

Financial institutions are looking for Check 21 to provide them with opportunities to improve the effectiveness and efficiency of payments processing. The Federal Reserve’s FedForward products — encompassing image cash letter deposit services and paper deposit cull services — offer customers later deposit deadlines and the potential to clear dollars faster and to reduce processing costs.

FedForward

The FedForward product suite is designed to help you transform your operations to clear dollars faster, reduce transportation, streamline backroom operations and extend deadlines. The suite supports the electronic clearing process enabled by Check 21 and focuses on creating value for your business with favorable image cash letter deposit deadlines and large-dollar cull services that benefit paper depositors.

The Federal Reserve’s FedForward products include:

FedForward Image Cash Letter Deposit

The FedForward Image Cash Letter Deposit offers “later-than-paper” deadlines that allow you to significantly improve availability. When you deposit a mixed image cash letter¹ of forward collection items, the Federal Reserve will clear the items and present either substitute checks or an electronic file to the paying bank.

¹ Image cash letters must conform to the Federal Reserve version of DSTU X9.37-2003 format.

Electronic Endpoint Group Sort

The Electronic Endpoint Group Sort is an image cash letter deposit consisting exclusively of items drawn on electronic receivers. You may deposit a sorted cash letter containing items drawn on electronic endpoints at a later deadline than the mixed image cash letter option. The Federal Reserve will frequently publish the list of electronic receipt endpoints.

Image Cash Letter Deposit Deadlines* and Availability (Eastern time)

8:00 p.m.	Next day on all city and RCPC endpoints nationwide
10:00 p.m.	Next day on all city and RCPC endpoints nationwide
12:01 a.m.	Same day on all city and RCPC endpoints nationwide
2:00 a.m.	Same day on all city and RCPC endpoints nationwide
4:00 a.m.	Same day on all city and RCPC endpoints nationwide
7:00 a.m.**	Same day on all city, RCPC Premium Plus and HDGS endpoints nationwide
10:00 a.m.**	Same day on all city clearinghouse endpoints nationwide, plus RCPC Premium Plus and HDGS endpoints in the Pacific time zone
Noon**	Same day on all city clearinghouse endpoints in the Mountain and Pacific time zones

Electronic Endpoint Group Sort Deadlines* and Availability (Eastern time)

9:00 p.m.	Next day on all city and RCPC endpoints nationwide
11:00 p.m.	Next day on all city and RCPC endpoints nationwide
1:00 a.m.	Same day on all city and RCPC endpoints nationwide
3:00 a.m.	Same day on all city and RCPC endpoints nationwide
5:00 a.m.	Same day on all city and RCPC endpoints nationwide
8:00 a.m.**	Same day on all city, RCPC Premium Plus and HDGS endpoints nationwide
11:00 a.m.**	Same day on all city clearinghouse endpoints nationwide, plus RCPC Premium Plus and HDGS endpoints in the Pacific time zone
1:00 p.m.**	Same day on all city clearinghouse endpoints in the Mountain and Pacific time zones

* Deadlines are subject to change and are based on receipt of the full file. Files that are incomplete at the deadline will be deposited into the next deposit deadline.

** These deadlines provide same-day availability on eligible electronic receipt endpoints with customer-designated later electronic delivery times.

Pricing

FedForward image cash letter pricing for mixed and group sort deposits will incorporate many features of today's paper-based pricing structure, with some new features as well:

- identical fees across all Federal Reserve offices,
- a tiered pricing structure,
- time-of-day pricing, which reflects the higher value of later deadlines, and
- higher fees for items drawn on endpoints requiring substitute checks than for items drawn on electronic receipt endpoints.

FedForward

Key Features

- Mixed or sorted deposit options
- A variety of products to accommodate the processing capabilities of diverse customers in all time zones
- Image cash letter deposit deadlines available throughout the processing cycle
- National pricing and deadlines
- Time-of-day pricing to reflect the higher value of later deadlines
- Per-item deposit fees for checks drawn on substitute check receivers that encompass both collection and substitute check printing

Key Benefits

- Flexibility to deposit mixed or sorted image cash letters depending on capabilities and objectives
- Accelerated funds availability
- Transportation savings
- Earlier clearing of more dollars due to later deposit deadlines for image cash letters than for paper
- Opportunity to reengineer backroom operations to achieve efficiencies
- Opportunity to improve customer service by extending branch deposit cut-off times

Cull from Mixed and Other Fed Paper Cash Letter Deposits

Customers who deposit paper cash letters can take advantage of faster clearing by electing to have items above a certain dollar threshold culled from their mixed and other Fed paper deposits. Reserve Banks will clear these items using the most expedient processes available.

Deadlines

Deadlines are the same as paper forward mixed and other Fed deposit deadlines. Local Federal Reserve offices may offer supplemental deposit deadlines if electronic clearing can improve availability.

Pricing

Checks culled for expedited clearing will incur a per-item fee based on the value of the item.

The Federal Reserve Check 21 Advantage

The Federal Reserve is the nation's largest processor of interbank check payments, clearing almost half of all interbank checks written in the United States. The Reserve Banks are working with industry partners and customers to enable Check 21 and dramatically improve the efficiency of the payments system. The FedForwardSM, FedReturnSM and FedReceiptSM product suites leverage our nationwide clearing network to offer faster clearing at much later deadlines, to reduce risk through expedited returns processing and to lower end-to-end clearing costs.

Federal Reserve Financial Services

The Federal Reserve offers a full range of financial services to assist depository institutions in achieving a sustainable competitive advantage. We provide innovative and progressive services that enable you to capitalize on growth and revenue opportunities. Our services are designed to provide the accessibility and flexibility you need to compete in a dynamic and evolving industry.

Contact Us

For more information about FedForward or any of the Federal Reserve's products and services, contact your Account Executive or visit www.frbservices.org.

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