



American Revolution Bicentennial

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 75-186
December 17, 1975

BULLETIN 5

TO ALL BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

Enclosed is a copy of revised Bulletin 5, relating to currency and coin operations of this Bank and its Branches at El Paso, Houston, and San Antonio.

Under sections 3.05 and 4.15, some of the standard units for ordering and shipping currency and coin have been deleted because of the lack of demand for these units by banks. The \$2 bill has been added to the list of currency denominations in section 3.05; however, these bills will not be available until April 13, 1976.

Under section 6.00, the reference to the Railway Express Agency, Inc., has been deleted.

This revised bulletin should be filed in your Regulations binder, and the corresponding bulletin, dated April 1, 1974, should be removed and destroyed.

If you have any questions regarding Bulletin 5, please contact the Cash Department at this Bank or at any of our three Branches.

Additional copies of Bulletin 5 will be furnished upon request to the Secretary's Office of this Bank.

Sincerely yours,

T. W. Plant

First Vice President

Enclosure

BULLETIN 5

Currency and Coin



FEDERAL RESERVE BANK OF DALLAS

SCOPE

This bulletin sets forth the general terms and conditions with respect to the currency and coin services provided by this Bank and the procedures that should be followed by commercial banks in their currency and coin transactions with us.

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Section 1, DEFINITIONS AND REFERENCES

1.00 Reference to Bulletin 1

A number of terms used in this bulletin are defined in Bulletin 1.

1.05 Federal Reserve Act

Federal Reserve notes are issued in accordance with Section 16 of the Federal Reserve Act.

1.10 Department of the Treasury Circular No. 55

Regulations governing the exchange of coin and paper currency of the United States are set forth in this circular.

Section 2, GENERAL

2.00 Agreement to the terms of this bulletin

Any bank shipping or causing the shipment of currency or coin to, from, or for the account of this Bank, shall, by such action, be deemed to have agreed to the terms and conditions set forth in this bulletin.

2.05 Unnecessary shipments to and from this Bank

Because of the high cost of maintaining cash services, the cooperation of banks is requested to avoid unnecessary shipments. It is suggested that accumulations of currency or coin be obtained from other banks in the community if it is available. Banks should anticipate their requirements and, whenever possible, refrain from shipping to this Bank currency and coin fit for further circulation if money of the same denominations is likely to be needed in the near future. The interchange of currency and coin by local banks and the exercise of care in anticipating requirements will reduce shipments to and from this Bank.

2.10 Receipt and distribution of currency and coin

All United States currency and coin will be received for credit, redemption, exchange, or replacement, subject to the conditions stated herein and applicable Federal laws and regulations. This Bank will supply all available current denominations of currency and coin, in accor-

dance with the rules of this Bank and the regulations of the Treasury Department. The amount of new currency and coin shipped by us will be governed by the amount of fit currency and circulated coin on hand.

2.15 Transportation costs

This Bank will absorb the cost of armored carrier service provided on a scheduled basis and postage and will assume all risks, except those herein specifically excluded, incident to shipments of United States currency and coin only to and from member banks when such shipments are ordered from this Bank or are prepared and forwarded to this Bank in accordance with the provisions of this bulletin. This Bank will also make shipments of currency and coin to and receive shipments from nonmember banks at their own risk and expense.

2.20 Money sacks

Empty money sacks bearing the name of this Bank or of the United States Mint should be returned to this Bank by armored carrier or fourth-class mail. The sender will be reimbursed for the expense. Empty money sacks bearing the name of a depository bank will be returned to that bank at the expense of this Bank. This Bank does not furnish money sacks to commercial banks.

Section 3, SHIPMENTS FROM THIS BANK

3.00 Ordering currency and coin

Orders for currency and/or coin should be submitted by member banks on Form Cash-15 and by nonmember banks on Form Cash-489. Each order should bear an authorized signature. If one of these forms is not used, a letter may be substituted containing (1) definite amounts and kinds of currency and coin desired, (2) authority to charge the reserve account of the ordering member bank or in the case of nonmember banks, the name of the member bank to be charged, and (3) an authorized signature. Orders for money by member banks may also be entered by telephone, charges collect. Telephone orders must be confirmed immediately by letter designated as a confirmation and bearing an authorized signature. Orders should be

forwarded to the Cash Department of this Bank and should not be included in letters pertaining to other transactions.

3.05 Standard units

Currency is strapped in standard packages and coin is sacked in standard bags. Orders for currency or coin should be for the following standard units or multiples thereof:

	<u>Currency</u>	
Ones		\$100
Twos		\$200
Fives		\$500
Tens		\$1,000
Twenties		\$2,000
Fifties		\$5,000
Hundreds		\$5,000, \$10,000

	<u>Coin</u>	
Cents		\$50
Nickels		\$200
Dimes		\$1,000
Quarters		\$1,000
Halves		\$1,000
Dollars		\$1,000

3.10 Closing hours and transportation schedules

This Bank is closed on Saturdays, Sundays, and official bank holidays as set forth in Supplement A to Bulletin 1. Bankers are asked to keep this in mind as well as armored carrier and registered mail delivery schedules in anticipating their cash requirements. Requests for shipments of currency and coin will be acted upon on the day of receipt if received not later than 2:00 p.m., unless scheduled for later shipment by armored carrier. Bankers placing orders by mail should assure themselves that such orders will reach this Bank in time for dispatching the shipment for arrival on the expected date.

3.15 Method of shipment

Shipments of currency and/or coin from this Bank to member banks will be made by armored carrier or registered mail, whichever method is appropriate under the circumstances.

Nonmember banks may order currency and/or coin directly from this Bank; however, these banks are responsible for making their own

shipping arrangements. Money orders should indicate the method of shipment.

Member banks may order currency and/or coin for shipment to nonmember banks and the method of shipment should be specified by the member bank.

3.20 Handling charges for nonmember banks

Charges will be made for the preparation of shipments to nonmember banks as follows:

(1) \$.50 per package or sack of currency or coin shipped by armored carrier, and

(2) \$1.00 per package or sack of currency or coin shipped by registered mail.

3.25 Mail advices

A mail advice will be sent to banks covering each shipment made by registered mail, and, if the shipment is not received promptly, the Head Office or Branch making the shipment should be notified immediately by telephone or telegraph.

3.30 Postal limitations

The United States Postal Service has imposed certain limitations and restrictions on the shipment of money to certain towns where railway postal service is not provided. Banks affected have been apprised of these limitations and restrictions and their cooperation in this respect is solicited in placing orders with this Bank. Banks are also requested, as a practical measure, to place orders for currency and coin so that they can be dispatched for arrival and delivery on a business day. Postal authorities have ruled it unwise to permit the dispatch of money which would be held over at the receiving post office when the office is closed.

3.35 Responsibility of Federal Reserve

When shipments are made by an armored carrier or by registered mail, the responsibility of this Bank terminates upon delivery of the money to the carrier on this Bank's premises or to an office of the United States Postal Service.

3.40 Verification of shipments

All shipments should be verified (piece counted) immediately upon arrival, by the receiving bank, and any discrepancy found should be reported

to this Bank. Where disbursement of currency or coin is made without verification, this Bank will assume no liability.

3.45 Entries to member bank reserve accounts

Charges will be made to the reserve accounts of member banks for the amounts of the currency and/or coin shipments made to them.

Charges for the amount of currency and/or coin shipments to nonmember banks and any related shipping and preparation charges will be made to the reserve account of the member bank designated by the ordering bank.

Nonmember banks availing themselves of this service should request that a letter from the member correspondent bank be forwarded to this Bank authorizing their reserve account to be charged or credited for currency and coin transactions with the nonmember bank, including adjustments. A form for this purpose will be forwarded upon request.

Section 4, SHIPMENTS TO THIS BANK

4.00 Control of shipments

All shipments will be prepared and verified by one or more responsible employees of the sender, and the sealed package should be in charge of a responsible employee until delivered to and receipted for by the express office or armored carrier, or until deposited and registered at the post office.

4.05 Preparation of currency shipments

All currency included in each shipment must be sorted and packaged by denomination, face and top up, and be enclosed in paper currency straps, each strap containing 100 notes, with the name of the depositing bank, date, amount, and the number or stamp of the teller counting the package appearing on each strap. Under no circumstances should rubber bands, pins, or clips be substituted for paper straps. Insofar as possible, packages should be assembled by denominations into units of 2,000 notes each. Each unit should be securely tied so as to avoid collapse while in transit. When shipments are made by mail, the weight of all units allowed in one sack and under one registry is determined by postal regulations. Shipping costs can be reduced by

placing a number of units in each sack; however, the sack should not exceed the weight allowed.

On the date of shipment, if the currency is sent by registered mail, a notice should be mailed under separate cover to the Cash Department of this Bank giving the date, amount, and description of the shipment. If the currency is sent by armored carrier, this notice should be handed to the armored carrier representative. A supply of this Bank's Form Cash-514 for this purpose for member banks and Form Cash-490 for nonmember banks will be furnished upon request. A copy of the advice should be enclosed with the shipment.

Torn notes should be carefully mended on the back with transparent cellophane tape in such a manner as to preserve the original design and visual identification of the face of the notes. Pins, clips, and other metallic substances, if not removed, could cause injury to the handlers and damage the machinery used in cancelling unfit currency. Failure to comply with the foregoing retards the process of handling and may delay final verification.

The contents of all shipments will be enclosed in a cloth or canvas bag, strong wrapper or envelope, and should be well secured and sealed in a manner acceptable to the post office, express office, or armored carrier at the place of mailing or dispatch.

4.10 Method of shipping currency

Currency of all denominations shipped by member banks should be forwarded by armored carrier or registered mail. Nonmember banks should make their own shipping and insurance arrangements. Since this Bank assumes all risks incident to the transportation of shipments by member banks, the sending member bank should pay on registered mail shipments only the postage at the first-class rate and appropriate registry fee, using the lower of the two scheduled rates charged by the United States Postal Service for registered mail.

4.15 Preparation of coin shipments

Coin should be shipped to this Bank loose in heavy canvas bags, each bag containing coin of only one denomination. Lead or plastic seals

should be used in sealing bags of coin and the impression should bear the name or the ABA number of the shipping bank. Coin shipped to this Bank should be sacked as follows:

Cents	\$50
Nickels	\$200
Dimes	\$1,000
Quarters	\$1,000
Halves	\$1,000
Dollars	\$1,000

On the date of shipment, if the coin is sent by registered mail, a notice should be mailed to the Cash Department of this Bank, giving the date, amount, and description of the shipment. If the coin is sent by armored carrier, this notice should be handed to the armored carrier representative. A supply of this Bank's Form Cash-514 for this purpose for member banks and Form Cash-491 for nonmember banks will be furnished upon request.

4.20 Method of shipping coin

Coin of all denominations shipped by member banks should be forwarded by armored carrier if this service is available. If a bank is not on an armored route, shipments of coin should be made by registered mail in accordance with existing postal regulations.

4.25 Entries to member bank reserve accounts

The reserve account of a member bank will be credited for the amount of a shipment on the date of receipt, subject to detailed verification and subsequent adjustments for shortages, overages, and counterfeits.

The reserve account of the designated member correspondent bank will be credited for such shipments received from a nonmember bank. These shipments will be received subject to detailed verification, and any adjustments will be functioned through the correspondent bank.

Section 5, MISCELLANEOUS CURRENCY AND COIN

5.00 Counterfeit or altered

In accordance with Treasury Department regulations, all counterfeit or altered currency and coin must be delivered to an agent of the United

States Secret Service. Accordingly, all counterfeit currency and coin received by this Bank will be delivered to a Secret Service Agent whose receipt, fully describing the counterfeit currency or coin, will be mailed to the depositor.

5.05 Foreign

Foreign currency or coin will not be accepted for credit and, if received, will be returned to the shipping bank.

5.10 Gold coin and gold certificates

The executive order of the President of the United States requiring the surrender of all gold coin and gold certificates is still in force, with certain exceptions. Any gold held or received on deposit should be sent to the Federal Reserve for the account of the Treasurer of the United States. Gold coins having a recognized special value to collectors of rare or unusual coins, including all gold coins made prior to April 5, 1933, and gold certificates of the type issued before January 30, 1934, have been exempted from the surrender requirement, however, and may be retained by the persons owning them.

5.15 Mutilated currency

A mutilated bill will be received at its face amount if clearly more than one half of the original bill remains. Fragments that are not clearly more than one half should be sent directly to the Treasurer of the United States, Room 139 Treasury Annex, Washington, D.C. 20226, in accordance with Treasury Department Circular No. 55, copies of which will be furnished upon request. Such fragments will be exchanged at face value only if the Treasurer of the United States is satisfied that the missing portions have been totally destroyed, and his judgment is based on such evidence of total destruction as he deems necessary and is final.

5.20 Mutilated coin

Mutilated coins will not be accepted at their face value at this Bank or by the Treasurer of the United States but should be shipped to the United States Assay Office, 32 Old Slip, New York, New York 10005. Coins are mutilated when punched, clipped, plugged, fused together, or when so defaced as to be not readily and clearly identifiable as to genuineness and

denomination. Coins containing lead, solder, or substances which will render them unsuitable for coinage metal will not be accepted by the mints. Coins that are bent or twisted out of shape, but are readily and clearly identifiable as to genuineness, and coins that have been reduced in weight by natural abrasion only, are not regarded as mutilated and will be accepted at their face amount.

Section 6, ASSUMPTION OF RISK OF LOSS ON MONEY SHIPMENTS

6.00 Member banks

Subject to the terms of this bulletin, this Bank will assume all risks incident to the transportation of shipments of currency and/or coin to, from, or for the account of this Bank made or caused or ordered to be made by a member bank when such shipments are transported by registered mail or by such other means of transportation as may be selected by this Bank from the time such shipments leave the office of the sending member bank until delivered at the office of the addressee bank.

This Bank will not assume any risk of loss in any of the following circumstances and any loss thereunder is agreed and understood to be assumed by the member bank shipping or causing or ordering such shipment.

(1) Any loss in excess of \$2,000,000 on all shipments by any one banking office to this Bank on any one day.

(2) Any loss resulting from hostile or warlike action by any military, navy, air force, or agent of domestic, foreign, or revolutionary governments, powers, or forces, whether or not war has been formally declared and including

defending against an actual or expected attack; or any loss caused by any weapon of war employing atomic fission or radioactive force whether in time of peace or war.

(3) Any loss resulting from any dishonest, fraudulent, or criminal act of any employee of any bank, other than this Bank, shipping, causing, ordering, or receiving the shipment.

(4) Any loss to the extent recoverable from any insurance, surety, or indemnity (including banks' blanket bond), whether primary or excess, carried by or maintained by any person other than this Bank.

(5) Any loss on any shipment by any bank other than this Bank not made in conformity with the provisions of this bulletin.

6.05 Payment of losses and subrogation of rights of recovery by member banks

The amount of any loss, the risk of which is assumed under the terms of this bulletin, will be paid promptly by this Bank upon receiving from the bank sustaining the loss, in a form satisfactory to this Bank, a written proof of loss, receipt, and any other necessary documents, including, but not limited to, an assignment of its rights, title, and interest in the lost property. The bank receiving any such payment shall take all necessary measures in behalf and at the risk and expense of this Bank for the recovery, reissue, or replacement of such property, including the institution of legal proceedings in its own name, if deemed necessary by this Bank.

6.10 Nonmember banks

Shipments of currency and/or coin are made to and received from nonmember banks at their risk and expense.