

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 72-46
March 16, 1972

To the Chief Executive Officer, Each Member Bank
in the Eleventh Federal Reserve District:

As you know, this Reserve Bank provides services that attempt to be helpful and informative to the bankers of this District. Our Functional Cost Analysis Program has now been offered for six years, and we believe that it has been of assistance in increasing the efficiency of operations of participating member banks. Seminars, both for middle and senior levels of bank management, have provided a two-way flow of communications between personnel of this Bank and those attending. Other services include publications, films, currency exhibits, and tours of our Head Office and branches.

In order that the services we provide may be more closely attuned to the needs of the banking industry, we would appreciate your opinion on certain of our existing services as to which should be altered, expanded, or even dropped, as well as what new services we might appropriately provide. Therefore, we are listing below various existing and proposed services, and we would be most grateful if you would complete the enclosed questionnaire covering these areas and return it to us promptly in the envelope that has been provided.

Existing Services:

1. Functional Cost Analysis. The FCA program is a free, voluntary service provided to member banks. The participating banks receive income, expense, item cost, and cost of money information covering 12 major banking functions. The report contains over 30 pages of data devoted to measuring the efficiency and growth of the participating bank as compared with competitors of like size and characteristics. The report is a definite management aid in measuring efficiency, policies of cost control, pricing policies, and profit planning. All materials are provided, and representatives are available to discuss the program and aid in its preparation.
2. Middle Management Seminars. Potential senior management candidates from member banks attend these seminars. Reserve Bank officials explain the various operations of the Federal Reserve Bank and encourage the bankers to discuss their operational problems and procedures. Along with the discussion of operations is an economic and financial briefing to explain current monetary policy.
3. Senior Management Seminars. These seminars are designed for member banks' chief executive officers and the top echelon of their management staffs; the banks' directors are also welcome to attend. At this meeting Reserve Bank senior officials discuss the Discount Window, regulations and pending legislation, Federal Reserve policy, and economic and financial developments.

Potential Programs:

1. Audit Program. This Bank could provide assistance to those banks interested in instituting a formal audit program that could be installed and operated with a minimum effort. Forms, procedures, and technical assistance for performing an audit would be provided. This service would probably be limited to smaller member banks.

2. Check Collection Seminars. Various Bank officials would discuss check collection services and the payments mechanism.

3. Holding Company Seminars. Discussions would include the advantages of forming a holding company, holding company regulation, application procedure, etc.

4. Officers' Salary Survey. A salary survey could provide a wage analysis of the banks' official jobs. Participating banks would be grouped by deposit size and by population of service area to insure a meaningful comparison. For each job and bank grouping, the number of banks, number of officials, average seniority, and high and low salaries would be reported.

5. Operations Survey--Bookkeeping. A bank's bookkeeping procedures would be analyzed and contrasted with other methods.

6. Operations Survey--Transit. A bank's transit operation would be examined and suggestions would be provided to maximize efficiency.

In addition, we would appreciate your comments on any services or programs in which you would be interested that are not listed above.

Yours very truly,

P. E. Coldwell

President

Enclosures (2)

TO THE BANK RELATIONS AND SERVICES DEPARTMENT:

Our interest in your services is indicated as follows:

EXISTING SERVICES

1. Functional Cost Analysis

_____ Interested
_____ Possibly interested
_____ Not interested

2. Middle Management Seminars

_____ Interested
_____ Possibly interested
_____ Not interested

3. Senior Management Seminars

_____ Interested
_____ Possibly interested
_____ Not interested

POTENTIAL PROGRAMS

1. Audit Program

_____ Interested
_____ Possibly interested
_____ Not interested

4. Officers' Salary Survey

_____ Interested
_____ Possibly interested
_____ Not interested

2. Check Collection Seminars

_____ Interested
_____ Possibly interested
_____ Not interested

5. Operations Survey--Bookkeeping

_____ Interested
_____ Possibly interested
_____ Not interested

3. Holding Company Seminars

_____ Interested
_____ Possibly interested
_____ Not interested

6. Operations Survey--Transit

_____ Interested
_____ Possibly interested
_____ Not interested

REMARKS:

Signature _____

Bank _____

Location _____