

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, May 28, 1954

REVISION OF PROCEDURE FOR PROCESSING PAID UNITED STATES SAVINGS BONDS

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

There is reproduced on the reverse hereof a letter from the Secretary of the Treasury in regard to a change in the procedure for processing paid savings bonds **after receipt** from paying agents. The change, which becomes effective at this bank July 1, 1954, affects principally the method of handling bonds at the Reserve banks and at offices of the Treasury Department. However, the Treasury has requested that agents be furnished the following information:

1. Reserve banks will no longer make any examination of paid bonds. Such examination will be made by the Treasury Department, and that Department will notify this bank of discrepancies in amounts paid and of the erroneous redemption of bonds of unauthorized series and those requiring evidence to support payment. Small differences in the amounts paid will be absorbed by the Department, while larger differences will be adjusted with the paying agents in the usual manner. If a bond owner claims that he did not receive the true redemption value, his claim should be submitted by the paying agent to this bank for transmittal to the Treasury Department. The claim should include bond inscription, denomination, bond serial number, date and amount of payment, name and address of the claimant, and the date and total of the transmittal letter in which the bond was listed to this bank. Bonds requiring evidence to support redemption or those of an unauthorized series redeemed in error will be returned to this bank by the Treasury for adjustment with paying agents.
2. If an agent determines that any shortage reported by the Treasury is due to a missing bond, a claim for relief under the Government Losses in Shipment Act may be filed with this bank. Temporary credit will be allowed for the missing bond pending disposition of the formal claim by the Treasury, **provided** the agent furnishes the bond serial number, and the amount and month of payment. Information with respect to this coverage is furnished in Paragraph 30 (b) of the June 30, 1945, edition of the Memorandum of Instructions and Explanation Issued in Conjunction with Department Circular No. 750, Revised.

The Treasury Department has emphasized that paying agents should package paid bonds separately when preparing them for shipment, that paid bonds should not be intermingled with other items such as currency, checks, marketable securities, etc., and that payment stamps should be legible. The cooperation of agents in these respects will materially assist the Department in achieving maximum economies under the revised procedure. Moreover, care in payment of bonds only as authorized and at correct redemption values will be helpful to the Treasury, paying agents, and bond owners.

The procedure followed by paying agents in paying and transmitting bonds to this bank will not be affected by this revision in the operations of the Reserve banks and the Treasury.

Yours very truly,

WATROUS H. IRONS

President

**To Banks and Other Financial Institutions Serving
as Paying Agents for United States Savings Bonds:**

The Treasury, with the cooperation of the Federal Reserve Banks, is about to inaugurate a change in the procedure for processing U. S. Savings Bonds received from qualified paying agents. This change in procedure will be placed in effect in the several Federal Reserve Districts as follows: On June 1 in the New York, Cleveland, and Chicago Districts; on July 1 in the Richmond, Kansas City, Dallas, San Francisco and Los Angeles Districts; and on August 1 in the Boston, Philadelphia, Atlanta, Detroit, St. Louis and Minneapolis Districts.

Paying agents will continue to ship paid savings bonds and covering transmittal letters to the Federal Reserve Bank or Branch with which they deal at present unless otherwise instructed. Federal Reserve Banks will continue to make immediate settlement with paying agents for the total amount of paid bonds as claimed by paying agents, subject to adjustment, as at present, if any discrepancies are discovered in the course of the audit. The examination of shipments now performed by the Federal Reserve Banks will be discontinued at those points, and immediately after settlement all paid bonds and covering transmittal letters will be forwarded directly by the Federal Reserve Banks to the Treasury Department's Regional Offices at New York, Cincinnati, and Chicago for examination and audit.

This change in procedure has been made in the interest of substantial economies resulting primarily from the consolidation of machine operations and personnel at three points to take the place of the present fourteen installations in the above-named banks.

The Treasury appreciates the cooperation which it has received from banks and other financial institutions serving as paying agents for United States Savings Bonds. Your continued cooperation in the careful preparation of bonds and transmittal letters to facilitate the examination and audit of shipments will be of great assistance to the Treasury in effecting maximum economies under the new procedure.

G. M. HUMPHREY
Secretary of the Treasury