



July 3, 2008

To: First District Chief Operating Officers and Check Contacts

**Accounting Changes as Windsor Locks, CT Paper Check Processing Moves to
Federal Reserve Bank of Philadelphia on September 19, 2008**

As announced previously, the Federal Reserve will move its Windsor Locks paper check processing to the Federal Reserve Bank of Philadelphia after the 8:30 am deposit deadline on Friday, September 19, 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, September 22, 2008, the first business day after our September 19 move. **Please note that these changes do not affect Check 21 depositors and receivers.** In addition, please feel free to share 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 (9801, 9802, 9803, 9804, 9831 and 9832) reflected on your Statement of Account will be changed to 9909, the CCWU of the Federal Reserve Bank of Philadelphia. On the Statement of Account, these numbers are listed under the "BR" column on the left, as seen in Enclosure II.

"Deferred" Becomes "Future"

Currently, deferred activity appears on your Detail Statement of Deferred Activity on the process date. Deferred activity processed by the Federal Reserve Bank of Philadelphia will appear on your Detail Statement of Future Activity on the process date. The activity also will appear on your Detail Statement of Own Activity the day the funds become available. 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 since the future activity appears in detail when the funds are available. Please see Enclosure II for a preview of these changes.

Change in Statement of Service Charges

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

- First, all items deposited after the 8:30 am deposit deadline on September 19 will appear as being processed by the Federal Reserve Bank of Philadelphia.
- Second, you will begin to see changes to the billing product codes. Some of the items deposited after September 19 will be billed under different product codes than they are today. Please see Enclosure III for a conversion table of product code changes. No additional changes will be made to current product codes that are not included on this list. These changes will affect First District deposits processed in Philadelphia; the changes do not apply to items sent directly to any other Federal Reserve office for processing.

Once Windsor Locks paper check processing shifts to Philadelphia, all billing adjustments will appear on the Statement of Service Charges as originating from the Federal Reserve Bank of Philadelphia, even if the items were originally processed in Windsor Locks. Therefore, billing adjustments for items processed by Windsor Locks before the shift in processing but functioned after September 19, 2008, will appear as being processed by Philadelphia.

Check 21 and Payor Bank Services

The changes outlined in this letter apply to paper processing only. As previously noted, 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 Windsor Locks. 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 Lisa Monahan, Senior Customer Support Analyst, at the Federal Reserve Bank of Boston (617) 973-6137 (e-mail: lisa.monahan@bos.frb.org).

Please watch for additional information concerning our restructuring initiative as we draw closer to September 19, and do not hesitate to contact your account executive at (800) 447-7205 if questions arise.

Sincerely,

David Plasse
Vice President
Federal Reserve Bank of Boston Check Processing

Changes to Statement of Account and Statement of Service Charges for Windsor Locks to Philadelphia Check Processing Move Effective September 22, 2008*

	Current Status	Status Effective September 22, 2008*
Cost Center Work Unit (CCWU) on your Statement of Account	<ul style="list-style-type: none"> FRB Boston CCWU – 9801, 9802, 9804, 9831 and 9832 	<ul style="list-style-type: none"> Will change to FRB Philadelphia CCWU – 9909
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 Philadelphia 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	Work processed in Windsor Locks appears under the Windsor Locks Office	<ul style="list-style-type: none"> First District paper checks processed at the Federal Reserve Bank of Philadelphia will appear under Philadelphia All billing adjustments will appear under Philadelphia, even if the item was processed before Windsor Locks processing shifted to Philadelphia New product billing codes may be added to accommodate First District products being processed in Philadelphia (actual fees for these products will not change)

*Note: The move of Windsor Locks check processing work to Philadelphia will occur on September 19, 2008. The accounting changes will go into effect on the first business day thereafter, on Monday, September 22, 2008.

EXAMPLE OF FUTURE TRANSACTIONS ON PROCESS DATE

ADPB501U FEDERAL RESERVE BANK OF BOSTON 09/22/08
ANYTOWN BANK 1234-5678-9 PAGE 99

* **DETAIL STATEMENT OF FUTURE ACTIVITY** *

BR	BATCH REF	OFFSET FI	DEBIT	CREDIT

* AVAILABLE 09/23 *				

9909	(877) 574-1776	15340 MIXED CASH LETTER		
	03846 1766	031000040 #		136.38
	03845 1765	031000040 #		495.26
		SUBTOTAL	2	631.64

ORIGINATED BY ANOTHER FEDERAL RESERVE OFFICE

EXAMPLE OF FUTURE TRANSACTIONS ON AVAILABLE DATE

ADPB501U FEDERAL RESERVE BANK OF BOSTON 09/23/08
ANYTOWN BANK 1234-5678-9 PAGE 99

* **DETAIL STATEMENT OF OWN ACTIVITY** *

BR	BATCH REF	OFFSET FI	DEBIT	CREDIT
9909	(877) 574-1776	15340 MIXED CASH LETTER		
	00015 1766	031000040 #		136.38
	00178 1766	031000040 #		495.26
		SUBTOTAL	2	631.64

ORIGINATED BY ANOTHER FEDERAL RESERVE OFFICE

**New Billing Product Codes
Effective September 22, 2008**

Product Description	Current Code	Product Code Effective September 22, 2008
RCPC Regular Tier 4	15259	15254
RCPC Premium Tier 4	15309	15304
Other Fed Tier 4	17009	17004
Mixed RCPC Tier 4	17189	17184
Mixed Other Fed Tier 1	17156	17150
Mixed Other Fed Tier 2	17157	17151
Mixed Other Fed Tier 3	17158	17152
Mixed Other Fed Tier 4	17159	17153
Mixed Government	No Code	17210