

FEDERAL RESERVE BANK OF DALLAS
DALLAS, TEXAS 75222

Circular No. 67-261
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FUNCTIONAL COST ANALYSIS BULLETIN

As the year comes to an end, we trust you are well on the way to completing your 1967 Functional Cost Analysis workpapers. The deadline for submitting 1967 workpapers will be February 20, 1968. Please submit only Schedules A, B, C, D and E; we suggest you retain copies of these schedules and all other workpapers for your files.

There have been several inquiries in recent weeks concerning the correct handling of CD's on Schedule C, line 58. In clarification, a CD as it goes on the books is an opening and its maturity is a closing, except in the case of automatic renewal. If a CD is automatically renewed and no new instrument is issued, it will not be regarded as either an opening or a closing.

Some confusion has resulted regarding the handling of Nonbanking Departments. Schedule A, lines 32-37, should be filled in only if expenses are segregated and reported on Schedule B, column 210. If expenses for Nonbanking Departments are not segregated, report related income on Schedule A, line 42 or line 53, and allocate to "Other Income" at the bottom of Schedule A. Related expenses for these departments should then be allocated to Schedule B, column 190-200, "Indirect Expense."

To speed up processing this year's cost study, we ask that you pay careful attention to the test checks suggested on page 29 of the Functional Cost Analysis Instruction Manual. Also, if you have any unanswered questions regarding the Instruction Manual, please feel free to call us at any time.

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Functional Cost Analyst