

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 74-80  
March 25, 1974

## APPLICATION OF ANALYSIS ADJUSTMENTS TO MEMBER BANK RESERVE ACCOUNTS

### Member Bank Reserves

To All Member Banks in the  
Eleventh Federal Reserve District:

This Bank and its branches at El Paso, Houston and San Antonio have adopted a policy regarding debit and credit analysis adjustments to member bank reserve accounts that applies to all member banks. Effective with the reserve computation period beginning April 4, 1974, analysis adjustments (commonly referred to as improvements and deprovements) concerning transactions involving prior reserve periods will be applied in the current reserve period except when such adjustments, if applied in a prior reserve period (1) would reduce or eliminate reserve deficiencies, or (2) would reduce or eliminate excess reserves that would otherwise be lost for use by the member bank. Analysis adjustments will not be applied to that portion of an excess or deficiency that may be carried forward to the next reserve computation period.

In addition, analysis adjustments will be made in only those cases where the face amount of the original transaction is \$25,000 or greater. Those cases involving the application of an analysis adjustment concerning a transaction of less than \$25,000 where the member bank would benefit will be investigated and functioned, if appropriate, upon the request of the member bank.

This policy is being adopted in order to reduce the burden on member banks in the maintenance of their reserve requirements caused by analysis adjustments applied to past reserve maintenance periods and resulting in the creation of excess reserves which member banks could not use or deficiencies which could not be eliminated. The advice copy of analysis adjustments received by member banks will indicate the reserve maintenance period or periods to which such adjustments will apply.

Any questions regarding this new policy should be referred to the Accounting Officer of the Federal Reserve office maintaining your reserve account.

Yours very truly,

P. E. Coldwell

President