

# **Check Deposit User Guide**

**January, 2001**

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## **INTRODUCTION**

The Minneapolis Federal Reserve processes over 3 million checks per day, three to four billion checks per year. Federal Reserve Financial Services offers its customers a full range of check deposit options and provides excellent customer support through its dedicated Check Customer Support area.

This User Guide defines the various deposit options, shows examples of cash letter forms, and explains how to prepare forward deposits and return deposits.

We welcome you as a Federal Reserve Check Services customer and look forward to working with you.

## DEPOSITING WITH THE FEDERAL RESERVE

### Before You Begin Depositing

- Contact your FRFS account manager, (612) 204-6933 or (800) 553-9656, extension 6933, to coordinate your start-up or changes.
- Verify that the necessary check deposit forms, called cash letters, are received and accurately reflect your financial institution name and nine digit routing number. Cash letters are sent to your financial institution before your first deposit.
- Be certain that your endorsement appears in the “Bank of First Deposit” zone as required by Regulation CC. (See ATTACHMENT A: Endorsement Standards.)
- Microfilm, photocopy or image the front and back of items deposited.

### Categories of Checks and Credit Availability

Checks are classified according to the location of the paying institution: City, RCPC, Country and Other Fed. Refer to the Federal Reserve Bank of Minneapolis Commercial Check Services schedule for the current year or our Website at <http://www.minneapolisfed.org/frfs/check/index.html> for detailed information. This schedule shows cash letter deposit type, item type, deposit deadline, and corresponding availability. Contact your FRFS account manager if you need a current copy.

### How To Receive Credit

Settlement for check deposits is made to your account with the Federal Reserve Bank or your correspondents Fed account with the Federal Reserve Bank.

The Federal Reserve gives provisional credit for the amount of the grand total that appears on the City, RCPC, and Country cash letters. We give provisional calculated credit on Mixed, Country Calculated, and Other Fed cash letters. If we find in processing your checks that adjustments are needed because of missing or extra checks, listing errors, or other errors, we will make the adjustments as separate debit and/or credit entries. You will receive notification of any adjustments via FedLine or paper advice. If you need assistance tracking cash letter availability, please refer to the current *Cash Letter Availability Computer* (ATTACHMENT B).

### Billing

Please note that check processing fees will be included on your institution's monthly billing statement. Billing can settle at your Fed account or your correspondent's Fed account.

### Changing Settlement or Deposit Options

You may change your current settlement arrangements or deposit options by notifying your FRFS account manager. Please allow ten business days advance notice. This gives us the necessary time to make changes to our system. It will also allow time to execute new agreements and provide you with deposit supplies. NOTE: All check debits and credits must settle in the same account.

## HOW TO PREPARE A CASH LETTER DEPOSIT

Samples of the cash letter deposit forms are on the following pages. Please note the cash letter deposit availability is printed on each cash letter (Immediate, One Day, or Calculated Availability). Above each cash letter we have identified the appropriate routing numbers of checks that should be deposited with that cash letter. You may also refer to the Federal Reserve Bank of Minneapolis Commercial Check Services listing of appropriate routing numbers for the deposit types. Contact your account manager or refer to our Website at <http://www.minneapolisfed.org/frfs/check/index.html>.

### **Familiarizing Staff with Federal Reserve Bank Forward Check Deposits**

It is important that your staff be familiar with FRB check products due to the number of deposit options available. Federal Reserve Bank cash letters are color coded to facilitate receipt and distribution of cash letters for processing. Completing the appropriate cash letter accurately will ensure your items are processed with proper pricing and credit availability standards. NOTE: The Federal Reserve will accept computer generated cash letters if they contain all of the appropriate information described below.

### **Preparing a Bundle**

All items must be dollar amount encoded with the exception of unencoded mixed cash letters. Retain photocopies, microfilm or images of your entire check deposit(s) prior to sending them to the Federal Reserve for processing. The Federal Reserve does not microfilm your items.

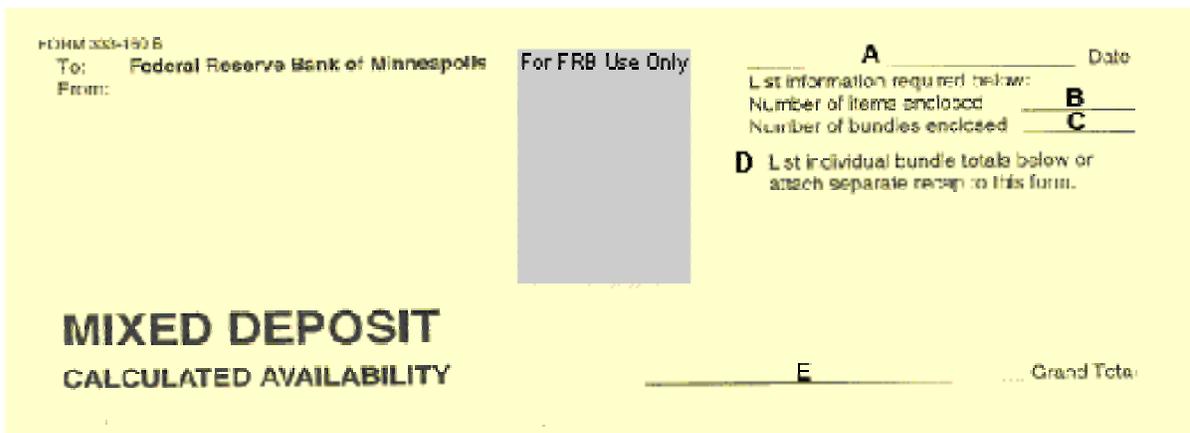
- Sort the checks into the proper categories, according to the deposit option(s) you have selected.
- List the checks as batches (bundles) of 300 - 400 checks.
- Prepare a detailed tape listing for each bundle (even if the bundle contains only one item) that includes:
  - Dollar amount of each check
  - Total dollar amount of the bundle
- Securely wrap (rubber bands will do) each bundle and attach the detailed tape to the top of each bundle.

## Preparing a Cash Letter

Use the appropriate cash letter form for each category of checks you deposit. To prepare a cash letter make sure that you:

- A.** Record your endorsement date.
- B.** List the number of items included with the cash letter.
- C.** List the number of bundles.
- D.** List the bundle totals on the cash letter on a separate recap or attach a tape listing to the cash letter
- E.** List the grand total dollar amount of all items in the cash letter.

## Sample Cash Letter Deposit Ticket



FD-302 (Rev. 10-19-90) B  
To: Federal Reserve Bank of Minneapolis  
From:

For FRB Use Only

**A** \_\_\_\_\_ Date  
List information required below:  
Number of items enclosed **B** \_\_\_\_\_  
Number of bundles enclosed **C** \_\_\_\_\_

**D** List individual bundle totals below or attach separate recap to this form.

**MIXED DEPOSIT**  
**CALCULATED AVAILABILITY** \_\_\_\_\_ **E** \_\_\_\_\_ Grand Total

## Recapping Your Deposit Cash Letters

Remember the cash letter deposit tickets you prepare are the instructions for processing your items. Information must be accurate to insure proper availability and pricing of your cash letter deposits.

A listing of bundles (item **D** above) is a verification of your grand total (**E** above) and is used in balancing your deposit. A tape listing of bundles is preferred to ensure accuracy.

## **Packaging the Cash Letter Deposit(s)**

Securely package all bundles together including the appropriate cash letter.

- A.** Use a bag or envelope that is large enough to contain the entire cash letter. The cash letter serves as your instructions for processing. Any bundles not included with the cash letter could result in adjustment entries for missing bundles and could affect availability. If possible, package each cash letter separately.
- B.** If using an envelope, please mark **CASH LETTER ENCLOSED** on the front of the envelope.

**A.**

**Federal Reserve Bank of Minneapolis  
PO Box 291  
Minneapolis, MN 55480-0291**

**B. CASH LETTER ENCLOSED**

### **Reordering Cash Letter Deposit Forms**

A cash letter reorder form is located near the end of your current supply of cash letters. Send this form in a separate envelope marked “Attention: Check Department Mail Services” or call (612) 204-5973 or 800-553-9656, extension 5973 and leave a voice mail order for the forms you need. You will receive the new supply in a few days. Verify your ABA/Routing Transit Number, your financial institution name and type of cash letter when your supply arrives.

## **Problem Solving for Check Deposits**

All cash letter deposits received by the Federal Reserve Bank are stamped with the date and time of receipt. In addition, when a deposit is delivered by courier or U.S. Mail, a log sheet is signed that provides trace information back to the receipt and time of delivery. This information is sometimes needed to address questions about cash letter availability.

Please refer to the *Adjustments Quick Reference Guide* for reporting and correcting deposit errors. Contact Check Customer Support at (612) 204-6200 or 1-800-553-9656, extension 6200 for additional information.

## MIXED DEPOSIT (UNSORTED) CASH LETTERS

The **Mixed deposit cash letter** may include any item drawn on a U.S. financial institution.

FORM 333-160 B  
To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date  
List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or  
attach separate recap to this form.

**MIXED DEPOSIT**  
CALCULATED AVAILABILITY \_\_\_\_\_ Grand Total

The **Premium Mixed deposit cash letter** may include any item drawn on a U.S. financial institution. You are required to stamp the front of the cash letter with the word "Premium." The stamp must be **RED** and lettering must be one inch in height. (Premium cash letters provide improved availability on Other Fed items contained in the cash letter but at a premium price.)

FORM 333-160 B  
To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date  
List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or  
attach separate recap to this form.

**Premium**

**MIXED DEPOSIT**  
CALCULATED AVAILABILITY \_\_\_\_\_ Grand Total

The **Mixed Unencoded cash letter** is used when you want the Federal Reserve Bank to encode items for you. This deposit includes all forward items, except Savings Bonds.

FORM 333-261 A

To: **Federal Reserve Bank of Minneapolis**

From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**MIXED UNENCODED**

**CALCULATED AVAILABILITY**

\_\_\_\_\_ Grand Total

**Things to Remember:**

- Unencoded deposits must arrive two (2) hours before the Mixed deposit deadline for encoding.
- Remember to contact your FRFS account manager when you plan to start depositing **encoded** items instead of mixed unencoded items.
- **NOTE:** If you do not notify the Federal Reserve, you will continue to pay a per item fee for the encoding service.
- You must retain photocopies, microfilm or images of items deposited. FRB Minneapolis does not microfilm these items.

## GENERAL SORT CASH LETTERS

The **City cash letter** is used to deposit items bearing routing numbers 0910, 2910, 0960, and 2960. This cash letter may also include Treasury checks, Postal Money Orders and Savings Bonds with the following routing numbers: 0000-0050-3, 0000-0051-8, 0000-0020-4, 0000-0119-3, 0000-0800-2 and 0000-9000-7.

FORM 333-539

To: **Federal Reserve Bank of Minneapolis**

From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**CITY CHECKS**

**IMMEDIATE CREDIT**

\_\_\_\_\_ Grand Total

The **RCPC cash letter** is used to deposit items bearing routing numbers: 0918, 2918, 0919, and 2919

FORM 333-540

To: **Federal Reserve Bank of Minneapolis**

From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**RCPC CHECKS**

**IMMEDIATE CREDIT**

\_\_\_\_\_ Grand Total

The **Country cash letter** is used for items bearing routing numbers: 0911, 2911, 0912, 2912, 0913, 2913, 0914, 2914, 0915, and 2915. All items receive one day availability.

FORM 333-537  
To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date  
List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or  
attach separate recap to this form.

**COUNTRY CHECKS**  
ONE-DAY CREDIT

\_\_\_\_\_ Grand Total

You may deposit all Country items bearing routing numbers 0911, 2911, 0912, 2912, 0913, 2913, 0914, 2914, 0915, and 2915 in a **Country Calculated cash letter**. *Selected* Country endpoints will receive immediate availability. All remaining endpoints receive one day availability. Refer to our Website, <http://www.minneapolisfed.org/frfs/check/index.html> for a complete listing of these select endpoints as well as a deposit schedule, or contact your account manager.

FORM 333-538  
To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date  
List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or  
attach separate recap to this form.

**COUNTRY CALC**  
CALCULATED AVAILABILITY

\_\_\_\_\_ Grand Total

The **Other Fed cash letter**, (previously referred to as Out-of-Zone cash letter) is used to deposit items drawn on financial institutions in other Federal Reserve Districts, including Montana ABAs: 0920, 2920, 0921, 2921, 0929, 2929. This deposit also includes all travelers checks beginning with routing number 8000.

FORM 337-001 01/01

<p>To: <b>Federal Reserve Bank of Minneapolis</b> From:</p>	<p>For FRB Use Only</p> <div style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<p style="text-align: right;">_____ Date</p> <p>List information required below: Number of items enclosed _____ Number of bundles enclosed _____</p> <p>* List individual bundle totals below or attach separate recap to this form.</p>
<p><b>OTHER FED</b> <b>CALCULATED AVAILABILITY</b></p>		<p>_____ Grand Total</p>

## SPECIALTY ITEM SORT CASH LETTERS

The Federal Reserve offers three free Specialty Sort Cash Letter deposit options: **1) Treasury, 2) Postal Money Order (PMO) and 3) Savings Bonds.** Treasury items bear routing numbers: 0000-0050 and 0000-0051. Postal Money Orders bear routing numbers: 0000-0020, 0000-0019, and 0000-0800-2. Treasury and PMOs use the same cash letter form, pictured below. **EACH CASH LETTER MUST CONTAIN ONLY TREASURY OR ONLY PMOs** to take advantage of free processing. They cannot be combined in the same cash letter or you will be charged City cash letter processing fees.

FORM 361-073 01/01

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

Treasury Checks **ONLY**  
or  
 PMOs **ONLY**

**Treasury or PMO**  
IMMEDIATE CREDIT

\_\_\_\_\_ Grand Total

The **Savings Bonds cash letter** is used to deposit separately sorted savings bonds redeemable in the EZ Clear program, bearing routing number 0000-9000-7. **Items must be dollar amount encoded.**

FORM 361-062 A

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**SAVINGS BONDS**  
IMMEDIATE CREDIT

\_\_\_\_\_ Grand Total

## ADDITIONAL CASH LETTERS

### Nonmachineable Cash Letter

The term Nonmachineable means checks that cannot be processed on automated high-speed check processing equipment because of their physical condition or poor encoding. Credit availability is normally extended an additional business day.

The **Nonmachineable cash letter** is used to deposit mixed or separately sorted nonmachineable items.

		FORM 333-544 01/01	
To: <b>Federal Reserve Bank of Minneapolis</b>	For FRB Use Only	_____	Date
From:			
Please indicate type of items:		List information required below:	
<input type="checkbox"/> City—Immediate Credit		Number of items enclosed	_____
<input type="checkbox"/> RCPC—Immediate Credit		Number of bundles enclosed	_____
<input type="checkbox"/> Country—One-Day Credit		* List individual bundle totals below or attach separate recap to this form.	
<input type="checkbox"/> Other Fed—One-Day Credit			
<input type="checkbox"/> Mixed/Unsorted—One-Day Credit			
<b>NONMACHINEABLE</b>		_____	Grand Total

## **Fine Sort (Package Sort) Cash Letter**

Fine Sort cash letters are deposits to the Federal Reserve in which every item in the cash letter is destined for one endpoint (ABA). **Please note that you cannot include Return Items with Fine Sort cash letters.**

Prepare Fine Sort deposits as follows:

- List the checks into bundles of approximately 300 – 400 checks.
- Securely wrap (rubber bands will do) each bundle. Attach a detail tape or computer listing to each bundle. The detail tape listing is required for each bundle including the dollar amount of each check in the bundle and the total dollar amount of the bundle.
- Prepare a summary listing of each bundle total, including a grand total listing of the deposit.
- Date each detail listing and summary of bundle totals and include your institution's name and routing number.
- Wrap each Fine Sort endpoint separately.
- Include both detail listings and summaries for each endpoint within the separately wrapped package for the endpoint.
- Clearly mark the package "Fine Sort."
- Each endpoint package should be clearly marked with the name of the drawee or payor financial institution and its nine digit routing (ABA) number as well as the name of your institution and your routing number; e.g., in the form of a label. Total items and \$.
- Include with each Fine Sort deposit a Fine Sort cash letter recap form (sample follows). This two-part form(s) will be sent to you prior to depositing with us. The original should be sent with the deposit and the copy retained by you.
- Contact your FRFS account manager before you start depositing with the Federal Reserve.

**NOTE:** Your institution agrees to accept all accounting entries resulting from differences reported by the payor institutions.

## Preparing a Fine Sort Cash Letter Recap

The Fine Sort cash letter recap should contain the following information (refer to letter locations **A - J** on the following page):

- A.** Cash letter date.
- B.** Your financial institution name, city, state, and nine-digit ABA number. NOTE: Indicate the appropriate Federal Reserve Bank.
- C.** Type of work – A separate form should be used for each category of items City, RCPC, Country, or Country Calculated. Check the appropriate box.
- D.** Payor institution name.
- E.** Payor institution nine-digit ABA number.
- F.** Total number of items per endpoint sort.
- G.** Total number of bundles per endpoint.
- H.** Total dollar amount for each endpoint.
- I.** Grand total of number of items deposited per recap form.
- J.** Grand total dollar amount of all items in the deposit. This is the amount that will be credited to your account.

**NOTE:** Retain a copy for your records.

**FINE SORT CASH LETTER RECAP  
(ENDPOINT SORTED DEPOSITS)**

FROM: **B**

\_\_\_\_\_  
Name

\_\_\_\_\_  
City, State

\_\_\_\_\_  
Nine-Digit ABA Number

To: FRB

\_\_\_\_\_

Cash Letter Date

**A**

**C** Availability Classification

	City
	Country
	RCPC
	Country Calc (Imm Cr.)

	Payor Bank	Nine-Digit ABA No.	No. of Items	No. of Bundles	Amount
	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
	<b>GRAND TOTAL</b>		<b>I</b>		<b>J</b>

White – To be forwarded with checks to the receiving Federal Reserve Office  
Canary – File Copy – Retain

## GROUP SORT CASH LETTER DEPOSITS

The term Group Sort means that you can deposit items drawn on select endpoints in one cash letter. Please access our Website at <http://www.minneapolisfed.org/frfs/check/index.html> for a listing of selected endpoints available for each Group Sort deposit option.

Please note: Return Items may not be included in Group Sort deposits.

FORM 333-588 12/00

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Group Sort NCS**

**City Checks**  
IMMEDIATE CREDIT

\_\_\_\_\_ Grand Total

FORM 333-589 12/00

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
Number of items enclosed \_\_\_\_\_  
Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Group Sort B**

**City Checks**  
IMMEDIATE CREDIT

\_\_\_\_\_ Grand Total

FORM 333-590 12/00

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Group Sort Premium A**

**RCPC Checks**  
IMMEDIATE CREDIT

\_\_\_\_\_ Grand Total

FORM 333-591 12/00

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Group Sort B**

**RCPC Checks**  
IMMEDIATE CREDIT

\_\_\_\_\_ Grand Total

FORM 333-597 12/00

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Premium Group C**

**Country Checks**  
IMMEDIATE CREDIT

\_\_\_\_\_ Grand Total

FORM 337-002 01/01

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Group A**  
**OTHER FED**  
CALCULATED AVAILABILITY \_\_\_\_\_ Grand Total

FORM 337-003 01/01

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Group B**  
**OTHER FED**  
CALCULATED AVAILABILITY \_\_\_\_\_ Grand Total

FORM 333-592 01/01

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

**Nationwide City Sort**  
**OTHER FED**  
CALCULATED AVAILABILITY \_\_\_\_\_ Grand Total

## High Dollar Group Sort Deposits

This Group Sort deposit option (HDGS) is designed for depositors looking to improve availability on High Dollar items drawn on select endpoints at a premium price. Refer to our Website at <http://www.minneapolisfed.org/frfs/check/index.html> for additional information and select HDGS endpoint listing.

Prepare High Dollar Group Sorts as follows:

1. Package the items in transparent plastic bags.
2. Affix label marked "HDGS" to the outside of the bag.
3. Stamp the cash letter HDGS in bold red type.
4. If your High Dollar Group Sort is destined for another Federal Reserve, advise the Federal Reserve via your FedLine Connection.
  - A) Select entry for Direct Sends
  - B) Create a batch
  - C) Collect a batch
  - D) Queue the batch
  - E) Transmit the batch

IMPORTANT: **Do not** include other cash letters in the bag with High Dollar Group Sort cash letters.

## PAYOR BANK GROUP SORT CASH LETTER DEPOSITS

The **Payor Bank Group Sort cash letters** include selected ABAs of institutions receiving MICR files from the Federal Reserve. Eligible endpoints change often, therefore the Check Customer Support area of the Check Department maintains and distributes the current endpoint listings for each group. Contact Check Customer Support at 1-800-553-9656, ext. 6200 to obtain a current endpoint listing. IMPORTANT: There are four (4) RCPC Payor Bank Group Sorts. Remember to indicate which RCPC group (A, B, C, D) you are depositing. You must complete a separate cash letter recap for each RCPC Payor Bank Group Sort deposit.

Return Items may not be deposited via Payor Bank Group Sorts.

FORM 333-542	To: <b>Federal Reserve Bank of Minneapolis</b>	For FRB Use Only	_____ Date
From:			List information required below: Number of items enclosed _____ Number of bundles enclosed _____
			* List individual bundle totals below or attach separate recap to this form.
<b>PAYOR BANK GROUP SORT</b>			
CITY CHECKS—IMMEDIATE CREDIT			_____ Grand Total

FORM 333-543 12/00

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

Group Letter: \_\_\_\_\_

**Payor Bank Group Sort**  
**RCPC CHECKS—IMMEDIATE CREDIT** \_\_\_\_\_ Grand Total

**The Country/Country Calculated Payor Bank Group Sort cash letters** are for selected country endpoints. There are three (3) separate Country/Country Calculated Premium Group Sorts.

Availability is as follows:

- A = One day availability
- B = Immediate availability
- C = Immediate availability

FORM 333-541 01/01

To: **Federal Reserve Bank of Minneapolis**  
From:

For FRB Use Only

\_\_\_\_\_ Date

List information required below:  
 Number of items enclosed \_\_\_\_\_  
 Number of bundles enclosed \_\_\_\_\_

\* List individual bundle totals below or attach separate recap to this form.

Country—Group Sort A  
 Country Calc—Premium Group Sort B  
 Country Calc—Premium Group Sort C

**Payor Bank Group Sort**  
**COUNTRY/COUNTRY CALC** \_\_\_\_\_ Grand Total

## DEPOSITING RETURN ITEMS WITH THE FEDERAL RESERVE

### Before You Begin Depositing Return Items

- Contact your FRFS account manager at (612) 204-6933 or (800) 553-9656, extension 6933, to coordinate your start-up or changes.
- Deposit forms, called return item letters, are sent to your financial institution before your first deposit. Verify that you have received them and they accurately reflect your financial institution name and nine-digit routing number.
- Microfilm, photocopy or image the front and back of items deposited.

### Categories of Return Items and Credit Availability

Return items are classified according to the location of the endorsing institution: City, RCPC, Country, and Other Fed. Refer to the Federal Reserve Bank of Minneapolis Commercial Check Services schedules for the current year or our Website, <http://www.minneapolisfed.org/frfs/check/index.html> for detailed information.. This schedule shows return item deposit type, item type, deposit deadline, and corresponding availability.

### How To Receive Credit

Settlement for return item deposits are made to your account with the Federal Reserve Bank or your correspondent's account with the Federal Reserve Bank.

The Federal Reserve gives provisional credit for the amount of the grand total that appears on the Country, RCPC, and City return item letters. We give provisional calculated availability credit on Mixed, Country Calculated, and Other Fed return item letters. If we find, in processing your checks, that adjustments are needed because of missing or extra checks, listing errors, or other errors, we will make the adjustments as separate debit and/or credit entries. You will receive notification of the adjustment via FedLine or paper advice. If you need assistance with tracking availability, please refer to the current *Cash Letter Availability Computer* (ATTACHMENT B).

### **Qualified Return Items**

To achieve better pricing, return items should be deposited as “qualified.” To qualify an item:

- Attach a strip to the original item or place the original item in a carrier envelope
- Encode the number 2 in position 44 of the MICR line (position immediately before the routing transit field).
- Encode the nine-digit routing and transit number for Bank of First Deposit.
- Encode the dollar amount of the check.
- DO NOT encode any other information such as check numbers or account numbers.
- DO NOT qualify items to any FRB routing number unless their endorsement appears as a Bank of First Deposit with arrows offsetting their routing number.

### **Unqualified Return Items**

Unqualified Return Item Deposits require no pre-encoding. This method is used in the following situations:

- When attachments are sent (affidavit is attached to an item, etc.)
- No Bank of First Deposit is present on the item.
- The endorsement cannot be accurately determined.
- You do not have the proper equipment to encode the required fields.

## HOW TO PREPARE A RETURN ITEM DEPOSIT

Included are samples of the Return Item Letter deposit forms in this manual. We have indicated the routing numbers of checks that should be deposited with each form to give you an understanding of how to sort and prepare a return item deposit. Step-by-step instructions follow.

### Preparing a Bundle

- Sort the returns into the proper categories:
  - Qualified return checks or unqualified return checks
  - Sort based on the deposit option(s) you have selected (i.e. Mixed, General Sort)
- List the returns into batches (bundles).
- Attach a detailed tape listing to each bundle.
- Securely wrap each bundle and attach the detailed tape to the top of each bundle. Wrapping your return items by using rubber bands and a firm material (such as cardboard) for packaging is preferred.

### Preparing a Return Item Letter

Include the following information on the Return Item Letter:

- A.** Enter the current date.
- B.** Include the number of items on the return letter deposit.
- C.** Verify your institution's name, city, state, and nine-digit routing transit (ABA) number.
- D.** List the bundle totals on a separate recap or tape listing and attach it to the return letter.
- E.** Mark the appropriate box: QUALIFIED or UNQUALIFIED. You must complete a separate return item letter for qualified and unqualified items. DO NOT combine qualified and unqualified items on the same return item letter.

**F.** Enter the total dollar amount of all items included in the return item letter.

<b>Mixed/Unsorted RETURN ITEM Letter</b>		FORM 361-061 01/01		
To: <b>Federal Reserve Bank of Minneapolis</b>	0910-0008-0	ID No. 4850		
From: <b>C</b>				
	Date of Return _____	<b>A</b>		
	Number of Items _____	<b>B</b>		
<h1 style="font-size: 2em; color: #ccc;">RETURNS</h1>				
	Please indicate type of return items:			
	Qualified <input type="checkbox"/>			
	Or	<b>E</b>		
	Unqualified <input type="checkbox"/>			
<b>D</b> Detail listing of items must be attached.				
<b>RETURN ITEMS</b>	Credit Entry	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Total Credit</td> </tr> <tr> <td style="text-align: center;"><b>F</b></td> </tr> </table>	Total Credit	<b>F</b>
Total Credit				
<b>F</b>				

**Packaging the Return Item Letter**

- If your volume of return items is one bundle or less, attach your listing to the back of your return item letter.
- All bundles should be securely packaged together along with the appropriate return item letter(s).
- Use an envelope or bag marked “Return Items Enclosed” and send to the Federal Reserve Bank as shown below.

Federal Reserve Bank of Minneapolis  
 PO Box 291  
 Minneapolis, MN 55480-0291

**RETURN ITEMS ENCLOSED**

## Reordering Return Item Letter Deposit Forms

You will find a return item letter reorder form near the end of your current supply of return item letters. Complete the form and send it in a separate envelope addressed: Attention Check Department Mail Services. You may call the reorder line at (612) 204-5973 or (800) 553-9656, extension 5973 and leave a voice mail order of the forms you need. You will receive the new supply in a few days. Verify your ABA/routing and transit number and financial institution name when your order arrives.

### Problem Solving for Return Item Deposits

Please refer to the Adjustments Quick Reference Guide for reporting errors and the time frames for correcting errors. If you have questions, contact Check Customer Support at 612-204-6200 or 1-800-553-9656, ext. 6200.

### RETURN ITEM DEPOSIT OPTIONS

You can deposit all types of return items in a **Mixed Unsorted Return Item Letter**. Remember to mark the box Qualified or Unqualified.

FORM 361-061 C	Mixed/Unsorted <b>RETURN ITEM</b> Letter	ID NO. 4850
To: <b>Federal Reserve Bank of Minneapolis</b>	0910-0008-0	
From:		Date of Return _____
		Number of Items _____
<b>RETURNS</b>		Please indicate type of return items:
		Qualified <input type="checkbox"/> or Unqualified <input type="checkbox"/>
Detail listing of items must be attached.		Total Credit
<b>RETURN ITEMS</b>		
Credit Entry		

Use the **City or RCPC Return Item Letter** deposit for the following sorted items:

City items 0910, 2910, 0960, and 2960 (ABA Bank of First Deposit)

**OR**

RCPC items: 0918, 2918, 0919, and 2919 (ABA Bank of First Deposit)

**REMINDER:** You must indicate if your items are: A) qualified or unqualified, and B) City or RCPC based upon the Bank of First Deposit.

FORM 361-019 D

City or RCPC **RETURN ITEM** Letter

To: **Federal Reserve Bank of Minneapolis**  
From:

ID NO. 4850

Date of Return \_\_\_\_\_

Number of Items \_\_\_\_\_

Please indicate type of  
return items:

Qualified  City   
or  
Unqualified  RCPC

Total Credit

**Detail listing of items must be attached.**

# RETURN ITEMS

Credit Entry

The **Country or Other Fed Return Item Letter** deposit is used for the following sorted items:

Country items: 0911, 2911, 0912, 2912, 0913, 2913, 0914, 2914, 0915, and 2915.

**OR**

Other Fed items: All other Federal Reserve Districts, including Montana items 0920, 2920, 0921, 2921, 0929, 2929.

Country or Other Fed **RETURN ITEM** Letter

FORM 361-053 01/01

To: **Federal Reserve Bank of Minneapolis**  
From:

ID No. 4850

Date of Return \_\_\_\_\_

Number of Items \_\_\_\_\_

Please indicate type of  
return items:

Qualified  Country   
or  
Unqualified  Other Fed

Total Credit

**Detail listing of items must be attached.**

# RETURN ITEMS

Credit Entry

**REMINDER:** You must indicate if your items are: A) qualified or unqualified, and B) Country or Other Fed based upon the Bank of First Deposit.

# LARGE DOLLAR RETURN ITEM NOTIFICATION

## Requirements

Federal Reserve regulations require payor institutions to provide notification to the Bank of First Deposit on all dishonored items drawn on your institution for \$2,500 or more. Regulation CC, Section 229.33 requires that notification must be provided to the Bank of First Deposit no later than 4:00 p.m. of the second banking day following the day the payor institution received the check for payment.

As the paying institution, you may:

- Provide the notification yourself.
- Request the Federal Reserve Bank to provide the notification.
- Make arrangements through another provider of notification services.

## Large Dollar Return Item Notification Services

The Federal Reserve Bank offers three types of Large Dollar Return Notification services:

- Telephone notification must be received by the Federal Reserve before 9:00 a.m. CT (Check Customer Support, 1-800-553-9656, ext. 6200). Notification will be made to the Bank of First Deposit before the end of the next business day.
- Notification via FedLine – Large Dollar Return Item Notifications made via FedLine connections with the Federal Reserve must be received by 12:00 noon CT to have the Federal Reserve notify the Bank of First Deposit by the end of the current business day. Call your account manager at 800-553-9656, ext. 6933 to sign up for FedLine Large Dollar Return Item Notification service.
- Physical return items deposited using the Return Item letter displayed below will qualify for Large Dollar Notification services provided by the Federal Reserve Bank. The deposit must be received by the Federal Reserve Bank no later than 9:00 a.m (CT) to qualify for this service.

FORM 361-058 01/01  
ID No. 4850

To: **Federal Reserve Bank of Minneapolis**  
From:

Date of Return \_\_\_\_\_

**LARGE ITEM RETURN LETTER  
NOTIFICATION BY FRB REQUIRED**

NOTE: Separate letters must be prepared for each type of credit availability. Please indicate whether this letter contains:

City   
  Country   
  RCPC   
  Other Fed   
  Mixed  
 **Qualified**   
 or   
 **Unqualified**

Please staple your checks to this form. Credit Entry

Reason	Amount
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
Total	

## **Check Services Contacts**

### **Check Customer Support**

**612-204-6200 or  
1-800-553-9656, ext. 6200**

Staff in the Check Customer Support area will assist you with:

- check adjustments, including reporting of missing/extra bundles, delay of cash letter charges and cash letter credit information;
- return items, including questions about large-item notifications and return item processing
- electronic check services, including questions related to balancing MICR files, retrieval services, or other electronic check (payor bank) services
- image services
- general questions or problems with other check services

### **Customer Service and Support**

**1-888-333-7010**

Contact Customer Service and Support for all other questions related to FedLine or any other electronic services or whenever you're not sure whom to call for help.

### **Business Development**

**612-204-6933 or  
1-800-553-9656, ext. 6933**

Contact your account manager for any questions related to service changes or adding new check services.

# Attachment A

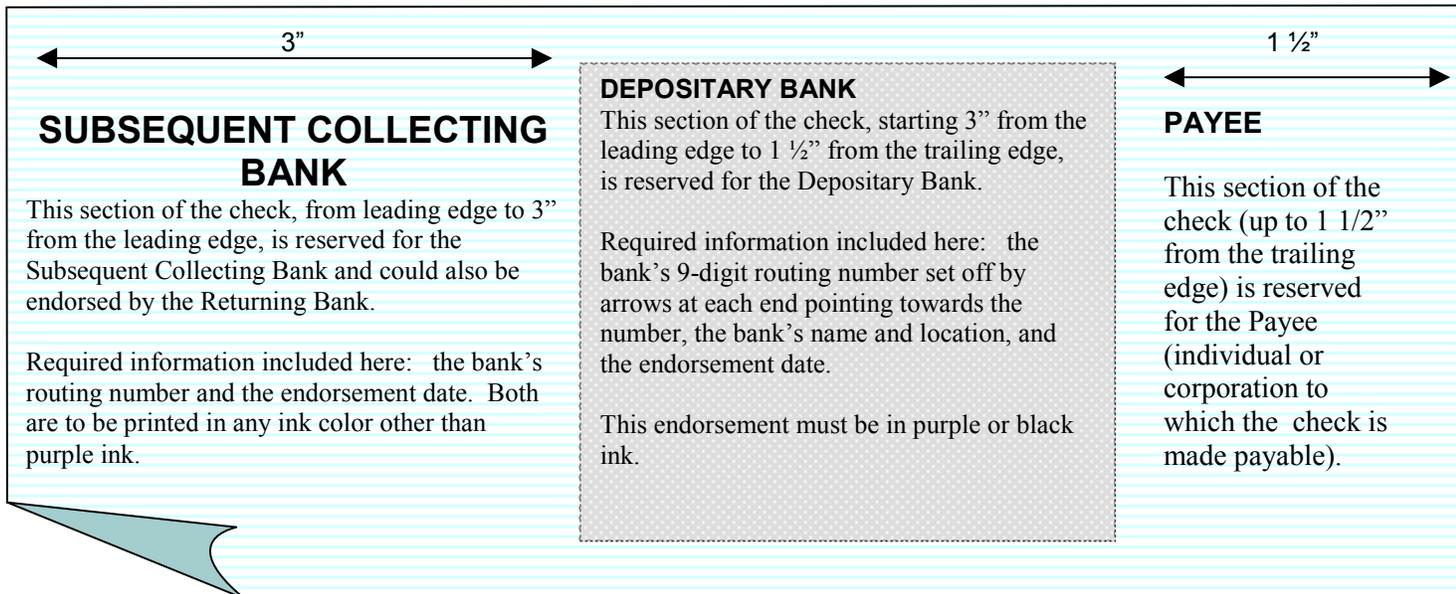
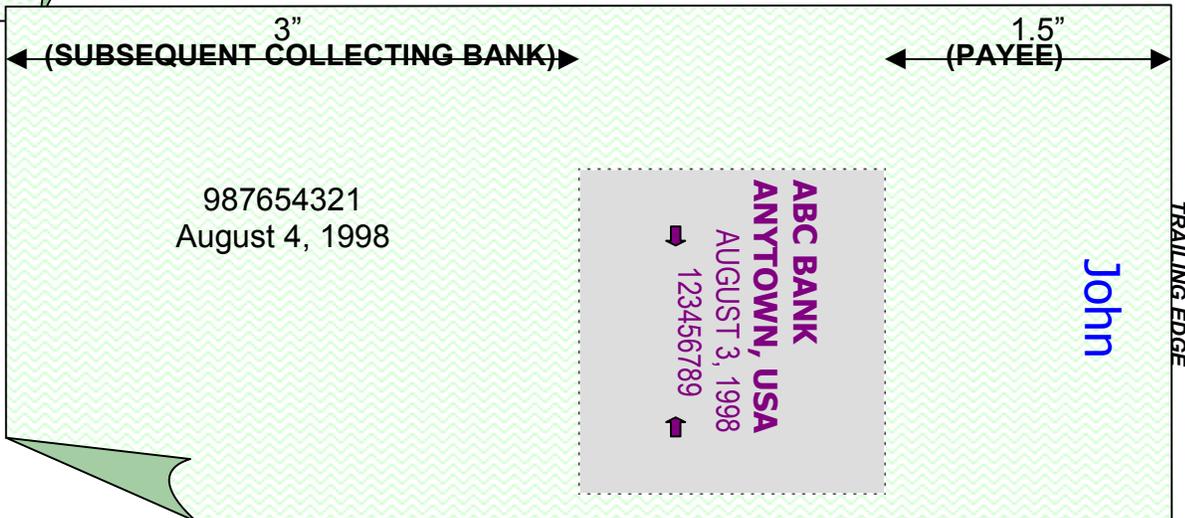
## Endorsement Standards

# TRAILING EDGE



## Endorsement Standards

The following endorsement standards ensures timely credit availability and efficient processing. See instructions below for Bank of First Deposit endorsement and collecting bank/returning bank endorsement.



# Attachment B

## Cash Letter Availability Computer