



FEDERAL RESERVE BANK
OF DALLAS

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

DALLAS, TEXAS
75265-5906

November 7, 2000

Notice 00-69

TO: The Chief Operating Officer of each
financial institution and others concerned
in the Eleventh Federal Reserve District

SUBJECT

**Federal Reserve System
Check Modernization Initiative**

DETAILS

Building on our tradition of excellence in customer service quality, the Federal Reserve System is making an important investment in the future of check services. We have established a Check Modernization initiative that will fundamentally redesign our infrastructure for providing both paper and electronic check services over the next three years.

Industry changes and technological advances are challenging us to retool our check-processing environment so that we can respond quickly to changing market needs and remain efficient and competitive. The Check Modernization initiative is designed to improve the overall quality and uniformity of check services to all customers nationwide. The new infrastructure is expected to improve Reserve Bank operating efficiency, facilitate the move to electronic payments and speed the rollout of new products.

Specifically, Check Modernization involves standardizing and reengineering our check-related activities through four key projects:

- **The *Enterprise-Wide Adjustments*** project will move check adjustments to a streamlined common platform with shared data across Federal Reserve Banks, eventually linking to a national image archive. We have already completed more than half of the EWA project implementations across the System.
- **The *Check Standardization*** project will install a standard, centrally managed item-processing platform at the Federal Reserve's 45 check processing sites.

- The *Image Services System* project will establish a standard check-imaging platform with a national image archive and enhanced research and retrieval capabilities.
- The *Check Electronic Access and Delivery* project will convert existing FedLine/DOS check services to FedLine for the web and will eventually offer enhanced online check services.

Because of the magnitude of the Check Modernization initiative and to ensure continued service quality to all customers nationwide, the Federal Reserve has carefully planned a phased implementation of these four projects. We have developed an implementation schedule for each Reserve office, with the entire initiative scheduled for completion by the end of 2003. We will keep you apprised of further details as our conversion activities draw nearer.

Although we expect these implementations to have a minimal impact on your operations, please be assured that we will provide you with ample notice of the cutover schedule and inform you of any operational changes that require preparation on the part of your financial institution. We will also notify you of any necessary testing and training and will coordinate these activities with you.

MORE INFORMATION

For more information regarding Check Modernization, please contact Larry Snell, (214) 922-5571, at the Dallas Office; Eloise Guinn, (915) 521-8201, at the El Paso Branch; René Gonzales, (713) 652-1543, at the Houston Branch; or Herb Barbee, (210) 978-1402, at the San Antonio Branch.

For additional copies of this Bank's notice, contact the Public Affairs Department at (214) 922-5254 or access District Notices on our web site at

<http://www.dallasfed.org/banking/notices/index.html>.

Sincerely,

A handwritten signature in cursive script that reads "Helen E. Holcomb".