

FEDERAL RESERVE BANK

OF DALLAS

Dallas, Texas, June 28, 1947

**To the Member Banks of the
Eleventh Federal Reserve District:**

There is enclosed a copy of our revised Bulletin No. 4, dated July 1, 1947, relating to "Reserve Requirements," which supersedes our bulletin of the same number dated February 24, 1944.

The only change of substance is the revision of procedure for the computation of reserves to give effect to the termination of the exemption of War Loan Deposits from reserve requirements, effective July 1, 1947.

Please file the revised bulletin in the ring binder containing the current bulletins of this bank and the Regulations of the Board of Governors of the Federal Reserve System, in lieu of Bulletin No. 4, dated February 24, 1944. Also, please acknowledge receipt of this bulletin on the enclosed post card.

A supply of revised forms for reporting deposits will be furnished in ample time for use in making reports to this bank for the period beginning July 1, 1947.

Yours very truly,

R. R. GILBERT

President

RESERVE REQUIREMENTS

To the Member Banks of the
Eleventh Federal Reserve District:

Unless otherwise stated, all references to the Federal Reserve Bank of Dallas will include the head office and all of its branches.

Under Section 19 of the Federal Reserve Act, as amended, every member bank is required to establish and maintain a reserve balance as prescribed by the Board of Governors of the Federal Reserve System within the limitations set forth in the section mentioned. The percentages applicable to the various classes of banks will be found in the current supplement to Regulation D issued by the Board of Governors of the Federal Reserve System.

DEFINITIONS OF CLASSES OF DEPOSITS

For the determination of reserve status and other purposes, the Board of Governors of the Federal Reserve System is authorized to define the various classes of deposits. The Board's definitions of the terms "Demand Deposits," "Gross Demand Deposits," "Savings Deposits," "Cash Items in Process of Collection," and "Net Demand Deposits" will be found in Regulation D.

REPORTS OF DEPOSITS AND RELATED FIGURES

In order that the Federal Reserve bank may determine whether reserves have been maintained as required by law, each member bank is required to report on forms provided for that purpose, the amounts of its gross demand deposits (broken down into "demand deposits of banks" and "other demand deposits"), its balances subject to immediate withdrawal due from other banks, its cash items in process of collection, and its time deposits. All such figures should be reported in thousands of dollars.

In preparing the report, the amounts reflected opposite each date must represent the balances as shown by the books of the member bank at the opening of business on that date. The balances reported for Sunday must represent the balances at the close of business the preceding Saturday and such figures must be repeated for the Monday following. The balances reported for a holiday must represent the balances at the close of the preceding business day and the same figures must be repeated for the day following the holiday.

COMPUTATION OF RESERVES

In determining the amount of required reserves, member banks are urged to follow the procedure set forth on page 1 of the attached supplement. It will be noted that gross demand deposits are to be divided into (a) demand deposits of banks and (b) other demand deposits, and should include all demand deposit liabilities. The figures reported should correspond with those called for in Schedule E of June and December Condition Reports. For convenient reference, excerpts from the June and December Report of Condition forms are reproduced on page 2 of the supplement to this bulletin.

STATUS OF DEPOSITS OF PUBLIC MONEYS OF THE UNITED STATES GOVERNMENT

In submitting reports of deposits, member banks should include the amount of War Loan Deposits of the United States in "Other demand deposits" under "Gross demand deposits."

Effective on and after July 1, 1947, member banks are required to maintain the same reserves against all deposits of public moneys of the United States, including War Loan Deposits and Series E bond accounts, as they are required by Section 19 of the Federal Reserve Act to maintain against other demand deposits.

PENALTIES FOR DEFICIENCIES IN RESERVES

Penalties for deficiencies in the reserve balance of a member bank will be assessed following each of the reserve computation periods.

The penalty for deficiencies in reserves has been fixed by the Board of Governors of the Federal Reserve System at a rate of 2% per annum above the Federal Reserve bank rate applicable to discounts of 90-day commercial paper for member banks in effect on the first day of the calendar month in which the deficiencies occurred.

The right is reserved to withdraw, add to, or amend at any time, any of the provisions of this bulletin.

Respectfully,

R. R. GILBERT

President

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

(For definitions of the terms gross demand deposits, deductions allowed in computing reserves, cash items in process of collection, net demand deposits and time deposits, see Regulation D of the Board of Governors of the Federal Reserve System.)

1. GROSS DEMAND DEPOSITS:

- (a) Demand deposits of banks¹ - - - - - \$.....
(Corresponds to Items 4 and 5 in Schedule E of June and December Condition Reports²)
- (b) Other demand deposits - - - - - \$..... \$.....
(Corresponds to Items 1, 2, 3, and 6, in Schedule E of June and December Condition Reports²)

2. DEDUCTIONS ALLOWED IN COMPUTING RESERVES:

- (a) Cash items in process of collection, except to the extent included in Item 2-b (including checks with Federal Reserve Banks in process of collection and checks on hand which will be presented for payment or forwarded for collection on the following business day) - - - - - \$.....
(Corresponds to Item 1 in Schedule D of June and December Condition Reports²)
- (b) Balances subject to immediate withdrawal due from other banks (including cash items forwarded to a correspondent bank for collection and credit and charged to "Due from banks" but excluding balances due from Federal Reserve Banks, from foreign banks or branches thereof, from foreign branches of domestic banks, or from private banks³) - - \$..... \$.....
(Corresponds to Item 2 in Schedule D of June and December Condition Reports²)

3. NET DEMAND DEPOSITS (Item 1 minus Item 2) - - - - - \$.....

4. TIME DEPOSITS - - - - - \$.....
(See schedule F for June and December Condition Reports² for items constituting time deposits)

5. RESERVE REQUIRED³:

- (a) On net demand deposits (Item 3 above³) - - - - - \$.....
- (b) On time deposits (Item 4 above³) - - - - - \$.....
- (c) Total reserve to be maintained with Federal Reserve Bank of Dallas - - - - - \$.....

¹Reciprocal interbank demand deposits with banks in the United States, except private banks and American branches of foreign banks, must be reported net.

²For convenient reference in the preparation of reports of deposits for reserve purposes, there are printed on page 2 of the supplement to Bulletin No. 4, excerpts from the June and December Condition Report forms listing the captions under Schedules D, E, and F to which reference is made.

³For current required reserve percentages, see latest supplement to Regulation D.

EXCERPTS FROM OFFICIAL JUNE AND DECEMBER REPORT OF CONDITION FORM

SCHEDULE D—CASH AND BALANCES WITH OTHER BANKS (INCLUDING RESERVE BALANCE AND CASH ITEMS IN PROCESS OF COLLECTION)

1. Cash Items in process of collection, including exchanges for clearing house	-	\$.....
2. Demand balances, excluding reciprocal balances, with banks in the U. S. (except private banks and American branches of foreign banks)	- - - - -	.....
3. TOTAL of Items 1 and 2	- - - - -	\$.....
4. Other balances with banks in the United States (including private banks and American branches of foreign banks)	- - - - -	.....
5. Balances with banks in foreign countries (including balances with foreign branches of other American banks)	- - - - -	.....
6. Currency and coin	- - - - -	.....
7. Reserve with Federal Reserve Bank	- - - - -	.....
8. TOTAL of Items 3 to 7 (must agree with Item 1 of "Assets")	- -	\$.....

SCHEDULE E—DEMAND DEPOSITS

1. Deposits of individuals, partnerships, and corporations (must agree with Item 13 of "Liabilities")	- - - - -	\$.....
2. (a) Deposits of United States Government—War Loan and Series E bond accounts (b) Deposits of United States Government—Other demand deposits of U. S. Govt.	- - - - -	.....
3. Deposits of States and political subdivisions	- - - - -	.....
4. Deposits, excluding reciprocal balances, of banks in the U. S. (including private banks and American branches of foreign banks)	- - - - -	.....
5. Deposits of banks in foreign countries (including balances of foreign branches of other American banks)	- - - - -	.....
6. Certified and officers' checks (including dividend checks), letters of credit and travelers' checks sold for cash, and amounts due to Federal Reserve Bank (transit account) (must agree with Item 18 of "Liabilities")	- - -	.....
7. TOTAL DEMAND DEPOSITS	- - - - -	\$.....

SCHEDULE F—TIME DEPOSITS

1. Deposits of individuals, partnerships, and corporations (including \$..... deposits accumulated for payment of personal loans) (must agree with Item 14 of "Liabilities")	- - - - -	\$.....
2. Deposits of United States Government \$....., Postal savings deposits \$.....	- - - - -	.....
3. Deposits of States and political subdivisions	- - - - -	.....
4. Deposits of banks in the United States (including private banks and American branches of foreign banks)	- - - - -	.....
5. Deposits of banks in foreign countries (including balances of foreign branches of other American banks)	- - - - -	.....
6. TOTAL TIME DEPOSITS	- - - - -	\$.....