



January 29, 2008

To: All Presidents/Chief Executive Officers and Designated Check Contacts in the
Kansas City Zone

Subject: **Accounting Changes as Kansas City Check Processing Moves to Dallas**

As announced in our previous communication of Dec. 17, 2007, the Federal Reserve will move the Kansas City paper check processing function to the Federal Reserve Bank of Dallas as of April 18, 2008.

In preparation for this move, we would like to highlight some resulting changes that will appear on your Statement of Account and Statement of Service Charges for your paper check processing. Enclosure I outlines all of these changes, which will be effective Monday, April 21, the first business day after our April 18 move. Please feel free to share all of the enclosures with others in your organization who may find them useful as reference tools.

Change in Cost Center Work Unit (CCWU) Numbers

The current CCWU numbers 9201, 9202, 9301, 9302, 9601, 9602, 9603, 9604, 9605, 9606, 9607 and 9608 reflected on your Statement of Account will be changed to 9940, the CCWU of the Federal Reserve Bank of Dallas. On the Statement of Account, these numbers are listed under the "BR" column on the left, as seen in Enclosure II.

"Deferred" Becomes "Future"

Deferred activity processed by the Federal Reserve Bank of Dallas will appear on your Detail Statement of **Future** Activity on the process date. Currently, deferred activity appears on your Detail Statement of **Deferred** Activity on the process date. This activity will appear on your Detail Statement of Own Activity the day the funds become available, just as it does today. The summary record will no longer be provided, and you will no longer need to match the detail entries to the summary as you do today. Please see Enclosure II for a preview of these changes.

Change in Statement of Service Charges

On your April 2008 billing statement, you will notice two changes to your Statement of Service Charges:

- First, all items deposited after April 18 will appear as being processed by the Federal Reserve Bank of Dallas.
- Second, you will begin to see changes to the billing product codes. Some of the items deposited after April 18 will be billed under different product codes than they are today. At a later date, we will provide you with a conversion table for these product code changes. The list will contain only new product codes. No additional changes will be made to current product codes that are not included on this list. These changes will affect **only** Kansas City deposits processed in Dallas; the changes do not apply to items sent directly to any other Federal Reserve office for processing.

Once Kansas City paper check processing shifts to Dallas, all billing adjustments will appear on the Statement of Service Charges as originating from the Federal Reserve Bank of Dallas, even if the items were originally processed in Kansas City. Therefore, billing adjustments for items processed by Kansas City before the shift in processing but functioned after April 18, 2008, will appear as being processed by Dallas.

Check 21 and Payor Bank Services

The changes outlined in this letter apply to paper processing only. You will not see any changes reflected on your Statement of Account for Check 21-related services, as these will continue to be processed in the Kansas City office. You will, however, see accounting changes related to payor bank services. These changes will be communicated at a later date.

Assistance in Managing Your Account Going Forward

To assist you in managing your Federal Reserve Bank account both during this time of transition and on an ongoing basis, the Federal Reserve Banks offer a number of Accounting Information Services. These services include delivery of your daily Statement of Account, Cash Management Reports, online inquiry capabilities to view transactions, notifications of entries to your account, and the Monthly Summary Statement of Service Charges. This information can be delivered to you via FedLine Web[®] or FedMail[®] (e-mail or fax). We also offer enhanced cash management features via FedLine Web or computer interface connection, including intra-day account information on a nearly real-time basis.

Additional information on all of our accounting services is available at the following page:

FRBservices.org/accountservices/index.html

A Final Customer Service Note

Minimizing the impact of operational changes for our customers is one of our highest priorities during check restructuring. If you would like to conduct testing on accounting information, please contact LaTonya Narcisse at (800) 333-4460 ext 25797.

Please watch for additional information concerning our restructuring initiative as we draw closer to April 18, and do not hesitate to contact your account executive if questions arise.

Sincerely,



Harriet Chern
Assistant Vice President, Retail Payments

Enclosures

**Changes to Statement of Account and Statement of Service Charges for
Kansas City to Dallas Check Processing Move
Effective April 21, 2008***

	Current Status	Status Effective April 21, 2008*
Cost Center Work Unit (CCWU) on your Statement of Account	<ul style="list-style-type: none"> • Kansas City CCWUs – 9201, 9202, 9301, 9302, 9601, 9602, 9603, 9604, 9605, 9606, 9607 and 9608 	<ul style="list-style-type: none"> • Will change to Dallas CCWU 9940
Deferred Activity	<ul style="list-style-type: none"> • Deferred activity appears as “deferred” on the process date 	<ul style="list-style-type: none"> • Deferred activity processed by the Federal Reserve Bank of Dallas will appear as “futures” on the process date • The summary record will no longer be provided, and you will no longer have to match detail entries to the summary • See Enclosure II for a sample of the changes to the Statement of Account.
Statement of Service Charges	<ul style="list-style-type: none"> • Work processed in Kansas City appears under the Kansas City office 	<ul style="list-style-type: none"> • Kansas City paper checks processed at the Federal Reserve Bank of Dallas will appear under Dallas • All billing adjustments will appear under Dallas even if the item was processed before Kansas City processing shifted to Dallas • New product billing codes may be added to accommodate Kansas City products being processed in Dallas (actual fees for these products will not change)

***Note: The move of Kansas City check processing work to Dallas will occur on April 18, 2008. The accounting changes will go into effect on the first business day thereafter, on Monday, April 21, 2008.**

