

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, August 25, 1947

ARMED FORCES LEAVE BOND PROCEDURE

**To All Qualified Paying Agents in the
Eleventh Federal Reserve District:**

It is believed that the following suggestions for processing Armed Forces Leave Bonds will be helpful to paying agents as well as to this bank.

QUALIFICATION

Any qualified paying agent for savings bonds will automatically become a paying agent for Armed Forces Leave Bonds by paying one of them on or after September 2, 1947.

PAYMENT

Paying agents must be guided by the regulations and instructions of the Treasury Department and be certain that the person requesting payment is the "owner" as defined in Treasury Department Circular No. 811. Paying agents are urged to record on the back of each bond a brief but complete description of the identification accepted in connection with the payment of the bond.

Before a bond is paid, the registered owner should sign his name in ink in the space provided on the back of the bond in the same form as it appears on the face, indicating his address. It is not necessary to complete the certification on the reverse of the bond.

Payment must be for the current redemption value of the bond, which must be determined according to the denomination of the bond and the number of months that it has been outstanding. A Table of Redemption Values will be furnished monthly, from which it will be possible after determining the month and year of issue of any bond to establish its current redemption value. The special instructions printed on the chart should be used in determining the redemption value of any bond in excess of \$1,000. Each qualified paying agent will be forwarded the same number of tables as is now furnished for use in handling the redemption of savings bonds, unless a different number is requested. These tables will be mailed on the 26th of each month hereafter.

Paying agents are authorized to use the payment stamp furnished for United States Savings Bonds. The stamp should be imprinted in the upper left-hand corner on the face of each bond paid. Bonds should be stamped immediately upon payment with a clear and legible impression, including the date of payment, using a black or dark blue penetrating ink. Care should be exercised in applying the stamp so as not to blur or smear any of the data recorded on the bond. The amount paid should be shown in black or dark blue ink in the space provided in the payment stamp. **It is particularly important that the stamp be placed on the bond as suggested above.** Additional stamps will be furnished upon request.

Since the bonds will be processed through the use of mechanical equipment by this bank and by the Treasury Department, it is extremely important that the bonds not be spindled, folded, pinned, or clipped together, and that they not be bent, torn, or mutilated after payment. Your cooperation in avoiding such mutilation will be greatly appreciated.

ACCOUNTING FOR BONDS PAID

Paid Armed Forces Leave Bonds should be submitted to the Federal Reserve Bank of Dallas in the same manner as is customary for savings bonds. Paying agents must submit all paid bonds on hand at the end of each month not later than the first business day following the close of the month, and must **not intermingle in one transmittal letter bonds paid in more than one calendar month.**

A supply of addressed transmittal letter forms is enclosed and additional forms will be furnished upon request. There should be listed on each transmittal letter the amount paid (redemption value) for each bond, the total redemption value of all bonds enclosed, and the month in which the bonds were paid. There should also be indicated the total number of bonds transmitted and the method of settlement desired; i.e., by credit to a paying bank's reserve account with this bank, by credit to the account of a bank with whom the agent does business, if such bank maintains an account with this bank, or by check. The serial numbers of the bonds should be listed unless the bonds are microfilmed or the paying agent retains some other form of record from which it will be able to determine the serial numbers of all bonds in any particular shipment. If the serial numbers are not listed in the transmittal letter, it will be permissible for paying agents to group all bonds bearing the same paid amount, listing them in groups as follows:

10 @ \$53.85.....	\$538.50
10 @ \$54.16.....	\$541.60
Etc.	

Unless otherwise notified, it will be assumed that paying agents which do not list the serial numbers in the transmittal letters are maintaining a microfilm or other record of the serial numbers of bonds paid.

Transmittal letters and paid bonds should be forwarded to this bank and, to assist in prompt handling, should be enclosed in an envelope containing no other material unless agents find it convenient to send paid savings bonds in the same shipment. If forwarded together, paid Armed Forces Leave Bonds and United States Savings Bonds should be separately packaged. Shipments of paid bonds properly stamped "paid" may be made by ordinary first-class mail at the risk of the United States, subject to the provisions of the Government Losses in Shipment Act. No separate notice of shipment need be forwarded but a record of such shipments must be maintained. Any shipment lost, damaged, or destroyed should be reported promptly to this bank.

Settlement will be made promptly for the amount of bonds received by this bank in accordance with the instructions given in the transmittal letter. In each instance, settlement will be subject to adjustment for incorrect or improper payment as provided in Treasury Department Circulars.

REIMBURSEMENT TO AGENTS

Reimbursement for services in paying Armed Forces Leave Bonds will be made in the same manner as for savings bonds. The first reimbursement period will be from **September 2, 1947, through December 31, 1947**, and agents will be paid at the rate of 15 cents each for the first 1,000 bonds and 10 cents each for all over 1,000 bonds. Paying agents should maintain a record of the number of paid bonds forwarded to this bank, which should be appropriately adjusted if any bonds are subsequently returned to them because of irregularities discovered in examination. Such returned bonds, when in order for redemption, should be resubmitted and counted as new business. Beginning with January 1, 1948, the number of Armed Forces Leave Bonds and United States Savings Bonds which are paid will be combined in computing the amount due paying agents each quarter in reimbursement for services, but for that purpose only.

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