to them by Federal Reserve Banks, should use a legend for their customers' checks as follows:

| | |
|---------------------|---|
| F.R.B. | 5 |
| DISTRICT NO. | |
| Collectible at par. | |

If the above plan is adopted, it would obviate the present necessity of referring to the par list in order to first ascertain if the item in question is collectible through a Federal Reserve Bank, and second, if so, to which district the item should be sent. It would also

minimize the number of "sent wrong" items, and the consequent trouble and labor of returning and rehandling. Ability to determine at a glance to which Federal Reserve Bank an item should be sent would result in the saving of considerable time, and in many instances perhaps the elimination of employees needed in other departments.

In Federal Reserve districts where Federal Reserve Bank branches are maintained, it would be necessary, of course, to suffix the district number with some distinguishing mark indicative of the branch; for instance, in the Cleveland District, with branches at Cincinnati and Pittsburgh, the suffix "Cinn." or "Pitts."

It is believed that the adoption of this practice would not only facilitate the clearing of items, but also would stimulate interest in the availability of the Federal Reserve System as a clearing medium.

Kindly acknowledge receipt.

Very truly yours,

The Governor,
Federal Reserve Bank,

Governor.