

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 69-40
February 14, 1969

REGULATION P

MINIMUM SECURITY DEVICES AND PROCEDURES
FOR FEDERAL RESERVE BANKS AND STATE MEMBER BANKS

To All State Member Banks
in the Eleventh Federal Reserve District:

There is attached a copy of Regulation P, Minimum Security Devices and Procedures for Federal Reserve Banks and State Member Banks, issued by the Board of Governors of the Federal Reserve System, effective January 13, 1969.

Any inquiry relating to this Regulation should be addressed to this Bank, Station K, Dallas, Texas 75222.

Yours very truly,

P. E. Coldwell

President

Enclosure (1)

BOARD OF GOVERNORS
of the
FEDERAL RESERVE SYSTEM

**MINIMUM SECURITY DEVICES AND PROCEDURES
FOR FEDERAL RESERVE BANKS AND STATE MEMBER BANKS**

REGULATION P

(12 CFR 216)

Effective January 13, 1969



Any inquiry relating to this regulation should be addressed to the Federal Reserve Bank of the Federal Reserve District in which the inquiry arises. Forms necessary for the preparation of reports may be obtained from any Federal Reserve Bank.

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REGULATION P

(12 CFR 216)

Effective January 13, 1969

MINIMUM SECURITY DEVICES AND PROCEDURES FOR FEDERAL RESERVE BANKS AND STATE MEMBER BANKS*

SECTION 216.0—SCOPE OF PART

Pursuant to the authority conferred upon the Board of Governors of the Federal Reserve System by section 3 of the Bank Protection Act of 1968 (82 Stat. 295) with respect to State banks which are members of the Federal Reserve System and to Federal Reserve Banks¹ the rules contained in this Part—

(a) establish minimum standards for the installation, maintenance, and operation of security devices and procedures to discourage robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts;

(b) establish time limits for compliance; and

(c) require the submission of reports.

SECTION 216.1—DEFINITIONS

For the purposes of this Part—

(a) The term **“State member bank”** means any bank that is a member of the Federal Reserve System (other than a national bank or a District of Columbia bank).

(b) The term **“banking hours”** means the time during which a banking office is open for the normal transaction of business with the banking public.

(c) The term **“banking office”** includes the main office of any State member bank and any branch thereof.

* This text corresponds to the Code of Federal Regulations, Title 12, Chapter II, Part 216, cited as 12 CFR 216. The words “this Part,” as used herein, mean Regulation P.

¹ See section 216.7 regarding the applicability of this Part to Federal Reserve Banks.

(d) The term **“branch”** includes any branch bank, branch office, branch agency, additional office, or any branch place of business located in any State of the United States or in any Territory of the United States, Puerto Rico, Guam, or the Virgin Islands at which deposits are received or checks paid or money lent.

(e) The term **“Board”** means the Board of Governors of the Federal Reserve System.

(f) The term **“teller’s station or window”** means a location in a banking office at which bank customers routinely conduct transactions with the bank which involve the exchange of funds, including a walk-up or drive-in teller’s station or window.

SECTION 216.2—DESIGNATION OF SECURITY OFFICER

On or before February 15, 1969 (or within thirty days after a State bank becomes a member of the Federal Reserve System, whichever is later), the board of directors of each State member bank shall designate an officer or other employec of the bank who shall be charged, subject to supervision by the bank’s board of directors, with responsibility for the installation, maintenance, and operation of security devices and for the development and administration of a security program which equal or exceed the standards prescribed by this Part.

SECTION 216.3—SECURITY DEVICES

(a) **Installation, maintenance, and operation of appropriate security devices.** Before January 1, 1970 (or within thirty days after a State bank becomes a member of the Federal Reserve System,

whichever is later), the security officer of each State member bank, under such directions as shall be given him by the bank's board of directors, shall survey the need for security devices in each of the bank's banking offices and shall provide for the installation, maintenance, and operation, in each such office, of—

(1) a lighting system for illuminating, during the hours of darkness, the area around the vault, if the vault is visible from outside the banking office;

(2) tamper-resistant locks on exterior doors and exterior windows designed to be opened;

(3) an alarm system or other appropriate device for promptly notifying the nearest responsible law enforcement officers of an attempted or perpetrated robbery or burglary; and

(4) such other devices as the security officer, after seeking the advice of law enforcement officers, shall determine to be appropriate for discouraging robberies, burglaries, and larcenies and for assisting in the identification and apprehension of persons who commit such acts.

(b) **Considerations relevant to determining appropriateness.** For the purposes of subparagraph (4) of paragraph (a) of this section, considerations relevant to determining appropriateness include, but are not limited to—

(1) the incidence of crimes against the particular banking office and/or against financial institutions in the area in which the banking office is or will be located;

(2) the amount of currency or other valuables exposed to robbery, burglary, or larceny;

(3) the distance of the banking office from the nearest responsible law enforcement officers and the time required for such law enforcement officers ordinarily to arrive at the banking office;

(4) the cost of the security devices;

(5) other security measures in effect at the banking office; and

(6) the physical characteristics of the banking office structure and its surroundings.

(c) **Implementation.** It is appropriate for banking offices in areas with a high incidence of crime to install many devices which would not be practicable because of costs for small banking offices in areas substantially free of crimes against financial institutions. Each bank shall consider the appropriateness of installing, maintaining, and operating security devices which are expected to give a general level of bank protection at least equivalent

to the standards described in Appendix A of this Part. In any case in which (on the basis of the factors listed in paragraph (b) or similar ones, the use of other measures, or the decision that technological change allows the use of other measures judged to give equivalent protection) it is decided not to install, maintain, and operate devices at least equivalent to these standards, the bank shall preserve in its records a statement of the reasons for such decision and forward a copy of that statement to the Federal Reserve Bank for the District in which its main office is located.

SECTION 216.4—SECURITY PROCEDURES

(a) **Development and administration.** On or before July 15, 1969 (or within thirty days after a State bank becomes a member of the Federal Reserve System, whichever is later), each State member bank shall develop and provide for the administration of a security program to protect each of its banking offices from robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts. This security program shall be reduced to writing, approved by the bank's board of directors, and retained by the bank in such form as will readily permit determination of its adequacy and effectiveness, and a copy shall be filed with the Federal Reserve Bank for the District in which the main office of the bank is located.

(b) **Contents of security programs.** Such security programs shall—

(1) provide for establishing a schedule for the inspection, testing, and servicing of all security devices installed in each banking office; provide for designating the officer or other employee who shall be responsible for seeing that such devices are inspected, tested, serviced, and kept in good working order; and require such officer or other employee to keep a record of such inspections, testings, and servicings;

(2) require that each banking office's currency be kept at a reasonable minimum and provide procedures for safely removing excess currency;

(3) require that the currency at each teller's station or window be kept at a reasonable minimum and provide procedures for safely removing excess currency and other valuables to a locked safe, vault, or other protected place;

(4) require that the currency at each teller's station or window include "bait" money, i.e., used Federal Reserve notes, the denominations, banks

of issue, serial numbers, and series years of which are recorded, verified by a second officer or employee, and kept in a safe place;

(5) require that all currency, negotiable securities, and similar valuables be kept in a locked vault or safe during nonbusiness hours, that the vault or safe be opened at the latest time practicable before banking hours, and that the vault or safe be locked at the earliest time practicable after banking hours;

(6) provide, where practicable, for designation of a person or persons to open each banking office and require him or them to inspect the premises, to ascertain that no unauthorized persons are present, and to signal other employees that the premises are safe before permitting them to enter;

(7) provide for designation of a person or persons who will assure that all security devices are turned on and are operating during the periods in which such devices are intended to be used;

(8) provide for designation of a person or persons to inspect, after the closing hour, all areas of each banking office where currency, negotiable securities, or similar valuables are normally handled or stored in order to assure that such currency, securities, and valuables have been put away, that no unauthorized persons are present in such areas, and that the vault or safe and all doors and windows are securely locked; and

(9) provide for training, and periodic retraining, of employees in their responsibilities under the security program, including the proper use of security devices and proper employee conduct during and after a robbery, in accordance with the procedures listed in Appendix B of this Part.

SECTION 216.5—FILING OF REPORTS

(a) **Compliance reports.** As of the last business day in June of 1970, and as of the last business day in June of each calendar year thereafter, each State member bank shall file with the Federal Reserve Bank for the District in which its main office is located a statement certifying to its compliance with the requirements of this Part. The statement shall be dated and signed by the president, or cashier, or other managing officer of the bank and may be in a form substantially as follows:

“I hereby certify, to the best of my knowledge and belief, that this bank has developed and administers a security program that equals or ex-

ceeds the standards prescribed by § 216.4 of Regulation P; that such security program has been reduced to writing, approved by the bank’s board of directors, and retained by the bank in such form as will readily permit determination of its adequacy and effectiveness; and that the bank security officer, after seeking the advice of law enforcement officers, has provided for the installation, maintenance, and operation of appropriate security devices, as prescribed by § 216.3 of Regulation P, in each of the bank’s banking offices.”

(b) **Reports on security devices.** On or before March 15, 1969, and upon such other occasions as the Board may specify, each State member bank shall file with the Federal Reserve Bank for the District in which it is located a report on Form P-1 (in duplicate) for each of its offices that is subject to this Part.

(c) **External crime reports.** Each time a robbery, burglary, or nonbank-employee larceny is perpetrated or attempted at a banking office operated by a State member bank, the bank shall, within a reasonable time, file a report in conformity with the requirements of Form P-2. One copy of such report shall be filed with the appropriate State supervisory authority and three copies of such report shall be filed with the Federal Reserve Bank for the District in which the head office of the reporting bank is located.

(d) **Special reports.** Each State member bank shall file such other reports as the Board may require.

SECTION 216.6—CORRECTIVE ACTION

Whenever the Board determines that the security devices or procedures used by a State member bank are deficient in meeting the requirements of this Part, or that the requirements of this Part should be varied in the circumstances of a particular banking office, it may take or require the bank to take necessary corrective action. If the Board determines that such corrective action is appropriate or necessary, the bank will be so notified and will be furnished a statement of what the bank must do to comply with the requirements of this Part.

SECTION 216.7—APPLICABILITY TO FEDERAL RESERVE BANKS

The provisions of this Part apply to each Federal

Reserve Bank and its branches², except that reports and other writings required or permitted to be filed by a State member bank with the Federal Reserve Bank for the District in which it is located must, in the case of a Federal Reserve Bank, be filed with the Board; provided, however, that the applicability of the Bank Protection Act of 1968 and of this Part to Federal Reserve Banks and their branches does not preclude the Board from requiring, by virtue of its authority under other provisions of law, that Federal Reserve Banks and

their branches comply with higher standards respecting the installation, maintenance, and operation of security devices and procedures than those that are prescribed by this Part.

SECTION 216.8—PENALTY PROVISION

Pursuant to Section 5 of the Bank Protection Act of 1968, a State member bank or Federal Reserve Bank that violates any provision of this Part shall be subject to a civil penalty not to exceed \$100 for each day of the violation.

² A branch of a Federal Reserve Bank means an office established pursuant to section 3 of the Federal Reserve Act (12 U.S.C. § 521).

APPENDIXES

APPENDIX A

MINIMUM STANDARDS FOR SECURITY DEVICES

(1) **Surveillance systems.** (i) **General.** Surveillance systems should be:

(A) equipped with one or more photographic, recording, monitoring, or like devices capable of reproducing images of persons in the banking office with sufficient clarity to facilitate (through photographs capable of being enlarged to produce a one-inch vertical head-size of persons whose images have been reproduced) the identification and apprehension of robbers or other suspicious persons;

(B) reasonably silent in operation;

(C) so designed and constructed that necessary services, repairs, or inspections can readily be made. Any camera used in such a system should be capable of taking at least one picture every two seconds and, if it uses film, should contain enough unexposed film at all times to be capable of operating for not less than three minutes, and the film should be at least 16mm.

(ii) **Installation, maintenance, and operation of surveillance systems providing surveillance of other than walk-up or drive-in teller's stations or windows.** Surveillance devices for other than walk-up or drive-in windows should be:

(A) located so as to reproduce identifiable images of persons either leaving the banking office or in a position to transact business at each such station or window; and

(B) capable of activation by initiating devices located at each teller's station.

(iii) **Installation, maintenance, and operation of surveillance systems providing surveillance of walk-up or drive-in teller's stations or windows.** Surveillance devices for walk-up and drive-in teller's stations or windows should be located in such a manner as to reproduce identifiable images of persons in a position to transact business at each such station or window and areas of such station or window that are vulnerable to robbery or larceny. Such devices should be capable of activation by one or more initiating devices located within or in close proximity to such station or window. Such devices could be omitted in the case of walk-up or drive-in teller's station or window in which the teller is effectively protected by a bullet-resistant barrier from persons outside the station or window, but if

the teller is vulnerable to larceny or robbery by members of the public who enter the banking office, the teller should have access to a device to activate a surveillance system that covers the area of vulnerability or the exits to the banking office.

(2) **Robbery alarm systems.** A robbery alarm should be provided for each banking office at which the police ordinarily can arrive within five minutes after an alarm is activated. Robbery alarm systems should be:

(i) designed to transmit to the police, either directly or through an intermediary, a signal (not detectable by unauthorized persons) indicating that a crime against the banking office has occurred or is in progress;

(ii) capable of activation by initiating devices located at each teller's station (except walk-up or drive-in teller's stations or windows in which the teller is effectively protected by a bullet-resistant barrier and effectively isolated from persons, other than fellow employees, inside a banking office of which such station or window may be a part);

(iii) safeguarded against accidental transmission of an alarm;

(iv) equipped with a visual and audible signal capable of indicating improper functioning of or tampering with the system; and

(v) equipped with an independent source of power (such as a battery) sufficient to assure continuously reliable operation of the system for at least twenty-four hours in the event of failure of the usual source of power.

(3) **Burglar alarm systems.** Burglar alarm systems should be:

(i) capable of detecting promptly an attack on the outer door, walls, floor or ceiling of each vault, and each safe not stored in a vault, in which currency, negotiable securities, or similar valuables are stored when the office is closed, and any attempt to move any such safe;

(ii) designed to transmit, to the police, either directly or through an intermediary, a signal (not detectable by unauthorized persons) indicating that any such attempt is in progress; and in the case of a banking office at which the police ordinarily cannot arrive within five minutes after an alarm is activated, designed to activate a loud sounding bell or other device that is audible inside the banking office and for a distance of approximately 500 feet outside the banking office;

(iii) safeguarded against accidental transmission of an alarm;

(iv) equipped with a visual and audible signal, capable of indicating improper functioning of or tampering with the system; and

(v) equipped with an independent source of power (such as a battery) sufficient to assure continuously reliable operation of the system for at least eighty hours in the event of failure of the usual source of power.

(4) **Walk-up and drive-in teller's stations or windows.** Walk-up and drive-in teller's stations or windows contracted for after February 15, 1969, should be constructed in such a manner that tellers are effectively protected by bullet-resistant barriers from robbery or larceny by persons outside such stations or windows. Such barriers should be of glass at least one and three-sixteenths inches thick,¹ or of material of at least equivalent bullet-resistance. Pass-through devices should be so designed and constructed as not to afford a person outside the station a direct line of fire at a person inside the station.

(5) **Vaults, safes, and night depositories.** Vaults and safes (if not to be stored in a vault) in which currency, negotiable securities, or similar valuables are to be stored when the office is closed, and night depositories, contracted for after February 15, 1969, should meet or exceed the following standards:

(A) **Vaults.** Vault walls, roof and floor contracted for after February 15, 1969, should be made of steel-reinforced concrete, at least 18 inches thick; vault doors should be made of steel or other drill and torch-resistant material, at least three and one-half inches thick, and be equipped with a dial combination lock and a time lock and a substantial, lockable day-gate; or vaults and vault doors should be constructed of materials that afford at least equivalent burglary-resistance.

(B) **Safes.** Safes contracted for after February 15, 1969, should weigh at least 750 pounds empty, or be securely anchored to the premises where located. The door should be equipped with a combination lock, and with a relocking device that

will effectively lock the door if the combination lock is punched. The body should consist of steel, at least one inch in thickness, with an ultimate tensile strength of 50,000 pounds per square inch, either cast or fabricated, and be fastened in a manner equal to a continuous one-fourth inch penetration weld having an ultimate tensile strength of 50,000 pounds per square inch. One hole not exceeding 3/16-inch diameter may be provided in the body to permit insertion of electrical conductors, but should be located so as not to permit a direct view of the door or locking mechanism. The door should be made of steel that is at least one and one-half inches thick, and at least equivalent in strength to that specified for the body; or safes should be constructed of materials that afford at least equivalent burglary-resistance.

(C) **Night depositories.** Night depositories (excluding envelope drops not used to receive substantial amounts of currency) contracted for after February 15, 1969, should consist of a receptacle chest having cast, or welded, steel walls, top and bottom, at least one inch thick; a combination locked steel door at least one and one-half inches thick; and a chute, made of steel that is at least one inch thick, securely bolted or welded to the receptacle and to a depository entrance of strength similar to the chute; or night depositories should be constructed of materials that afford at least equivalent burglary-resistance. The depository entrance should be equipped with a lock. Night depositories should be equipped with a burglary alarm and be designed to protect against the "fishing" of a deposit from the deposit receptacle, and to protect against the "trapping" of a deposit for extraction.

Each device mentioned in this Appendix should be installed and regularly inspected, tested, and serviced by competent persons, so as to assure realization of its maximum performance capabilities. Activating devices for surveillance systems and robbery alarms should be operable with the least risk of detection by unauthorized persons that can be practicably achieved.

¹It should be emphasized that this thickness is merely bullet-resistant and not bullet-proof.

APPENDIX B**PROPER EMPLOYEE CONDUCT DURING
AND AFTER A ROBBERY**

With respect to proper employee conduct during and after a robbery, employees should be instructed:

- (1) to avoid actions that might increase danger to themselves or others;
- (2) to activate the robbery alarm system and the surveillance system during the robbery, if it appears that such activation can be accomplished safely;
- (3) to observe the robber's physical features, voice, accent, mannerisms, dress, the kind of weapon he has, and any other characteristics that would be useful for identification purposes;
- (4) that if the robber leaves evidence (such as a note) try to put it aside and out of sight, if it appears that this can be done safely; retain the evidence, do not handle it unnecessarily, and give it to the police when they arrive; and refrain from touching, and assist in preventing others from touching, articles or places the robber may have touched or evidence he may have left, in order that fingerprints of the robber may be obtained;
- (5) to give the robber no more money than

the amount he demands, and include "bait" money in the amount given;

(6) that if it can be done safely, observe the direction of the robber's escape and the description and license plate number of the vehicle used, if any;

(7) to telephone the local police, if they have not arrived, and the nearest office of the Federal Bureau of Investigation, or inform a designated officer or other employee who has this responsibility, that a robbery has been committed;

(8) that if the robber leaves before the police arrive, assure that a designated officer or other employee waits outside the office, if it is safe to do so, to inform the police when they arrive that the robber has left;

(9) to attempt to determine the names and addresses of other persons who witnessed the robbery or the escape, and request them to record their observations or to assist a designated officer or other employee in so doing;

(10) to refrain from discussing the details of the robbery with others before recording the observations respecting the robber's physical features and other characteristics as hereinabove described and the direction of escape and description of vehicle used, if any.

STATUTORY APPENDIX

BANK PROTECTION ACT OF 1968

Act of July 7, 1968 (82 Stat. 294)

To provide security measures for banks and other financial institutions, and to provide for the appointment of the Federal Savings and Loan Insurance Corporation as receiver.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bank Protection Act of 1968".

SEC. 2. As used in this Act the term "Federal supervisory agency" means—

(1) The Comptroller of the Currency with respect to national banks and district banks,

(2) The Board of Governors of the Federal Reserve System with respect to Federal Reserve banks and State banks which are members of the Federal Reserve System,

(3) The Federal Deposit Insurance Corporation with respect to State banks which are not members of the Federal Reserve System but the deposits of which are insured by the Federal Deposit Insurance Corporation, and

(4) The Federal Home Loan Bank Board with respect to Federal savings and loan associations, and institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

SEC. 3. (a) Within six months from the date of this Act, each Federal supervisory agency shall promulgate rules establishing minimum standards

with which each bank or savings and loan association must comply with respect to the installation, maintenance, and operation of security devices and procedures, reasonable in cost, to discourage robberies, burglaries, and larcenies and to assist in the identification and apprehension of persons who commit such acts.

(b) The rules shall establish the time limits within which banks and savings and loan associations shall comply with the standards and shall require the submission of periodic reports with respect to the installation, maintenance, and operation of security devices and procedures.

SEC. 4. The Federal supervisory agencies shall consult with

(1) insurers furnishing insurance protection against losses resulting from robberies, burglaries, and larcenies committed against financial institutions referred to in section 2, and

(2) State agencies having supervisory or regulatory responsibilities with respect to such insurers

to determine the feasibility and desirability of premium rate differentials based on the installation, maintenance, and operation of security devices and procedures. The Federal supervisory agencies shall report to the Congress the results of their consultations pursuant to this section not later than two years after the date of enactment of this Act.

SEC. 5. A bank or savings and loan association which violates a rule promulgated pursuant to this Act shall be subject to a civil penalty which shall not exceed \$100 for each day of the violation.

[U.S.C., title 12, sec. 1881-1884.]