

(1) *Unless otherwise instructed, a collecting bank may present an item not payable by, through or at a bank by sending to the party to accept or pay a written notice that the bank holds the item for acceptance or payment. The notice must be sent in time to be received on or before the day when presentment is due and the bank must meet any requirement of the party to accept or pay under Section 3—505 by the close of the bank's next banking day after it knows of the requirement.*

(2) *Where presentment is made by notice and neither honor nor request for compliance with a requirement under Section 3—505 is received by the close of business on the day after maturity or in the case of demand items by the close of business on the third banking day after notice was sent, the presenting bank may treat the item as dishonored and charge any secondary party by sending him notice of the facts.*

*4—211. Media of Remittance; Provisional and Final Settlement in Remittance Cases.*

(1) *A collecting bank may take in settlement of an item*

(a) *a check of the remitting bank or of another bank on any bank except the remitting bank; or*

(b) *a cashier's check or similar primary obligation of a remitting bank which is a member of or clears through a member of the same clearing house or group as the collecting bank; or*

(c) *appropriate authority to charge an account of the remitting bank or of another bank with the collecting bank; or*

(d) *if the item is drawn upon or payable by a person other than a bank, a cashier's check, certified check or other bank check or obligation.*

(2) *If before its midnight deadline the collecting bank properly dishonors a remittance check or authorization to charge on itself or presents or forwards for collection a remittance instrument of or on another bank which is of a kind approved by sub-section (1) or has not been authorized by it, the collecting bank is not liable to prior parties in the event of the dishonor of such check, instrument or authorization.*

(3) *A settlement for an item by means of a remittance instrument or authorization to charge is or becomes a final settlement as to both the person making and the person receiving the settlement*

(a) *if the remittance instrument or authorization to charge is of a kind approved by Sub-section (1) or has not been authorized by the person receiving the settlement and in either case the person receiving the settlement acts seasonably before its midnight deadline in presenting, forwarding for collection or paying the instrument or authorization,—at the time the remittance instrument or authorization is finally paid by the payor by which it is payable;*

(b) *if the person receiving the settlement has authorized remittance by a non-bank check or obligation or by a cashier's check or similar primary obligation of or a check upon the payor or other remitting bank which is not of a kind approved by Sub-section (1) (b),—at the time of the receipt of such remittance check or obligation; or*