

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, December 1, 1961

ERRORS IN THE DATING OF SERIES E SAVINGS BONDS

**To All Issuing Agents and Others Concerned
in the Eleventh Federal Reserve District:**

The Treasury Department has expressed concern about the number of issue date errors appearing on Series E savings bonds and believes that the matter should be brought to the attention of all issuing agents. The adjustment of these errors is a costly process with the trouble and expense of correcting them, or of attempting to recover resultant overpayments, falling on the issuing agents and the Treasury.

The Treasury is fully conscious and deeply appreciative of the fact that issuing agents are performing an invaluable service and has no desire to add to the requirements now imposed upon them. If the agents will follow a few precautions, however, in processing the bonds and stubs, the number of errors in issue dates and validating dates will be reduced and much trouble and expense can be avoided. Particular attention should be given to the following:

1. At the appropriate time the employees engaged in the issuing operation should check very carefully to ascertain that dating and validation stamps are properly adjusted to reflect the change from 1961 to 1962. Too frequently many agents fail to adjust the stamps for several days after they begin issuing January bonds. As a result, many bonds are misdated and it is necessary to communicate with the agents to correct the discrepancies. There are usually some errors of this type that are not detected in the Treasury's registration stub examination, and these ultimately lead to overpayments. The overpayment on a \$100 Series E bond predated by one year can be, for example, as much as \$4.84, if the bond is cashed at the incorrect maturity date, which would actually only be 6 years and 9 months, instead of 7 years and 9 months from the true issue date.

2. Throughout the year care should be taken to see that each bond and its corresponding registration stub bear the same issue date. Differences in the dating of a bond and related stub usually show up only after the bond has been paid. This entails costly correspondence with bondowners to adjust the case and obtain a refund wherever there has been an overpayment.

3. It would also be helpful if agents would adopt the practice of scanning each batch of registration stubs prior to shipment to generally verify the correctness of the dates. In those cases where stubs bear valid earlier dates, particularly those with dates ranging back a year, some indication of the correctness of those dates might be noted on these stubs. A red check mark alongside the issue date would serve effectively as such an indication.

Any assistance the agents can provide in eliminating issue date errors will benefit and help to reduce the expense of administering the savings bond program. The cooperation of the agents in this matter will be greatly appreciated.

Additional copies of this circular will be furnished upon request.

Yours very truly,

Watrous H. Irons

President