

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS

December 8, 1958

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

Enclosed is a copy of our Bulletin No. 5, relating to currency and coin services, revised as of December 8, 1958, and superseding Bulletin No. 5, dated April 4, 1956.

The increased use of armored car carriers in many areas of this District has made it desirable to broaden the information in the Bulletin concerning transportation methods used in shipping money.

Paragraphs 24 and 30 have been changed to include means of transportation other than registered mail and express that may be selected by this bank for transferring money shipments from member banks to the Federal Reserve Bank of Dallas and its branches.

Paragraph 15 has been revised to include armored car carriers as a means of transportation—under conditions stated in that paragraph—of money shipments to nonmember banks made at the request of and at the risk and expense of member banks.

Paragraph 4, relating to the assumption of risk on shipments to and from this bank, and Paragraph 12, relating to shipments from this bank to member banks, previously had provided for use of "other means of transportation," and these paragraphs remain unchanged.

Please bring this bulletin to the attention of personnel in your bank concerned with the ordering and shipping of money. The revised copy should be substituted in your ring binder for Bulletin No. 5, dated April 4, 1956. We shall be pleased to furnish additional copies of this bulletin upon request.

Receipt of this bulletin should be acknowledged by completing and returning the enclosed postal card.

Yours very truly,

Watrous H. Irons

President

CURRENCY AND COIN

To the Member Banks of the
Eleventh Federal Reserve District:

This bulletin describes the cash services of the Federal Reserve Bank of Dallas and supersedes Bulletin No. 5 dated April 4, 1956. Any bank shipping or causing or ordering shipments of currency or coin to or from this bank or any branch thereof shall by such action be deemed to have agreed to the terms and conditions of this bulletin with respect to such shipments. For purposes of this bulletin and unless stated otherwise, all references to the Federal Reserve Bank of Dallas or "this bank," shall include its branches at El Paso, Houston, and San Antonio.

SCOPE OF SERVICE

1. All forms of United States currency and coin will be received for credit, redemption, exchange, or replacement, subject to conditions stated herein and applicable Federal laws and regulations. This bank will supply all available current denominations of currency and coin subject to the rules of this bank and regulations of the Treasury Department. The amount of new currency and coin available will be governed by the amount of fit currency or circulated coin on hand.
2. The Federal Reserve Bank of Dallas will absorb the cost of postage and expressage and will assume all risks, except those herein specifically excluded, incident to shipments of United States currency and coin to and from member banks when such shipments are ordered from this bank or are prepared and forwarded to this bank in accordance with the provisions of this bulletin.

RISKS INCIDENT TO SHIPMENTS TO AND FROM BANKS

Assumption of Risk

3. Any bank shipping or causing or ordering shipments of currency or coin to, from or for the account of this bank or any branch thereof shall by such action be deemed to have agreed to the following terms and conditions with respect to such shipments:
4. Subject to the terms of this bulletin, the Federal Reserve Bank of Dallas will assume all risks incident to the transportation of such shipments of currency or coin (a) by registered mail and (b) by such other means of transportation as may be selected by this bank, from the time such shipments leave the office of the sending bank until delivered at the office of the addressee bank, except as enumerated below; provided, however, that the Federal Reserve Bank of Dallas will not assume any risk for shipments sent by Railway Express Agency, Inc., while such shipments are in the custody of the Railway Express Agency, Inc., as the rate charged by the express company on such shipments is based on the declared value and the ordinary risks of loss are assumed by the express company under its shipping contract:

Exceptions

5. The Federal Reserve Bank of Dallas will not assume any risk of loss in any of the following circumstances, and any loss thereunder is agreed and understood to be assumed by the bank shipping or causing or ordering such shipment:

- (1) Any loss in excess of \$2,000,000 on all shipments by any one banking office to this bank on any one day.
- (2) Any loss resulting from hostile or warlike action by any military, naval, air forces, or agents of domestic, foreign or revolutionary governments, powers, or forces, whether or not war has been formally declared and including defending against an actual or expected attack; or any loss caused by any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
- (3) Any loss resulting from any dishonest, fraudulent, or criminal act of an employee of any bank, other than this bank, shipping, causing, ordering or receiving the shipment.
- (4) Any loss to the extent recoverable from any insurance, surety, or indemnity company pursuant to purchased insurance, surety or indemnity (including bankers' blanket bond), whether primary or excess, carried by or maintained by any person other than this bank.
- (5) Any loss on any shipment by any bank other than this bank not made in conformity with the provisions of this bulletin.

Preparation of Shipments

6. Any bank shipping or causing shipments of currency or coin to or for the account of this bank or any branch thereof shall by such action be deemed to have agreed that all such shipments shall be prepared and verified by one or more responsible employees of the sender and that the sealed package shall be in charge of a responsible person until deposited and registered at the post office, or, if the shipment is by express or armored car, until receipted for by the express office or armored car service, and that the contents of all packages shall be enclosed in a strong wrapper, envelope, or cloth or canvas bag, well secured, and sealed in a manner acceptable to the post office, express office, or armored car service at the place of mailing or dispatch.

UNNECESSARY DEPOSITS AND WITHDRAWALS

7. In view of the heavy cost of maintaining this service, the cooperation of member banks is requested to avoid unnecessary shipments. It is suggested that accumulations of fit currency in excess of requirements be made available to other banks in the same community and that needed currency be obtained from other banks in the community if fit currency is conveniently available at such banks. Member banks are also expected to anticipate their requirements and whenever possible to refrain from shipping this bank currency and coin fit for further circulation if money of the same denominations is likely to be needed in the near future. The interchange of currency and coin by local banks and the exercise of care in anticipating requirements will reduce to a minimum the shipments to and from the Federal Reserve Bank of Dallas, and your cooperation will be greatly appreciated.

**SHIPMENTS OF CURRENCY OR COIN BY THE FEDERAL RESERVE
BANK OF DALLAS**

Ordering Currency and Coin

8. Member banks should order currency and coin on form Cash 15. (Supplies of this form will be furnished on request.) All such orders should bear an authorized signature. In the event this form is not used, orders should be by letter, bearing an authorized signature, containing instructions to ship a definite schedule of currency and coin and to charge the reserve account of the ordering bank. Orders should not be written on cards, advice tickets, remittance forms, or in letters pertaining to other transactions. Compliance with this request will expedite shipments.

Standard Units of Currency and Coin Shipped by this Bank

9. In anticipating the needs of banks served by the Federal Reserve Bank and in order to assure prompt service in supplying the demand for cash, currency is strapped in standard packages and coin is sacked in standard bags. Orders for currency or coin should be for the following standard units or multiples thereof when practicable.

Currency		Coin	
Ones	\$100	Cents	\$50 - \$100
Twos	\$200	Nickels	\$200
Fives	\$500	Dimes	\$500 - \$1,000
Tens	\$1,000	Quarters	\$500 - \$1,000
Twenties	\$2,000	Halves	\$500 - \$1,000
Fifties	\$5,000	Dollars	\$100 - \$500 - \$1,000
Hundreds	\$10,000		

Closing Hours for Shipments

10. The vaults of the Federal Reserve Bank of Dallas, including its branches, are closed on Saturdays. Member banks are urged to keep this in mind in anticipating their cash requirements. Requests for shipments of currency and coin will be acted upon promptly on the day of receipt if received not later than 2:00 p.m. Banks placing orders by mail should assure themselves that such orders will reach this bank in time for dispatching the shipment for arrival on the expected date.

Emergency Requests

11. Emergency orders may be made by telegram in A.B.A. code with proper test word, or by telephone, charges collect. Telephoned or telegraphed orders must be confirmed immediately by letter or copy of the telegram, bearing an authorized signature.

Method of Shipment

12. Shipments of currency or coin from this bank to member banks will be made by registered mail, express, or by such other means of transportation as may be selected by this bank.

Postal Limitations

13. Postal regulations have imposed certain limitations and restrictions on the shipment of money to certain towns where railway postal service is not provided. Banks affected have been apprised of these limitations and restrictions and their cooperation in this respect is solicited in placing orders with this bank.

14. Banks also are requested, as a practical measure, to place orders for currency and coin so that they can be dispatched for arrival and delivery on a business day. Postal authorities have ruled it unwise to permit dispatch of money which would be held over at the receiving post office during Sunday or a holiday.

Shipments to Others at Request of Member Banks

15. At the request of a member bank and at its expense and risk, shipments of currency and coin will be made to its correspondent banks by registered mail or armored car carrier, the means of shipment to be designated by the member bank. *When shipments are made by an armored car carrier, the responsibility of this bank will terminate upon delivery of the money to the carrier on this bank's premises and all transportation arrangements, charges and insurance shall be negotiated directly with the carrier by the member bank.* Unless instructed to the contrary, shipments to correspondent banks at the request of a member bank will be made by registered mail and insured under this bank's registered mail insurance policies for the account of the member bank and the costs of such transportation and insurance charged to the member bank's account.

16. The registered mail insurance policies referred to above afford protection against loss from the time of acceptance by the messenger or carrier, whether within or without the premises of the sender, and to end when actual delivery has been made to the office of the addressee. They do not, however, cover losses through theft by the employees of the sender or the addressee or losses by risks generally referred to as "war risks."

17. The policies contain the following clause eliminating such coverages:

"To cover . . . risks of physical loss of or damage to or destruction of property insured, except theft on the part of employees of senders or addressees, but this policy does not insure against: (a) capture, seizure, arrest, restraint, detainment, confiscation, preemption, requisition or nationalization, and the consequences thereof or of any attempt thereat, whether in time of peace or war and whether lawful or otherwise; any consequences of hostilities or warlike operations (whether there be a declaration of war or not) but the foregoing shall not exclude collision, explosion or contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision any other vessel involved therein, is performing) by a hostile act by or against a belligerent power, the term 'power' as used herein including any authority maintaining naval, military or air forces in association with a power; or any loss or damage caused by any weapon of war employing atomic fission or

radioactive force whether in time of peace or war ; (b) the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, piracy, risks of contraband or illegal transportation or trade, and seizure or destruction under quarantine or customs regulations.”

18. The liability of the insurers under these policies is limited to \$10,000,000 on property from any one sender to any one addressee on any one day unless dispatched by two or more trains, in which event the limit of liability shall apply to each train separately, with the further limitation of liability that shipments of currency shall not exceed \$400,000 in any one shipping package.

Advice of Shipment

19. Mail advice will be sent to member banks covering each shipment, and, if the shipment is not received promptly, the head office or branch making it should be immediately notified by telephone or telegraph.

Verification of Shipment

20. All shipments should be verified (piece counted) immediately upon arrival, by the receiving bank, and any discrepancy found should be reported to this bank. Receipt of a shipment of currency or coin must be acknowledged by officially signing the accompanying receipt form and returning it in the enclosed envelope addressed to the General Auditor of this bank. Where disbursement of currency or coin is made without verification, this bank will assume no liability.

SHIPMENTS OF CURRENCY TO THE FEDERAL RESERVE BANK OF DALLAS

Preparation of Currency for Shipment

21. All currency included in each shipment should be sorted and packaged by denomination, face and top up, and should be enclosed in paper currency straps, each strap containing 100 notes, with the name of the depositing bank, date, amount, and the number or stamp of the teller counting the package, appearing on each strap. (Under no circumstances should rubber bands, pins, or clips be substituted for paper straps.) In so far as possible packages should be assembled by denomination into units of 2,000 notes each. Each unit should be securely tied so as to avoid collapse while in transit. The weight of all units allowed in one sack and under one registry is determined by postal regulations. Placing in each sack a number of units, not in excess of the weight allowed, is desired as a measure of reducing shipping costs.

22. On the date of shipment, there must be mailed (under separate cover) to the Federal Reserve Bank, a notice giving the date, amount and description of the shipment. A supply of this bank's Form Cash 316 for this purpose will be furnished upon request. A copy of the advice should be enclosed with the shipment.

23. Torn notes should be carefully mended on the back with transparent cellophane tape in such manner as to preserve the original design and visual identification of the face of the notes. All such notes should be strapped separately from those packages containing currency not mutilated ; and where the number of notes in a single denomination is 25 or more, a separate strap should be used. Pins, clips, and other metallic substances, if not removed, could cause

injury to the handlers and damage the machinery used in cancelling unfit currency. Failure to comply with the foregoing slows up the process of handling and may delay final verification.

Method of Shipment

24. Currency of all denominations should be shipped by registered mail or such other means of transportation as may be selected by this bank. Since the Federal Reserve Bank of Dallas assumes all risks incident to the transportation of such shipments, the sending bank should pay on registered mail shipments only postage at first class rate and appropriate registry fee, using the lower of the two scheduled rates charged by the Post Office for registered mail.

Mutilated Currency

25. The Federal Reserve Bank of Dallas will accept for credit, redemption, or exchange lawfully held paper currency of the United States that is mutilated. If clearly not less than three-fifths of the original proportions of a bill remain, it will be exchanged at face value. Lawfully held paper currency, so mutilated that less than three-fifths but clearly more than two-fifths of the original proportions remain, is exchangeable only by the Treasurer of the United States at one-half the face amount of the whole note. Fragments not clearly more than two-fifths are not exchangeable by the Treasurer of the United States unless accompanied by evidence required in the following paragraphs.

26. Fragments of less than three-fifths when identifiable as to denomination, kind and genuineness, are exchangeable at the face amount of the whole note, only by the Treasurer of the United States when accompanied by satisfactory proof that the missing portions have been totally destroyed. This proof should be in the form of an affidavit from the owner, setting forth that he is the owner and the cause and manner of destruction. If, however, the owner cannot of his own knowledge state the facts of destruction, an affidavit or affidavits from any other person or persons having knowledge of the facts will be required.

27. The affidavits must be subscribed and sworn to before a notary public or other officer authorized by law to administer oaths. Unless authenticated by the official impression seal of the officer, the affidavit should be accompanied by a certificate from the proper official showing that the officer was in commission on the date of the acknowledgment. The expiration date of the officer's commission should be shown in any event. Should an affiant sign by mark (X), his signature must be witnessed by two persons besides the acknowledging officer and the places of residence of the witnesses to the mark must be stated. In addition to the affidavits, there should be furnished a certificate, to be executed if possible, by an officer of an incorporated bank or trust company, or by a public officer of the United States, setting forth that the officer has read the affidavit and the affiants are respectable persons in the community and are, in the judgment of the officer, worthy of belief. No relief is granted in cases where currency has been totally destroyed.

SHIPMENTS OF COIN TO THE FEDERAL RESERVE BANK OF DALLAS

Preparation of Shipment

28. Coin should be shipped to this bank loose in heavy canvas bags, each bag containing coin of only one denomination. Lead seals should be used in

sealing bags of coin and the impression should bear the name or the A.B.A. number of the shipping bank. Coin shipped to this bank should be sacked as follows:

Silver Coin—\$500 or \$1,000

Nickels—\$100 or \$200

Cents— \$50 or \$100

29. On the date of shipment, there should be mailed to the Federal Reserve Bank, a notice giving the date, amount and description of the shipment on this bank's advice of shipment Form Cash 172, a supply of which will be furnished on request.

Transportation Services Available

30. Unless other means of transportation are selected by this bank, coin should be shipped to this bank by Railway Express Agency, Inc., collect, where such service is available. The addressee tag should show the amount in each sack.

31. Banks located in towns which have no express facilities should ship coin to this bank by parcel post, fourth class insured mail. If the Federal Reserve Bank (or appropriate branch) is in the first or second parcel post zone from the point of shipment, the maximum permissible weight of each sack is 40 pounds when mailed from a first class post office; if the Federal Reserve Bank is in the third to eighth zones from the point of shipment, the maximum permissible weight of each sack is 20 pounds. If mailed at a second, third, or fourth class post office, the maximum weight of each sack is 70 pounds regardless of zone. On any shipment made by parcel post, fourth class insured mail, no sack should contain more than \$200 regardless of weight. There is no limit as to the number of sacks that may be mailed at one time. The addressee tag should carry the following inscription: "Postmaster — Fourth-class mail. This package may be opened for postal inspection if necessary. From — (Name of sending bank)."

32. The risks of loss of such shipments from member banks will be assumed by this bank upon the same terms and subject to the same conditions as appear in paragraphs 3 through 6 and 34 of this bulletin, provided, however, that this bank will not assume any risks of loss on such shipments while they are in the custody of the United States Post Office Department.

Mutilated Coin

33. Mutilated silver and minor coins will not be accepted at their face value and should be shipped to the United States Mint at Denver, Colorado, for sale at bullion or metal value. Silver and minor coins are classified as mutilated by the Treasury Department when punched, clipped, chipped, or otherwise mutilated, as to be appreciably reduced in weight, or as to show a material loss of metal, or when so defaced as to be not readily and clearly identifiable as to genuineness and denomination. Mutilated coin found in deposits will be charged to the account of the depositing bank and returned.

PAYMENTS OF LOSSES AND SUBROGATION OF RIGHTS OF RECOVERY

34. The amount of any loss, the risk of which is assumed under the terms of this bulletin, will be paid promptly by this bank upon receiving from the

bank sustaining the loss, in form satisfactory to this bank, a written proof of loss, receipt, and any other necessary documents, including, but not limited to, an assignment of its rights, title, and interest in the lost property. The bank receiving any such payment shall take all necessary measures in behalf and at the risk and expense of this bank for the recovery, reissue, or replacement of such property, including the institution of legal proceedings in its own name, if deemed necessary by this bank.

ENTRIES TO THE RESERVE ACCOUNT OF A MEMBER BANK

35. Deposits or shipments of United States currency and coin received from a member bank will be credited to its reserve account subject to count, verification, and subsequent adjustments for shortages, overages, counterfeits, etc.

36. Payments or shipments of currency and coin made to or for the account of a member bank will be debited to its reserve account, unless a draft on its reserve account accompanies the order. In case a draft drawn on a bank other than the Federal Reserve Bank of Dallas is received with the order, it will be handled for collection under the terms and conditions of the current bulletin of this bank governing the collection of such drafts, and the proceeds will be credited to the member bank's reserve account as soon as available.

COUNTERFEIT OR ALTERED CURRENCY AND COIN

37. In accordance with Treasury Department regulations, all counterfeit or altered currency and coin must be delivered to an agent of the United States Secret Service. Accordingly, all counterfeit currency and coin received by this bank will be delivered to a secret service agent whose receipt, fully describing the counterfeit currency or coin, will be mailed to the depositor. Altered currency will be paid for by a secret service agent at the unaltered face value of the note, and the depositing bank's account will be charged, under appropriate advice for any discrepancy resulting from the alteration.

FOREIGN CURRENCY AND COIN

38. Canadian currency or coin may be forwarded to the Federal Reserve Bank of Dallas, provided it is not mixed with other currency or coin and, after being converted into domestic funds, will be credited to the depositing bank's account. Other foreign currency or coin will not be accepted for credit, and, if received, will be returned to the shipping bank.

GOLD COIN AND GOLD CERTIFICATES

39. The executive order of the President of the United States requiring the surrender of all gold coin and gold certificates is still in force. Any gold coin or gold certificates held or received on deposit should be sent to the Federal Reserve Bank of Dallas for the account of the Treasurer of the United States.

RIGHT TO AMEND

40. The right is reserved by this bank to withdraw, add to, or amend at any time any of the terms and conditions of this bulletin.

Yours very truly,

Watrous H. Irons

President