INSURANCE OF CURRENCY SHIPMENTS—TRANSPORTATION CHARGES ON SHIPMENTS COVERING DEBIT BALANCES IN DISTRICT CLEARING HOUSE

TO THE CASHIER OF THE MEMBER BANK ADDRESSED:

Paragraphs six and seven of circular No. 37, June 27th, 1916, are superseded by this circular.

As contemplated when circular No. 37 was issued, arrangements have now been made by which currency may be sent to us by any bank or banker in this district by registered mail insured under policies issued to us at the same rates which we ourselves pay on outgoing shipments.

All that is necessary to render the insurance binding from the time of delivery of the package to the post office is to register the package, addressed to this bank, and mail us a letter on the same day, under separate cover, a carbon of which letter should be placed in the package forwarded, advising shipment by stating the amount and requesting us to insure under our policies. No writing should appear on the package indicating its contents, but your return address should be shown.

All packages must be sealed with wax, securely wrapped and tied to avoid breakage in transit. Sealing with wax is a requirement of the insurance policy.

When currency shipments are made under the terms of our clearing circular No. 35 for the credit of your reserve account to prepare it to meet settlement checks for debit balances in the District Clearing House, if you will notify us to that effect on Form DCH-5, a supply of which was furnished you with circular No. 37 or may be obtained on request, we will assume the insurance premium and reimburse you for the amount of postage and registration fee.

An explanation of the use of Form DCH-5 is printed on the form itself, but please note the following carefully:

Form DCH-5 may be filled out with carbon. The original should be forwarded, under separate cover, direct to the auditing department; the duplicate copy should be enclosed in the package; the triplicate forms a debit entry to your reserve account to offset the credit for the amount of settlement check which the shipment covers.
If it is not practical to report the amount of postage and registration fee on the duplicate form enclosed in the package, the advice of this amount may be afterwards inserted on the original form addressed to the Auditing Department before the advice is mailed.

IN NO CASE WILL POSTAGE AND REGISTRATION FEE BE CREDITED TO MEMBER BANK'S ACCOUNT IF FORM DCH-5 IS NOT PROPERLY USED IN CONNECTION WITH THE SHIPMENT.

As we have provided a means of shipping currency to us at the minimum expense, transportation charges on any shipments forwarded to us in any other manner will be borne by this bank only to the extent of what the expense would have been if shipped under the method provided.

To cover settlement checks, shipment of coin, and bills of less than five dollars denominations may be sent by express, but in all cases must be sent collect.

You are reminded that the Federal Reserve Bank is not a proper place, or authorized, to redeem mutilated currency of any character except Federal reserve notes and Federal reserve bank notes. Transportation charges on mutilated currency will not be borne by this bank, and in addition the member bank will be debited the cost of redemption of such currency, at present 40c per $1,000.

Shipments to us to cover settlement checks will not be permitted in cumulative amounts except where more than one settlement check is received and forwarded to us on the same day. For convenience, amounts forwarded may be in the next highest hundreds to avoid odd amounts and a mixed character of funds.

Shipments may be made to us by member banks under this method for the credit of their account without reference to clearing operations, in which event the amount of insurance premium will be debited to the forwarding bank, and postage and registration fees borne by them.

In making shipments of currency the following rules for your protection should be observed:

1. Have the currency counted if possible by two responsible employes of the bank.

2. Have the currency put up in one or more packages and sealed by or in the presence of the same person who counted it. In every case request should be made that a return card, showing delivery of the package, be furnished by the post office authorities.

Notify us immediately by letter, under separate cover, that shipment has been made, and in addition always use Form DCH-5, stating approximately the time when the shipment is forwarded, amount and kind of money and number of packages.

To minimize the expense of handling on receipt here, all currency should be carefully assorted, both as to kind and denominations; and only that fit for circulation, except Federal reserve notes, should be sent us.

Your attention is directed to circular No. 31, February 10th, 1916, in reference to shipping Federal reserve notes to this bank direct at our expense for the purpose of covering transfers to other Districts ordered of us. Such shipments may be insured in the manner set out above, and this bank will reimburse the forwarding bank for the transportation cost and assume the insurance premium.

Respectfully,

J. W. HOOPES,
Acting Governor.