

May 23, 1950

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Mr. E. R. Heath, Assistant Cashier,  
Federal Reserve Bank of Chicago,  
Chicago 90, Illinois.

Catalogued

Dear Mr. Heath:

Please refer to your letter of May 15, 1950, with regard to a study which you are making as to the advisability of establishing a central filing system.

Following are answers to the specific questions asked in your letter:

1. How long has your central filing system been in effect?

This bank has always maintained a central filing system for general correspondence, intermingling in the central file all correspondence on bank and fiscal agency transactions.

Because of the confidential nature of certain types of correspondence, separate departmental files are maintained of personnel correspondence, bank examination correspondence, bank credit correspondence and credit files of borrowers.

While all correspondence in such files is not cross-indexed to the central files, copies of letters, excerpts therefrom, or cross-indexes of letters of a non-routine nature are sent to the central files, in order that these files will present a complete picture of our transactions.

2. Are your central files classified by subject?

Our central files are not classified by subject but are maintained in chronological order. Separate filing sections are maintained for various classifications of correspondence files as follows:

- (1) Member and nonmember banks in our district
- (2) Commercial banks in other districts
- (3) Our branches
- (4) Other Federal Reserve banks and their branches
- (5) Public
- (6) Board of Governors of the Federal Reserve System
- (7) Divisions of the Treasury Department

Mr. E. A. Heath, Assistant Cashier  
Federal Reserve Bank of Chicago

May 23, 1950

We maintain a very complete subject or reference file on various subjects, in which copies of pertinent material are filed. This file is invaluable when it is necessary to obtain information of a historical nature regarding any one subject.

In addition to correspondence, our central filing department files collection letters, cash letters, advices, entries, statements, reserve reports, bond redemption letters, bond requisitions, bond schedules, etc.

3. Do you regard it as eminently satisfactory?

We have found our central files entirely satisfactory and consider that this method of filing has many advantages over decentralized files. Audit clerks and others working on "grief" assignments find it convenient and time-saving to have all correspondence, collection letters, cash letters, advices, entries, and statements in a central department. Officers contemplating visits to member banks find it convenient to review the general correspondence files of the banks to be visited and note for discussion any problems that may have arisen. It has been our experience that basic filing rules and procedures are followed by trained filing personnel under proper supervision in a central department; departmental files, on the other hand, are likely to be operated as part time work of clerks or typists with more or less unsatisfactory results.

4. Do some departments or executives maintain their own files in lieu of or in addition to the central files?

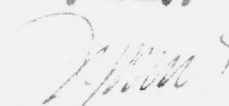
See answer to Question 1.

5. Did you install it yourself or did you employ outside experts?

Our filing system, including our subject file and its subject classification, was developed by this bank. Some of the methods and procedure which add considerably to the successful operation of our central files were original developments of this bank and probably could not have been obtained from outside sources.

The attached memorandum describes the operation of our central filing department in more detail and may be helpful to you. If we can be of further assistance, please do not hesitate to call upon us.

Yours very truly,

  
Ronald T. Symms,  
Vice President and Cashier.

  
Morrison:lg

Enclosure.

### General Files Procedure

The following pages outline somewhat in detail the physical methods employed in the Central Filing Department of the Federal Reserve Bank of San Francisco.

Correspondence with banks in our district, whether member or nonmember, is filed together; first, alphabetically by towns (regardless of states) and then alphabetically by banks.

Metal-tipped guides bearing the names of towns are followed by gray pressboard guides bearing the names of the banks which are placed in front of two-fifths cut manila folders. The names of the banks also appear on the folders, as well as the period of time covered. At transfer periods the manila folders and contents are removed and new folders bearing the names of the banks and the current periods of time are inserted. The guides remain permanently in the current files. Correspondence is arranged chronologically and attached to manila tagboard backers by means of Dennison paper fasteners placed through the upper left corner of the backers and correspondence. The backers also bear the names of the banks and the periods of time covered. The same order of filing is followed for each day's work, i.e., outgoing letters, incoming letters, outgoing telegrams, incoming telegrams.

When the correspondence file of a bank is required, the folder is not removed from the file, but the backer, with the correspondence attached, is taken out, placed in a red folder, and charged out to the person requesting it. The folder is glaringly red in order to attract immediate attention, which minimizes the possibility of its being misplaced or not returned to the Filing Department promptly.

The backer method has proved to be very satisfactory. An applicant for a specific letter must receipt for the entire file of correspondence (possibly all of the correspondence for a month or even a year) and, consequently, is under the responsibility of returning the file as promptly as possible. No one is permitted to remove letters from the backers, and the possibility of misplacing single letters, which might occur if correspondence were not attached to backers, is eliminated. Retention of the manila folders in the file reduces the possibility of misfiling a backer since, when a backer containing correspondence is returned to file, the empty folder in which it belongs must be found in which to place it. Time is saved in re-filing inasmuch as it is not necessary to replace each letter called for, as would be the case if correspondence were filed loose in folders, but one backer only.

Correspondence with the Board of Governors, various divisions of the Treasury Department, our branches, other Federal Reserve banks and their branches, and the public is filed in a similar manner, although the guiding is appropriately changed. For the public correspondence, a standard alphabetic file is used, the number of divisions depending on the volume of correspondence. We presently use a 240 division guide.

We have found that filing posting media such as entries on backers is equally as desirable as filing correspondence on backers,

For convenience, the central files are divided into

(1) ACCOUNTING SECTION

Containing:

- Incoming cash letters
- Copies of outgoing cash letters
- Advices of credit, returned items, etc.
- Collection letters, tracers, etc.
- Member bank reserve reports
- Member bank ledger entries
- General ledger entries
- Government entries
- Fiscal Agent entries
- Blotters and registers
- Treasurer's transcripts
- Bond applications
- Bond requisitions
- Bond sales reports
- Bond schedules
- Receipts for cash and securities, and
- Various other Fiscal and Savings bonds forms and reports

(2) CORRESPONDENCE SECTION

Containing correspondence with:

Bank and Public

- Member and Nonmember banks in the Twelfth District
- Commercial banks in other districts
- Our branches
- Other Federal Reserve banks and branches
- Clearing House Associations, Bankers Associations, etc.
- Public

Government

- Board of Governors of the Federal Reserve System
- General Correspondence
- S-letters (numerically)

Government (Cont'd)

Secretary of the Treasury  
General Correspondence  
Bureau of Accounts,  
Division of Deposits  
Bureau of Internal Revenue  
Commissioner of Internal Revenue  
Bureau of the Public Debt  
Division of Loans and Currency, Washington  
Division of Loans and Currency, Chicago  
Register of the Treasury, Washington  
Register of the Treasury, Cincinnati  
Comptroller of the Currency  
National Bank Examiners  
United States Mint  
United States Savings Bonds Division, Washington  
United States Savings Bonds Division, Regional Offices

Treasurer of the United States

General Correspondence  
Form Telegrams and Letters  
Clearance letters from Electrical Accounting Section,  
Regional Office - Division of Disbursement

Department of Agriculture  
Commodity Credit Corporation  
Forest Service

Department of the Interior  
National Park Service

Department of Justice  
Department of the Army  
Department of the Navy  
Postal Service  
Postmaster General  
Local Post Offices  
Federal Deposit Insurance Corporation  
Reconstruction Finance Corporation  
Miscellaneous Government Offices

(3) SPECIAL SECTION

In this section are field circulars issued by this bank and other Federal Reserve banks, P.D. Bulletins, Fiscal Operations Memoranda, statements and reports, and other special files which do not fall in the categories of other filing sections.

(4) SUBJECT FILE SECTION

The purpose of maintaining a subject file is to facilitate locating correspondence covering rulings, instructions, interpretations of the law and regulations, and policy matters that would otherwise be difficult to find in chronological files. Actions taken at Presidents' and other conferences, and committee findings, are also noted in the reference file. In order to maintain complete chronological files, only copies of letters are filed in the subject file.

A subject or reference file can be developed properly only if an adequate classification of subjects is adopted in advance. The classification prepared at this bank is based on the Dewey decimal system of classification, which was chosen mainly because that system is capable of great expansion. However, our classification, which was prepared nearly 30 years ago, has required very little expansion, and that which has been necessary has occurred in subjects which could not have been anticipated when the classification was prepared, such as consumer credit control, Federal Tax operations, etc. The subject file at this bank now comprises approximately 100 drawers of subject material, which is of great reference and historical value.

Our letter of May 6, 1937 addressed to your bank outlined in some detail our method of indexing and filing in the subject file, and a copy of our classification and a specimen index card was forwarded at that time. We are not forwarding copies of such material at this time inasmuch as the classification is rather voluminous and we do not know whether you are interested in the subject file aspect of our central filing department. We shall, however, be glad to supply you with additional information if you desire it.

METHOD OF HANDLING AND FILING CORRESPONDENCE

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ROUTING

Every letter addressed to the Federal Reserve Bank of San Francisco is opened in the Mail Department and there directed to the person or persons who will handle it, thus:

If a letter is addressed to an officer it is, of course, opened by him and does not go to the Mail Department for direction. However, if the officer to whom it is addressed does not handle it personally but refers it to another, he stamps it thus

REFERRED BY MR. MORRISON  
TO MR. White

APR 11 1955

If it is desired to refer it to several persons, he stamps it thus:

REFERRED BY MR. MORRISON  
TO MR. Brace

APR 11 1955  
REFERRED BY MR. MORRISON  
TO MR. Gray

APR 11 1955

REFERRED BY MR. MORRISON  
TO MR. Black

APR 11 1955

No letter is permitted to go to file which does not show on its face a clear record by means of signatures or initials of all persons who have handled it or noted its contents.

COLLECTION, SORTING, ETC.

The desk of each officer, department head, assistant, etc., has a file basket as well as Attention and Distribution baskets.

Everything intended for the Filing Department is placed in the "File" basket which is cleared by messenger service a minimum of twice daily.

Correspondence is first roughly sorted into Government and Board of Governors; member and nonmember banks; other Federal Reserve Banks and branches; branches of Federal Reserve Bank of San Francisco; commercial banks outside of Twelfth Federal Reserve District, Public, etc. Letters are arranged alphabetically for filing. They are then passed to the Reading Clerk, and, upon their return, the filing clerks deposit them in the files.

READING

The duties of the "Reading Clerk" are primarily to see that a letter is properly signed for filing, but she also notes that it has been initialed by everyone to whom it is referred and that it has received full attention by the proper person or department. The Reading Clerk also screens correspondence for material that is copied for subject file treatment.

If a letter is not signed for filing, the Reading Clerk returns it to the person who neglected to sign it.

Only officers, department heads, assistant department heads, and specifically authorized persons are permitted to direct correspondence, including telegrams, to file.

READING (Cont'd)

The Reading Clerk underscores in red the date of any letter referred to in the text of the letter she is reading, and no letter can be filed which refers in its text to another letter unless the other letter accompanies it to file or is already in file.

Illustration: A letter from the First National Bank of Chicago dated June 10, which refers in its text to our letter of June 5 would not be filed unless the copy of our letter of June 5 is already filed.

Similarly, the copy of an outgoing letter of this bank to the First National Bank of Chicago dated June 15, which refers in its text to their letter of June 10, would not be filed unless their letter was already in file.

If the letter referred to in the text of the letter does not come to file with its complement and cannot be located in the Filing Department, a tracer is sent. The tracer is made in three copies; the original goes to the one who should be holding the letter, the second copy is filed in lieu of the missing letter and the third copy is kept as a tickler so that the matter will not be lost sight of.

AUTHORITY FOR FILING

All letters received by the Mail Department are stamped in the lower left-hand corner, thus:

\_\_\_\_\_ *Answered*  
\_\_\_\_\_ *Ans'd. by Routine Advice*  
\_\_\_\_\_ *No Answer Required*  

*Directed to File*

By \_\_\_\_\_  
                    *Surname*

FILE ONLY WHEN SIGNED

and no letter can go to file until it is signed with the surname of the last person who handled it or is responsible for its being sent to file. The reading clerk considers certain letters call for an acknowledgment but cannot tell whether they have been acknowledged by means of a routine advice. The stamp, therefore, covers this and a check in the proper space indicates the method of answering, or whether an answer is not required.

Letters addressed to officers but which do not pass through the hands of the Mail Department are also stamped by the officer with the "Directed to file" stamp.

As stated elsewhere, letters which come into the hands of the Reading Clerk not signed for filing, are referred back for signature.

OUTGOING LETTERS

A yellow file copy, for the chronological letter file, is made of every outgoing letter or telegram. This copy is either signed or initialed by the officer whose signature appears on the original, and is the copy which is "referred" to others in the Bank for their information, bearing as a permanent record the initials of those to whom it has been referred.

OUTGOING LETTERS (Cont'd)

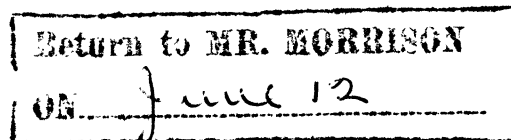
If the contents of the letter or telegram deal with a matter which the dictator believes is of subject file material, extra white copies are made for the use of the Filing Department.

SENDING CORRESPONDENCE TO FILE

It is an imperative rule of the bank that correspondence must be sent to file as quickly as it is handled. By not permitting a letter to go to file without its complement, infractions of this rule are frequently brought to the attention of the Filing Department and missing letters immediately traced.

TICKLERS

If an officer or department head desires a letter returned on a certain date, he stamps it



When this letter reaches the Filing Department, the tickler clerk fills out a form in duplicate. One copy of the form is put in the tickler file, and the other given to the file request clerk who tickles it two days later than it is tickled for the officer or department head. When the "tickler" date arrives, a copy of the form held by the tickler clerk is sent to the officer or department head in question.

- (1) If he is not ready to handle the matter, he sets the date ahead and returns it to the Filing Department.
- (2) If he desires to see the correspondence, he communicates with the Filing Department by means of tickler forms, messenger, or telephone.
- (3) If he does not desire the correspondence and the matter is closed, he writes his name across the form and deposits it in the file basket.

TICKLERS (Continued)

When the form comes back, properly signed by the officer concerned, the tickler clerk pastes it on the letter which has been tickled. This indicates the matter is closed and protects the Filing Department. If the correspondence tickled does not come back within 48 hours after being sent to the officer interested, the file request clerk traces it from her copy and does not permit the matter to be lost sight of until it is closed.

COLOR SCHEMES

Colored cards are used in the label holders on the outside of the filing drawers. All drawers of member and nonmember banks have one color and different colors are used for drawers containing correspondence of the Secretary of the Treasury, the Treasurer of the United States, Board of Governors, Subject File, commercial banks of other districts, other Federal Reserve Banks and branches, branches of the Federal Reserve Bank of San Francisco and the Public.

This has been found a great convenience because the eye immediately grasps that everything of one color must represent a distinct file, enabling filer and searcher more quickly to locate what is desired.