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mally "takes them over" by initialling for each bill, usually in the collection register.

Collecting and Accounting.

The matter of the actual collection of the bills and the method of accounting for them, though not falling within the junior's duties, can be described here. The bills have been followed from the time of their receipt to their instalment in the bill-case. Here they rest, unless recalled or paid in advance, till their respective maturities, the manager being primarily responsible for them. A few words now concerning a batch of matured bills on the day of their maturity. All payments and receipts of cash must go through the teller's hands. Therefore, one of his duties is to collect the bills. In the morning, after getting his cash-box, he takes over the bills for the day, initialling for each one in the diary. Amongst them will be some signed by customers of the bank as promissors or acceptors. A number of these can be charged at once to the customers' accounts. In these instances, all that is necessary is to make proper accounting to the owners of the bills and then to cancel them, stamp them paid, and put them through the books in exactly the same manner as cheques.

It may be that some of the customers having bills due have not enough funds at their credit to permit charging up the bills; some may have issued standing instructions not to charge bills to their accounts without cheques. With these it is necessary to wait until the customers deposit sufficient to cover the amount of their bills in the one case, and until they hand in cheques in the other.

Bills Payable at Other Banks.

Amongst the bills, perhaps, will be some accepted or made by customers of other banks in town. These will be accepted payable at the other banks. Presentment of each must be made at the bank at which it is domiciled. Here the junior resumes his acquaintance with the bills, for it falls to his lot to make the presentment.

At each one of the other banks he hands in the bills payable there to the ledger-keeper, or the man who has charge of the deposit-ledger. The ledger-keeper examines them, satisfies himself as to the due date and as to the genuineness and regularity of the signature of the promissors or acceptors, and proceeds to honor or dishonor them. The junior does not collect cash for the bills now about to be paid; he merely gets them accepted or certified. When the ledger-keeper of the bank, at which he is making presentment, has selected the bills he intends to pay, he enters each one as a cheque or debit in the account of the man whose name is signed on the bill as acceptor or promisor; then he stamps the "acceptance" or "certification" of his bank on each bill so entered, along with his initial.

This constitutes an acceptance by his bank. When the bills are formally handed back by the ledger-keeper so stamped and initialled, the ledger-keeper's bank becomes primarily liable to the holder of the bills. If the accepting bank is in good credit, the bills now are regarded as paid, and when the junior returns them to the teller, the latter proceeds to account for them to the owners.

Some of the bills taken out in this way will be dishonored for the reason that some of them, payable at the junior's own bank, were not paid, the parties signing them not having enough funds at their credit, or having left instructions to pay nothing without cheques. These the junior gets back from the ledger-keepers of the banks at which they are made payable, with the answer, "Present again," "Not sufficient funds," or "No instructions to pay."

Payments Received Over the Counter.

The bills, so far described, are the obligations of business men and others who operate current accounts. There are usually a number of notes and drafts each

day, the primary debtors on which do not maintain running accounts at any bank. Instead of having their bills charged up as they come due, these people attend at the bank counter and pay in cash. In the case of their bills, the teller has but to hold them through the day and accept payment when it is tendered.

Disposition of Unpaid Bills.

At the end of the day probably there are a number of bills not taken up or paid. As they are merely collections, and not the property of the bank, they are simple to deal with. Bills carrying "no protest" instructions are returned as soon as possible to the owners. If the owner is an out-of-town correspondent bank, its unpaid bills are sent back in a letter the same day; if a regular or occasional local customer, they are surrendered on the first opportunity. When the "no protest" instructions are not attached, the bank is under obligation to have the unpaid bills protested, in which case they usually are returned the next day.

The remitted bills remain to be dealt with. These are bills taken for collection by the bank, payable at other points. They come largely from local customers—manufacturers, wholesale dealers, and others having debts in sundry places to collect. As soon as these have been recorded in the books they are sent forward to the bank's correspondents at the places at which they are payable. At least, that is the procedure in cases where chartered banks are the correspondents. It happens sometimes that bills are received on points where no chartered bank is established.

There may be private banking offices to act as agents, but they, of course, are not so strong financially as the chartered banks, and not so much confidence is imposed in them. If the bills are drafts requiring to be presented at once, they are forwarded right away to the private banking correspondents. And, if the maturity of the bills is not more than two or three weeks ahead, they are sent "for collection and remittance" just the same as the bills are sent to chartered bank correspondents. But some banks make a difference with bills having a longer currency. They do not wish to have them lie too long in the hands of correspondents, about whose actual position and character they know little or nothing.

Remitted Collections.

Should the correspondent be dishonest, and at the same time under financial pressure, he might pledge the bills sent him by other banks as security for his own indebtedness, or negotiate them for his own benefit. Therefore, the more cautious institutions hold the completed bills payable at such points in their own possession, and do not forward them till about ten days or two weeks before they are due; they send unaccepted drafts with currency of two months or more forward "for acceptance and return," again forwarding them for collection just before maturity.

Obviously, in the case of these remitted bills, there is nothing to be done at the bank except wait for returns to come in from the correspondents. These returns may be expected on the day after maturity in the case of bills sent to points near at hand; they may not come for a week from correspondents located far away.

Crediting and Remitting Proceeds.

When bills are unpaid at maturity or refused acceptance on presentation, they are, as already explained, returned to the owners as soon as possible. When they are paid, the just proceeds must be delivered to the owners immediately upon the receipt of payment. The simplest method of accounting to the local owners of paid collections is to credit the proceeds to their accounts. From the total amount received for each bill, the amount of the commission, agreed upon as remuneration for the bank, is deducted, and the balance credited to the owner's account in the deposit or savings ledger.