

**FEDERAL RESERVE BANK
OF DALLAS**

August 28, 1935

**CHANGE IN METHOD OF COMPUTING NET DEMAND DEPOSITS ON
WHICH RESERVES ARE REQUIRED**

To the Member Banks of District No. 11:

Pending issuance of regulations by the Board of Governors of the Federal Reserve System, you are advised that under the provisions of Section 19 of the Federal Reserve Act, as amended by Section 324 of the Banking Act of 1935, member banks are required, beginning August 24, 1935, to maintain the same reserves against deposits of public moneys by the United States as they are required to maintain against other deposits; also, in determining the amount of net demand deposits subject to reserve, member banks may deduct from gross demand deposits the amounts of

1. Balances subject to immediate withdrawal due from other banks (except Federal reserve banks, private banks and foreign banks).
2. Cash items in process of collection payable immediately upon presentation in the United States.

We are enclosing for your convenience a formula to be followed in computing net demand deposits on which reserves are required. The reports of deposits which you render for the purpose of enabling this bank to compute your required reserves should be prepared on the new basis.

Yours very truly,

B. A. McKINNEY,
Governor.

**COMPUTATION OF RESERVE TO BE CARRIED WITH THE FEDERAL RESERVE BANK
BY MEMBER BANKS**

NET DEMAND DEPOSITS SUBJECT TO RESERVE

- 1. GROSS DEMAND DEPOSITS, including U. S. Government deposits
and amounts "due to banks" - - - - - \$ _____

- 2. BALANCES SUBJECT TO IMMEDIATE WITHDRAWAL DUE
FROM OTHER BANKS (except Federal reserve banks, private banks
and foreign banks) AND CASH ITEMS IN PROCESS OF COLLEC-
TION PAYABLE IMMEDIATELY UPON PRESENTATION IN THE
UNITED STATES - - - - - _____

- 3. NET DEMAND DEPOSITS SUBJECT TO RESERVE (Item 1 minus
Item 2) - - - - - _____

TIME DEPOSITS

- 4. DEPOSITS payable after 30 days or subject to 30 days' or more notice,
as defined in Federal Reserve Board, Regulation D; and Postal Savings - - - - - _____

(See Schedule L of the quarterly condition report for items
constituting time deposits)

RESERVE REQUIRED

ON NET DEMAND DEPOSITS (item 3 above): Banks in central reserve
cities, 13 per cent; in reserve cities, 10 per cent; elsewhere, 7 per cent - - - - - _____

ON TIME DEPOSITS (Item 4 above): 3 per cent - - - - - _____

TOTAL RESERVE TO BE MAINTAINED WITH FEDERAL
RESERVE BANK - - - - - \$ _____