

**MEMO# 2485**

January 23, 1991

## **CHECK AGING STUDY - MONTH OF MARCH, 1991**

January 23, 1991 TO: OPERATIONS COMMITTEE NO. 3-91 RE: CHECK AGING STUDY - MONTH OF MARCH, 1991 \_\_\_\_\_ At their

September 17, 1990 meeting, the Operations Committee agreed to conduct a "checking aging" study of investors checks presented to money market and other income funds for share purchases during the month of March, 1991. For this study, please submit check data for ginnie mae, U.S. Government and municipal funds as well as money market funds. For those committee members who were not at the meeting, the check aging study is being performed at this time in an effort to determine the time period within which proceeds from checks deposited into bank checking accounts are being made available to customers as provided for under the Federal Reserve Rule implementing the Expedited Funds Availability Act enacted by the Congress on August 10, 1987. As was done with the eight previous "check aging" studies (July 1980, March 1981, November 1982, November 1984, November 1985, January 1987, November 1988 and November 1989), the attached forms are to be completed by each Committee member for each type of fund. Please complete a separate form for each fund and fill out both sides of each form. In accordance with a special request from the SEC, please note that, again this year, the survey requests information regarding foreign checks. Namely, we are requesting that you separately report the number of foreign checks returned and the number and corresponding total dollar amount of foreign checks sent back to drawee banks for collection in March. Please supply the information requested for the items enumerated on the form as follows: (1) The number of checks returned that were drawn against domestic banks and cleared through the Federal Reserve System. (2) The number of checks returned that were drawn against foreign banks and sent out for special collection by the fund's custodian. (3) The number of redemption requests refused in March because of uncollected payments (as set forth as fund policy in No. 4 below). (4) Each fund's policy (if any) with respect to how long investments made by personal check are held before redemption proceeds are mailed or wired, or a check is permitted to be drawn against the shareholder account. Please state the fund's policy as set forth in the prospectus. (5) The total number of all shareholder checks drawn on domestic banks and cleared through the Federal Reserve System that were deposited and cleared in the month of March for each fund. (6) The total number of foreign checks sent out by the fund's custodian for special collection in March and their corresponding total dollar amount. It is very important that we have maximum participation in this year's study. The previous check aging studies have been most valuable for the Institute in responding to questions before the SEC, Federal Reserve and the Congress. Participation and completion of this study by all Committee members is most important as this will be the third check aging study performed after the effective date for banks implementing the new rule. Therefore, as applicable, please forward this memo and attached forms to the appropriate person within

your own organization or contact your outside transfer agent as soon as possible so that they can be prepared to start the study on March 1, 1991. If you are new to the Operations Committee and have not participated in prior studies and you have questions regarding the study, please call Donald O'Connor at the Institute. Please return the completed form(s) and any other responses or comments you may have as soon as possible in April. Send them to Rita Pemberton, Investment Company Institute, 1600 M St., N.W. - 6th Floor, Washington, D.C. 20036. Or, send the completed study by fax to Ms. Pemberton at 202/293-1058. If you have any questions, please contact Donald E. O'Connor at 202/955-3550. Robert W. Blucke Chairman Attachments

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