

## Quick Reference for Return Item Adjustments

12/6/02

Term	Definition	Additional References
Forged Endorsement	A return check in which the payee's signature has been forged. If discovered WITHIN the return deadline (24 hour midnight), return through normal return channels. An affidavit is NOT required to accompany the item through normal channels, but should be sent directly to the BOFD. If discovered AFTER the return deadline, but within 3 years, deal direct with BOFD. An affidavit is required with your request when dealing direct.	UCC 3-405 (specific case) UCC 4-111      OPC 3 - 18.3 Adj. Quick Ref
Forged Signature	A return check in which the maker's signature has been forged. If discovered WITHIN return deadline (24 hour midnight), return through normal return channels. An affidavit is NOT required to accompany the item through normal channels, but should be sent directly to the BOFD. If discovered AFTER the return deadline, deal direct with the BOFD, an affidavit is required.	UCC 4-406
Late Claim (LC)	An adjustment case submitted within 2 calendar months by the depository bank claiming the paying bank returned an item late. Can only be handled through FRB if item was previously processed by FRB or as a Forward or Return check.	OPC 3 18.2, 18.4 Adj. Quick Ref
Late Return	A return check that was returned after its return deadline (24 hours from midnight on the day of presentment).	UCC 4-301, 4-302 Reg. CC 229.30 (a&c), 229.38(b) Reg. J 210.12 (a) OPC 3 18.4 (footnote 8)
Late Return Disclaimer (LR)	An adjustment case submitted within 20 business days from the date of charge by the local FRB by the paying bank refuting a claim of late return.	OPC 3 18.2, 18.5 Adj. Quick Ref
Missorted Cash Item (NOI)	A forward collection check sent and charged to a bank in which the item <i>does not</i> contain that bank's MICR routing number. <b>See important additional detail in OPC 3-14.2.</b>	OPC 3 14.1, 14.2 Adj. Quick Ref
Missorted Return Item (NOI)	A return check (QRC or RAW) that has been charged back to a depository bank who claims they are not the BOFD and the item was not deposited at their bank.	OPC 3 15.12 Adj. Quick Ref
Non Cash Item (NCH)	A check or instrument that cannot be presented for payment due to a variety of reasons (see reference for detail).	OPC 3 3.0 Adj. Quick Ref
Photocopy (Notice in Lieu) (PIL)	A copy of an original returned check that is unavailable for return. An indemnity statement is NOT required, however the photo must clearly state it is a <i>Notice In Lieu</i> . In addition, as with a forward collection photo, steps must be taken to ensure the original item has not been processed prior to processing the photo. The return photo CANNOT be re-presented for payment as a cash item.	Reg CC 229.30 (f) Reg CC 229.34 (a) OPC 3 19.12, 19.14 Adj. Quick Ref
Request for Source (SOR)	A return check that is unable to be returned to the endorser due to a missing or overlapping endorsement as a forward collection item. Item is charged to the drawee with a request to supply source as a cash item (presentment). Information should be sent back with the return check for credit as a RAW return. FRB will re-credit, trace, & charge the item to their depositor.	

Reg. CC

Regulation CC - Availability of Funds and Collection of Checks

<http://www.bankinfo.com/Regs-aag/reg12229.html>

Reg. J

Regulation J - Collection of Checks and Other Items and Wire Transfer of Funds

<http://www.bankinfo.com/Regs-aag/reg12210.html>

OPC 3

Operating Circular 3 - Collection of Cash Items and Return Checks

<http://frbservices.org/checks/frchecks.cfm>

Adj. Quick Ref

Adjustment Quick Reference Guide

<http://frbservices.org/CheckAdjGuide/frCheckAdjGuide.cfm>

UCC

Uniform Commercial Code Articles 3 and 4

<http://www.law.cornell.edu/ucc/3/overview.html>