



American Revolution Bicentennial

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 76-65

May 4, 1976

FISCAL AGENCY OPERATING CIRCULARS NOS. 1 AND 2
WITH TABULAR MARKING

**TO ALL MEMBER BANKS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:**

As we indicated in our Circular No. 76-47 of March 30, 1976, we have prepared for your use a tabular marking that denotes a special section for Fiscal Agency Operating Circulars in your Regulations Binder.

Fiscal Agency Operating Circulars Nos. 1 and 2, which were previously furnished your bank and which were dated November 21, 1975, and April 16, 1973, are also enclosed. This section should be placed in your binder between "Bulletins" and "Rules."

If you have any questions regarding this matter, please contact Richard D. Ingram, Assistant Vice President, at (214) 651-6340.

Additional copies of the operating circulars and tabular marking will be furnished upon request to the Secretary's Office of this Bank (214) 651-6267.

Sincerely yours,

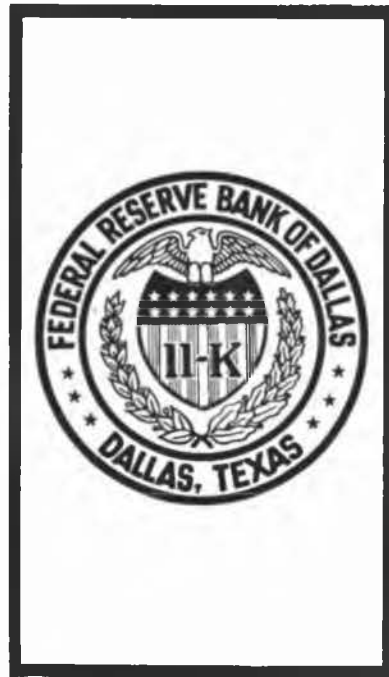
T. W. Plant

First Vice President

Enclosures (3)

**FISCAL AGENCY OPERATING
CIRCULAR NO. 1**

**Instructions to All Issuing Agents of
United States Savings Bonds of Series E
in the Eleventh Federal Reserve District**



**FEDERAL RESERVE BANK OF DALLAS
FISCAL AGENT OF THE UNITED STATES**

SCOPE

The instructions contained in this circular are applicable, as indicated, to all issuing agents of United States Savings Bonds of Series E which are accountable to this Bank for bond stock, including consignment agents, prepayment agents, designated Finance Officers of the Armed Forces, and other United States Government officers or offices.

TABLE OF CONTENTS

Section 1, GENERAL

- 1.00 Right to alter circular
- 1.05 References to this Bank
- 1.10 Authority
- 1.15 Series H bond applications
- 1.20 References

Section 2, ISSUING AGENTS

- 2.00 Eligibility
- 2.05 Authority
- 2.10 Qualification
- 2.15 Equal employment opportunity
- 2.20 Governmental responsibility

Section 3, BLANK BONDS

- 3.00 Requisitions
- 3.05 Shipments
- 3.10 Care and protection of bond stock
- 3.15 Procedures for losses
- 3.20 Return of stock

Section 4, SALE OF BONDS

- 4.00 General restrictions
- 4.05 Minors
- 4.10 Others under legal disabilities
- 4.15 Investors other than individuals in their own right
- 4.20 Commercial banks
- 4.25 Forms of registration
- 4.30 Limitations on sale of bonds
- 4.35 Payment for bonds sold

Section 5, INSTRUCTIONS FOR ISSUANCE

- 5.00 Inscribing bonds
- 5.05 Erasures
- 5.10 Dating
- 5.15 Payroll deduction plans
- 5.20 Procedures for correction of errors in issue

Section 6, DELIVERY

- 6.00 Mailing permissible
- 6.05 Availability of penalty envelopes

- 6.10 Use of penalty envelopes
- 6.15 Undeliverable bonds

Section 7, UNCLAIMED CASH BALANCES

- 7.00 Remittance to Treasury Department
- 7.05 Accompanying statement
- 7.10 Form of remittance
- 7.15 Procedure to establish claims

Section 8, LOST BONDS

- 8.00 Before delivery to purchaser
- 8.05 After delivery to purchaser

Section 9, ACCOUNTING FOR BONDS

- 9.00 Separate deposit accounts
- 9.05 Reports of sales — consignment basis
- 9.10 Reports of sales — prepayment basis
- 9.15 Remittance
- 9.20 Payroll and counter sales

Section 10, FORM OF PAYMENT TO FEDERAL RESERVE BANK

- 10.00 Treasury Tax and Loan Account
- 10.05 Payment by surrender of United States savings stamps
- 10.10 Other forms of payment
- 10.15 Prepayment agents

Section 11, DISPOSITION OF STUBS AND SPOILED BONDS

- 11.00 Stubs
- 11.05 Spoiled bonds
- 11.10 Unfit bonds

Section 12, MISCELLANEOUS

- 12.00 Maintenance of records by agents
- 12.05 Forwarding original stubs, bonds, and remittances
- 12.10 Registry fee
- 12.15 Insurance
- 12.20 Reimbursement for postal expense
- 12.25 Mailing addresses

Section 1, GENERAL

1.00 Right to alter circular

The right is reserved to withdraw, add to, or amend, at any time, any of the provisions of this circular.

1.05 References to this Bank

Unless otherwise stated, all references to the Federal Reserve Bank of Dallas or "this Bank," include the Head Office and the El Paso, Houston, and San Antonio Branches.

1.10 Authority

The Secretary of the Treasury has provided that issuing agents qualified for the sale of United States Savings Bonds of Series E will follow regulations and instructions issued directly by the Secretary of the Treasury or through the Federal Reserve Bank of the district as fiscal agent of the United States, covering the sale, issuance, inscription and validation of the bonds, and the disposition of registration stubs and spoiled and unissued bonds. In addition to the regulations issued by the Secretary of the Treasury in Department Circular No. 530 (current revision), these instructions are issued by this Bank as FISCAL AGENT OF THE UNITED STATES for the guidance of issuing agents in the Eleventh Federal Reserve District.

1.15 Series H bond applications

Although only the Federal Reserve Banks and Branches and the Treasury Department are authorized to issue United States Savings Bonds of Series H, any issuing agent may receive applications for the purchase of bonds of this series and forward the applications and related payments to this Bank or appropriate Branch in order that the bonds may be issued. Applicants for Series H bonds must furnish taxpayer identifying numbers (social security account numbers or employer identification numbers) for inscription on the bonds. Application forms for the purchase of Series H bonds will be furnished to issuing agents upon request.

1.20 References

Regulations relative to the authority of agents to issue Series E savings bonds, and complete instructions concerning sales and issuance, are contained in the following Treasury Department circulars:

Treasury Department Circular No. 530, as revised and amended — "Regulations Governing United States Savings Bonds"

Treasury Department Circular No. 653, as revised and amended — "United States Savings Bonds — Series E"

Treasury Department Circular PD Series No. 4-67, as revised — "Regulations Governing Agencies for the Issue of United States Savings Bonds of Series E"

Section 2, ISSUING AGENTS

2.00 Eligibility

All banks; trust companies; and mutual savings banks incorporated by special law or organized under the general laws of the United States, the District of Columbia, or any State; Federal Savings and Loan Associations and all other members of the Federal Home Loan Bank System; and all instrumentalities of the United States and other agencies which, by the laws of the United States, may be employed to act as fiscal or financial agents of the United States Government, may be designated for employment as issuing agents for the sale and issuance of United States Savings Bonds of Series E, pursuant to Treasury Department regulations. Any organization, any Treasurer or other appropriate officer or office of any State of the United States or a County or Municipality thereof, which operates a payroll savings plan for the purchase of bonds by their employees, and which would issue a sufficient number of bonds to such employees to warrant designation, may be designated for employment as an issuing agent.

2.05 Authority

Issuing agents are authorized to sell savings bonds of Series E in accordance with, and in the forms of registration set forth in section 4.25 of this operating circular. Employers qualified as issuing agents for the sale of Series E bonds to employees participating in payroll allotment plans are also authorized to sell and issue bonds to persons not participating in payroll allotment plans.

2.10 Qualification

Eligible institutions intending to qualify as issuing agents on a consignment basis should submit Application-Trust Agreement Form PD-3827, completed and executed, to this Bank.

Upon approval of the application, formal notice of qualification will be forwarded to the applicant. The qualification of an institution will permit any of its offices or branches to act under the qualification if specifically requested. In the event there is to be or has been a change in the name or corporate title of a qualified issuing agent, or a merger, the agent should apply for re-qualification in its changed name or corporate title.

2.15 Equal employment opportunity

Any issuing agent qualified on or after September 5, 1967, must in its Application-Trust Agreement agree to be bound by and comply with the provisions of Section 202 of Executive Order No. 11246, entitled "Equal Employment Opportunity" (3 C.F.R. 579, 1967 Revision). Any agent qualified prior to that date and having entered (after November 30, 1966) into a contract of deposit covered by Treasury Department Circulars No. 92 (revised) or No. 176 (revised) need take no action since this contract of deposit with the Treasury, or the acceptance of deposits thereunder, constitutes the necessary agreement. All other agents must signify their intent in writing. Stock requisitions for savings bonds on or after December 1, 1967, or the submission of savings bonds or savings notes paid on or after December 1, 1967, for reimbursement, shall constitute such written notice of intent.

2.20 Governmental responsibility

Neither the Treasury Department nor the Federal Reserve Bank of Dallas assumes any responsibility to any person for payroll deductions made by the issuing agent, or the application by the issuing agent of such deductions to the purchase of bonds.

Section 3, BLANK BONDS

3.00 Requisitions

Issuing agents operating on a consignment or prepayment basis may obtain unissued Series E bonds from this Bank by submitting a requisition for bond stock on Form FA-72. Requisitions from prepayment agents should be accompanied by full payment of the issue price of the bonds.

Bonds of Series E are available in several types of bond and stub assemblies. These types are described below in order that an agent may determine the type most suitable for its operations.

When ordering bond stock, agents should specify on each requisition the type of assembly desired.

ASSEMBLY TYPE

DESCRIPTION

- A Bond, original stub and duplicate stub attached on left edge by 1-inch binding stub. Interleaved with one-time black carbon paper. Highest denomination is \$10,000. Duplicate stub enables agent to maintain a record of bonds issued.
- C Bond and original stub only, each packaged separately. Highest denomination is \$1,000.
- D-1 Bond and original stub only, attached on left edge with 1-inch binding stub. Interleaved with one-time black carbon paper. Highest denomination is \$1,000.
- F Bonds and original stubs printed separately in continuous form. Assemblies are collated with carbon interleaved and packaged in units of 500 bonds and stubs in continuous form. Suitable for use on many electrical accounting machines. Highest denomination is \$100.
- G Continuous form assembly of double card width. Bond on the right side, original stub on the left. Packaged in units of 1,000 items in continuous form. Suitable for use on many electrical accounting machines. Highest denomination is \$200.

3.05 Shipments

Shipments of bond stock to agents will be made at the risk and expense of the Treasury Department. Ordinarily, shipments will be made to issuing agents on the business day following receipt of the requisition.

3.10 Care and protection of bond stock

Issuing agents are accountable for savings bond stock furnished to them and should accord the same care and protection to blank bonds as they do to their own securities or documents. Whether

they should insure or take other protective measures is within their discretion.

3.15 Procedures for losses

In the event of loss, theft, or destruction of unissued savings bonds of Series E, a full report of the circumstances in the case should be forwarded immediately to the Federal Reserve Bank of Dallas. In the absence of negligence, and upon a reasonable showing of the facts concerning lost, stolen, or destroyed bonds, the Treasury Department will grant relief; however, pending notification that relief has been granted, the agent's stock account will remain charged with the bonds. A reasonable showing of the facts must include identification of the missing bonds by serial number and denomination. If this information is not furnished, the Treasury Department cannot extend credit for the lost stock since no caveat can be placed against the serial numbers of the bonds, thereby protecting the Treasury against loss in the event the bonds are subsequently presented for reissue, exchange, or redemption. An agent will be expected to remit the issue price of missing bonds to the Treasury in the absence of appropriate identification. It is important, therefore, that agents maintain an accurate record of bonds by serial numbers and denominations.

3.20 Return of stock

Each agent should limit the bond stock on hand to a reasonable amount necessary to meet normal sales demands. All stock returned should be submitted by one of the following methods:

(a) Quantities of less than 500 bonds must be spoiled by the issuing agent and submitted by first-class unregistered mail unless enclosed with sales stubs. If enclosed with sales stubs, they should be submitted by fourth-class unregistered mail. All spoiled bonds must be validated with issuing agent's stamp. Sales and spoiled bond reports must be addressed to the Fiscal Agency Department.

(b) Quantities of 500 bonds or more should not be spoiled and must be submitted by first-class registered mail addressed to the Securities Department.

(c) In cases where the agent receives an incorrect assembly-type of bonds, the shipment should be returned intact by first-class registered mail addressed to the Securities Department.

Section 4, SALE OF BONDS

4.00 General restrictions

Under the provisions of Treasury Department Circular No. 530, as revised and amended, the registration of savings bonds is restricted on original issue, but not on authorized reissue, to include only persons (whether natural persons or others) who are:

(a) Residents of the United States, its territories and possessions, the Commonwealth of Puerto Rico, and the Canal Zone;

(b) Citizens of the United States temporarily residing abroad; and

(c) Civilian employees of the United States or members of its Armed Forces, regardless of their residence or citizenship.

Natural persons not included above may be named as coowners or beneficiaries by natural persons of any of the above classes.

Registration of savings bonds, whether on original issue or reissue, is not authorized in any form to include the name of any alien who is a resident of any area with respect to which the Treasury Department restricts or regulates the delivery of checks drawn against funds of the United States or any agency or instrumentality thereof.

If a foreign address is shown for an owner, and if such owner meets the residential requirements as set forth above, a notation such as "residential qualifications sufficient" should be typed or stamped on the original registration stub.

4.05 Minors

A minor, whether or not under legal guardianship, may be named as owner or coowner if the bonds are purchased as a gift to him, and a minor may name a coowner or beneficiary on bonds purchased by him from his wages, earnings, or other money in his possession; but bonds purchased by a parent or guardian with funds already belonging to a minor should be registered in the minor's name alone without the addition of a coowner or beneficiary.

4.10 Others under legal disabilities

If a person named in the registration of the bond is under legal disability and a guardian or similar representative of his estate has been appointed by a court or is otherwise legally qualified, the registration should indicate such facts. Bonds

should not be registered in the name of a person under disability for reasons other than minority unless a legal representative of his estate has been appointed.

4.15 Investors other than individuals in their own right

Only Federal Reserve Banks and Branches and the Treasury Department may issue bonds to investors other than natural persons in their own right; however, issuing agents may accept applications on Form FA-2507 from such investors and forward them to this Bank or appropriate Branch for issuance of the bonds. Series E bonds purchased by these investors should be registered in the investor's name alone without the addition of a coowner or beneficiary as shown below:

(a) Minors, or incompetents, under legal guardianship (guardian appointed by a court and not a natural guardian), or minors, or incompetents, under legal custodianship by designation of the Veterans Administration, where the funds already belong to the ward;

(b) Executors, administrators, guardians, custodians, conservators, etc., when appointed by a court;

(c) Trustees, whether or not of a personal trust estate, including an adequate identifying reference to the trust instrument;

(d) Corporations, unincorporated associations, partnerships, churches, hospitals, homes, schools, etc.; and

(e) States and public bodies or officers.

Information regarding authorized forms of registration may be found in Treasury Department Circular No. 530, or may be obtained from this Bank and its Branches.

4.20 Commercial banks

Series E bonds may not be registered in the name of a commercial bank, except as a fiduciary.

4.25 Forms of registration

Subject to the restrictions set forth in the preceding paragraphs, the following are examples of the only forms of registration authorized for Series E bonds which may be issued by qualified issuing agents:

(a) One individual as sole owner:

John A. Jones 465-44-8247
212 East Main Street
Blankville, Texas 75211

(b) Two individuals as coowners:

John A. Jones 465-44-8247
212 East Main Street
Blankville, Texas 75211
or
Mrs. Ellen S. Jones

(c) One individual as the registered owner and one other individual as beneficiary:

John A. Jones 465-44-8247
212 East Main Street
Blankville, Texas 75211
P.O.D.
Miss Mary M. Jones

NOTE: In no instance may there be more than two coowners or more than one beneficiary on one bond. The letters "P.O.D." may be used as an abbreviation of "Payable on Death."

4.30 Limitations on sale of bonds

The amount of Series E bonds purchased during any one calendar year (January 1-December 31) that may be held by any one person at any one time is limited to \$7,500 (issue price). Additional holdings are permitted, however, in certain circumstances where bonds are registered in co-ownership form. In the case of Series E bonds so registered, no excess exists if, in a particular group of coowners, the holdings are such that the entire amount held can be allocated among the several coowners without apportioning an aggregate amount in excess of \$7,500 (issue price) to any one person, including any amount chargeable to that person individually. For example, if a married man with two children has already purchased this year \$7,500 (issue price) of Series E bonds registered in his own name, and his wife and children are not named as the registered owners or coowners of any Series E bonds issued this year, he may purchase an additional \$22,500 (issue price) of such bonds registered as follows: \$7,500 in his name with his wife as coowner, \$7,500 in his name with one child as coowner, and \$7,500 in his name with the other child as coowner. In such circumstances, the man as sole owner of \$7,500 (issue price) and as coowner of \$22,500 (issue price) of bonds would be entitled under the regulations to redeem all or part of such bonds without obtaining the signature of any of the coowners. For the purpose of calculating limitations, it makes no difference which co-owner's name appears first in the inscription on the bonds.

4.35 Payment for bonds sold

Bonds should be issued only upon receipt of payment in full. For the protection of issuing agents in cases where checks are tendered in payment, the Treasury suggests that agents establish a waiting period for clearance of the checks before delivery of the bonds. If a check is returned unpaid subsequent to delivery of the bond, a description of the bond and a statement of the facts should be furnished this Bank. The agent should also obtain payment from the bond purchaser or have the bond returned immediately. If payment is not received or the bond is not obtained after two requests, the agent's file of correspondence, or a photographic copy of the correspondence, should be forwarded promptly to the Federal Reserve Bank of Dallas for further action. Although full cooperation will be given issuing agents, it is not legally possible for the Treasury to waive any rights it may have to demand reimbursement for loss resulting from bonds being issued and delivered by an agent against uncollectible funds.

Section 5, INSTRUCTIONS FOR ISSUANCE

5.00 Inscribing bonds

The following instructions should be observed by personnel issuing bonds:

(a) Whenever possible, a typewriter, addressing machine, or other mechanical device should be used to inscribe bonds.

(b) The name, social security number, and post office address (including postal ZIP CODE) of the registered owner should be inscribed in the space provided in the center of the bond and stub. If the bond is to be mailed in a window envelope, the name and address of the registered owner should be placed so that it will appear properly in the window.

(c) The issue date (month and year only) should be inscribed in the space provided in the upper right-hand portion of the bond. It is desirable, in the interest of legibility, that the month of issue be spelled out in full. It is particularly desirable to avoid less common abbreviations, such as "Mar." and "Jun.," because of the possibility that these abbreviations could be mistaken for certain other calendar months.

(d) The name of the issuing agent and the date on which the bond is inscribed should be im-

printed in the space indicated on the bond and stub, using the stamp furnished or approved by this Bank for that purpose. At the beginning of each year, issuing agents should be careful to make appropriate change of the "year" date in their validating stamps. If a validating stamp becomes unusable or if it is worn to the extent that clear impressions cannot be obtained, replacement will be made by this Bank upon request. "Year" date slugs will be supplied upon request and are available each December for the next calendar year.

5.05 Erasures

Care should be exercised in inscribing bonds. Erasures or alterations on a bond are not permitted. If an error is made in the inscription, the bond and stub should be marked "Spoiled," the issuing agent's stamp impressed thereon, and a new bond issued. Spoiled bonds should be returned to this Bank using a separate Form PD-3252.

5.10 Dating

Bonds should bear as an issue date the month and year in which the full payment for the issue price of the bond was initially received by the issuing agent. If, for example, payment is received for a larger number or denomination of bonds than the agent has on hand on a given date and the necessary unissued bond stock is not received until the following month, the bonds, when inscribed, should be dated with the month in which the remittance was received.

5.15 Payroll deduction plans

In the case of bonds purchased under the payroll deduction plan of a qualified issuing agent, the month in which salary deductions accumulate to the full issue price of the bond to be issued would be the issue date. If a qualified issuing agent actually received on or before the last day of a given month a list of bonds to be issued accompanied by a check covering the issue price, and the bonds for any reason cannot be issued in that particular month, the bonds should be given the dating of the month that payment was received. The issuing agent's dating stamp should show, in the space provided, the date the bonds are actually inscribed. A bond should never bear an issue date (month of issue) subsequent to the date the bond is inscribed.

5.20 Procedures for correction of errors in issue

If errors are made in issuing bonds through incorrect inscriptions, unauthorized forms of

registration, wrong denominations, incorrect issue date, duplications, improper authentications, or otherwise, the following procedure should be followed:

(a) Either at the time of inscription or subsequently, while both the bond and original registration stub are in the possession of the issuing agent, the incorrect bond should be canceled and considered as "Spoiled in Process of Issue." A new bond may then be issued by the agent with the dating to which the purchaser is entitled.

(b) If the original registration stub is not in the possession of the issuing agent, the incorrect bond should in all cases be recalled and forwarded to this Bank, as all such bonds requiring reissue must be reissued by the Federal Reserve Bank or, in some instances, by the Treasury Department. **ISSUING AGENTS SHOULD NOT, UNDER ANY CIRCUMSTANCES REISSUE BONDS WHEN THE ORIGINAL REGISTRATION STUBS ARE NOT IN THEIR POSSESSION, OR CONSIDER SUCH BONDS AS "SPOILED IN PROCESS OF ISSUE."** Bonds forwarded to this Bank for reissue to correct an error made in the application by the purchaser should be accompanied by a Form PD-4000 executed by the registered owner; or, if the error was made by the issuing agent, a Form FA-14 executed by the issuing agent. If Form FA-14 is not available, a statement containing full information and bearing an authorized signature should accompany the bonds. Appropriate notations should be made on the records of the issuing agent. If refunds resulting from duplications or other erroneous issues are necessary, a statement by the issuing agent should accompany the surrendered bonds.

Section 6, DELIVERY

6.00 Mailing permissible

Where personal delivery of bonds issued by agents is not feasible, the bonds may be mailed to purchasers. The Postmaster General has authorized the dispatch of inscribed savings bonds to owners or their agents, by official issuing agencies, as ordinary first-class mail without payment of postage, if enclosed in special penalty envelopes with distinctive markings to indicate the nature of the contents.

6.05 Availability of penalty envelopes

Since penalty envelopes may be purchased only under contracts negotiated by the General Services Administration, the special envelopes re-

quired for the use of issuing agents will be purchased by the Treasury Department and will be furnished to issuing agents by this Bank or appropriate Branch on request. Envelopes bearing the penalty clause may not be procured in any other manner. Military issuing agents will obtain penalty envelopes through their regular supply channels.

6.10 Use of penalty envelopes

There are set forth below in brief form, the principal requirements of the Treasury Department with regard to the use of these special penalty envelopes:

(a) The name and return address of the authorized issuing agent must be printed or stamped on the envelope in the space above the caption "Authorized Issuing Agent."

(b) Unless delivered in person, inscribed bonds shipped at the risk of the Treasury should be dispatched to the owners, or their agents, by first-class mail, in the special penalty envelopes with distinctive markings, supplied for that purpose.

(c) The special envelopes must be used only for the purpose provided. They may not be used for the mailing of bonds for redemption, reissue, or other purposes. (Attention is directed to the penalty provided for the improper use of the franking privilege.) The envelope should not be used for other than the original delivery of bonds even though postage is paid, but there is no objection to enclosing as penalty matter a letter of transmittal describing the contents or containing information as to the condition of an employee's bond account under the payroll allotment plan. Firms' advertising material, even though relating largely to savings bond campaigns should not be enclosed in penalty envelopes.

(d) Care must be used in enclosing bonds in envelopes and in effecting delivery of the bonds to the local post office. These envelopes should not be deposited in an ordinary mailbox.

(e) No reimbursement will be allowed for postage and registry fees in connection with the delivery of savings bonds to owners.

(f) The use of special penalty envelopes in mailing bonds to purchasers or owners residing in foreign countries is prohibited.

(g) Agents are requested to submit an envelope inventory report to this Bank periodically. A form for that purpose will be sent to agents at the appropriate time.

6.15 Undeliverable bonds

Issuing agents should forward to this Bank any bonds issued against payment in full which remain undelivered after three full months from the date of issue as shown by the issuing agent's validating stamp, or after all efforts to effect delivery have been exhausted (whichever is later), and which are in the possession of an authorized issuing agent; or an employer having a payroll savings plan who is not an authorized issuing agent; or any undeliverable bond, regardless of date of issue, in the possession of an authorized issuing agent whose qualification is being terminated, provided diligent effort has been made and all available resources exhausted to effect delivery.

Undeliverable bonds may be forwarded to this Bank under the mailing instructions applicable to the return of spoiled bond stock. A letter giving a full explanation of the circumstances and action taken to effect delivery should be sent to this Bank.

Undeliverable bonds, following their receipt by this Bank from issuing agents, will be sent to, and held in safekeeping by the Treasury Department, Bureau of the Public Debt, 200 Third Street, Parkersburg, West Virginia 26101. That office will, upon receipt of a request from an issuing agent, an organization having a payroll savings plan, or a registered owner, release a previously undeliverable bond and forward it directly to the registered owner if satisfactory evidence is submitted establishing his right to such bond.

Section 7, UNCLAIMED CASH BALANCES

7.00 Remittance to Treasury Department

The Treasury Department is willing to receive upon the request of any employer any cash balances credited to employees' accounts under payroll allotment plans in cases where the balances are insufficient to purchase bonds and where refunds cannot be made because the employee's whereabouts are unknown. The funds should be sent to the Bureau of Government Financial Operations, Room 3132, Main Treasury, 15th and Pennsylvania N.W., Washington, D. C. 20226, with a brief letter of explanation.

7.05 Accompanying statement

The letter accompanying the funds transferred to the Treasury Department should indicate the

names of employees entitled to such balances, their last known addresses, their trades or occupations, their Social Security numbers and badge numbers, if any, and the amount due each employee. In the event the list and accompanying remittance should include any funds represented by unpaid checks issued to refund the amount due an employee, there should also be given the date of the check and the bank on which drawn, together with information as to whether payment had been stopped. In this connection, in order to avoid duplicate payments, employers are cautioned not to include in their remittances any funds represented by unpaid checks drawn to the order of employees unless stop-payment orders have been placed against the outstanding checks.

7.10 Form of remittance

Employers should draw a check, draft, or money order payable to the Treasurer of the United States for the total amount of the unclaimed balances remitted to the Treasury for custody. The Treasury will acknowledge receipt of the remittances and will establish appropriate accounts for the employees covering the proceeds deposited with the Treasurer of the United States.

7.15 Procedure to establish claims

Any person entitled to make claim for and receive any of the money so deposited should submit a request for payment to the Bureau of Government Financial Operations at the address shown in paragraph 7.00 over his own signature, setting forth the following information: (a) name of the employer for whom the employee was working when the payroll deductions were made; (b) location of employment; (c) Social Security number; (d) badge number, if any; (e) present address; (f) address while employed by the subject company; (g) full name as carried on the payroll and trade or occupation while working for the subject company; (h) the period of employment with the company; (i) the amount due; and (j) any information which will be helpful in identifying the employee and in establishing his claim. If the claimant is holding a check issued by the employer on which the claim is based, it should be forwarded with the request for payment. Application by a legal representative will be recognized, but the legal representative must furnish evidence as to the capacity in which he is acting and as to his authority.

Section 8, LOST BONDS

8.00 Before delivery to purchaser

In the event of the loss, theft, or destruction of unissued bond stock or of inscribed bonds which have not been delivered to the purchasers, or of inscribed bonds issued and mailed and not received by the registered owners or other persons to whom the bonds were to be delivered, issuing agents should give immediate notice of the facts to this Bank, together with a complete description of the bonds, including serial numbers, inscriptions, issue dates, and dates issued and mailed. Upon receipt of this information, appropriate instructions and forms will be furnished by this Bank. If substitute bonds are to be issued in any such cases, they will be issued by this Bank, or by the Treasury Department.

8.05 After delivery to purchaser

In the event of the loss, theft, or destruction of bonds AFTER delivery to the owners, application for relief should be made by the registered owner or coowners on Form PD-1048, executed to contain the complete description of the bonds including series, month and year of issue, serial numbers, and names and addresses of the registered owners, together with the circumstances surrounding the alleged loss. Forms PD-1048 may be obtained from this Bank or its Branches, or from the Treasury Department and, after execution, should be forwarded to the Treasury Department, Bureau of the Public Debt, 200 Third Street, Parkersburg, West Virginia 26101.

Section 9, ACCOUNTING FOR BONDS

9.00 Separate deposit accounts

Each institution qualified as an issuing agent on a consignment basis will open and maintain, or continue for the account of the Federal Reserve Bank of Dallas as Fiscal Agent of the United States, separate deposit accounts for the proceeds of all sales of savings bonds, Series E. Each issuing agent shall remit to this Bank the balance of such account in immediately available funds when rendering reports of transactions on Form PD-3252. Proceeds from sales should not be entered in the Treasury Tax and Loan Account until the date the transmittal is forwarded to this Bank.

9.05 Reports of sales — consignment basis

Each issuing agent operating on the consignment basis shall render reports of sales to the Head

Office of this Bank on Form PD-3252. Agents with comparably small amounts of sales may report monthly or semimonthly, and agents with a larger volume of sales should report at weekly intervals. If there have been no sales during an entire month, a report, for reconciliation purposes, should nevertheless be submitted showing the issue price of bond stock on hand as of the date of the report. Military issuing agents and other designated Government officers should report monthly as of the last day of each month on Form PD-3252 and at such time as an officer is relieved from duty. Reports may be submitted more frequently, if desired.

9.10 Reports of sales — prepayment basis

Each agent qualified on a prepayment basis should make an accounting on Form PD-3252 once each week, if practicable; however, if bonds are issued at semimonthly or monthly payroll periods, an accounting may be made on that basis. Space is provided under the caption "METHOD OF PAYMENT" for prepayment agents to check the block labeled "Prepaid Account" in lieu of submitting a remittance.

9.15 Remittance

Each stub transmittal, Form PD-3252, should be completed in all respects, and should be accompanied by a remittance for the total issue price shown on the form.

9.20 Payroll and counter sales

If your organization issues bonds over-the-counter and payroll issues for companies, the stubs should be reported on separate transmittal forms. Each sales report, Form PD-3252, should be accompanied by a separate remittance in the appropriate amount.

Section 10, FORM OF PAYMENT TO FEDERAL RESERVE BANK

10.00 Treasury Tax and Loan Account

Any incorporated bank or trust company, qualified as an issuing agent, which is also qualified as a special depository under the provisions of Treasury Department Circular No. 92, as revised, may make settlement for the balance in its Series E bond account by credit in its "Treasury Tax and Loan Account." Advice of Credit, Form FA-794, authorizing payment through the "Treasury Tax and Loan Account" should accompany each sales report submitted.

10.05 Payment by surrender of United States savings stamps

Issuing agents may accept savings stamps presented in payment, in whole or in part, for Series E savings bonds and may submit such stamps to this Bank for credit or cash settlement or, as an alternative, may apply them in payment of their sales reports. Agents may also accept stamps for cash redemption but are not required to do so. Savings stamps may also be cashed at local post offices. Savings stamps are, in effect, bearer obligations and should be treated as such. Accepted stamps may be affixed to an album and forwarded to this Bank at the risk and expense of the United States, provided that each stamp is canceled by a suitable rubber stamp or perforating equipment. The cancellation should be effected in such a manner as to avoid making the verification of any of the stamps difficult. A legible impression of the issuing agent's authentication stamp (payment stamp if the issuing agent is also a qualified paying agent) should also be imprinted on the face of each album. Issuing agents will be responsible for the examination of stamp albums to determine that they are properly completed and that the aggregate value of the stamps affixed is correct and is recorded on the face of the album. The owner's name and address should also be recorded on the album.

10.10 Other forms of payment

Qualified issuing agents may remit for bonds sold by the use of bank draft, money order, or other forms of cash payment, and member banks may authorize payment through reserve accounts.

10.15 Prepayment agents

Funds deposited with this Bank by prepayment agents in payment for bond stock will be used in settlement for bonds issued upon return of original registration stubs. If practicable, an accounting should be made on Form PD-3252 once each week; however, agents who issue bonds at monthly or semimonthly payroll periods may account for sales accordingly.

Section 11, DISPOSITION OF STUBS AND SPOILED BONDS

11.00 Stubs

The original registration stubs from bonds issued should be forwarded to this Bank accompanied by Form PD-3252. The stubs should be batched in groups not exceeding 6,000 stubs in number

or \$900,000 in amount (issue price), and a separate sales report prepared for each batch. All original registration stubs of bonds issued should be accounted for, and the number of pieces of each denomination enclosed should agree with the figures shown on the reports.

11.05 Spoiled bonds

Issuing agents qualified on a consignment basis should submit spoiled bonds on a separate Form PD-3252 at the same time sales are submitted. Each bond and stub must bear the name and code number of the agent. Prepayment agents should submit spoiled bonds whenever convenient on separate transmittal letters and should inscribe the word "Replace" or "Refund" in the space directly above the authorized signature. All spoiled bonds and the original stubs detached from spoiled bonds should be marked "Void" or "Canceled" and be imprinted with the validating stamp. The stubs should be assembled separately in the same order as the bonds and both spoiled bonds and stubs should be forwarded to this Bank with Form PD-3252. Spoiled bonds and/or stubs should not be intermingled with stubs from bonds sold. Care should be exercised to prevent the bonds and original registration stubs from being folded, creased, perforated, or mutilated in any way.

11.10 Unfit bonds

If an issuing agent finds that it has bonds which are in such a condition that they cannot be processed under regular procedures, the bonds should be classed as unfit for use. This would include bonds damaged in shipment, exposed to the elements, not properly assembled and prepared by the manufacturer, e.g., bonds incorrectly punched, containing lightly printed areas or upside down overprinting of the serial numbers, or having other manufacturing deficiencies. The stubs should not be detached from the bonds, and they should be returned to the Federal Reserve Bank with a properly executed savings bond report, Form PD-3252. The word "UNFIT" should be printed on the face of the report.

Section 12, MISCELLANEOUS

12.00 Maintenance of records by agents

Agents are required to maintain for at least 30 days an adequate record of bonds issued. The record should show the series, denomination,

serial number, issue date, validating date, and exact form of registration. In the case of the Type "A" assembly, the duplicate stubs may be used for this purpose. Applications for the purchase of bonds (or microfilm copies of such applications) should be retained by agents for a period of at least two years from the date the bonds are inscribed.

12.05 Forwarding original stubs, bonds, and remittances

The provisions of the Government Losses in Shipment Act, as amended, apply to shipments of the following items made by issuing agents to this Bank: (a) spoiled and unissued bond stock, (b) registration stubs, (c) remittances for bonds sold, (d) canceled savings stamps, and (e) transmittal forms. The method of mailing one or more of these items is outlined below:

- (a) Sales stubs—Fourth-class ordinary mail;
- (b) Spoiled bonds — First class if sent in package alone; fourth class if included with sales stubs;
- (c) Undeliverable bonds — First-class ordinary mail; and
- (d) Unissued and unfit stock — First-class registered mail.

Preaddressed gummed labels (Form FA-121) are furnished by this Bank without charge to the issuing agent to be used when submitting sales stubs and spoiled bonds.

12.10 Registry fee

When unissued and unfit stock are returned, the issuing agent must pay the registry fee and first-class rate of postage. Reimbursement of the postage and fees may be obtained by following the procedure outlined in Section 12.20 of this operating circular.

12.15 Insurance

No insurance need be placed by issuing agents on bonds forwarded to purchasers or on shipments of stubs, spoiled bonds, or unissued stock forwarded to this Bank, since the provisions of the Government Losses in Shipment Act are applicable to shipments prepared in accordance

with these instructions. In order to comply with the Act, issuing agents should retain a record of the contents of each shipment and the mailing thereof so that the serial number of any bond lost, stolen, or destroyed may be determined. In connection with the mailing of bonds to purchasers or their agents, the Treasury Department has stated that the application or schedule for purchase of bonds showing the necessity for mailing, together with related bond information on the application, bond schedule, bond stubs, or other record and evidence of a uniform method of handling, would appear to be sufficient record in the absence of unusual or suspicious circumstances. Uniformity of procedure and exercise of due care in handling the bonds at time of enclosure into envelopes, sealing, and dispatch thereof, should be observed.

12.20 Reimbursement for postal expense

Issuing agents, other than United States Government bond issuing officers may, if they desire, be reimbursed for postal expense incurred in forwarding their sales reports and enclosures conditioned on full compliance with postal instructions as outlined in this operating circular. Reimbursement may be requested periodically, preferably on a quarterly basis, on Form FA-103, directed to this Bank.

12.25 Mailing addresses

Sales transmittals of issuing agents (Form PD-3252, original registration stubs, remittance, spoiled bonds, and unfit stock), should in all cases be addressed to:

Federal Reserve Bank of Dallas
Fiscal Agency Department
Issuing Agents Section
Station K
Dallas, Texas 75222

All unissued bonds totaling 500 pieces or more, except unfit stock and spoils, should be returned by first-class registered mail and addressed as follows:

Federal Reserve Bank of Dallas
Securities Department
Shipping Section
Station K
Dallas, Texas 75222

**FISCAL AGENCY OPERATING
CIRCULAR NO. 2**

**TELEGRAPHIC TRANSFERS OF MARKETABLE
TREASURY AND AGENCY SECURITIES IN BEARER
OR BOOK-ENTRY FORM BETWEEN
FEDERAL RESERVE BANKS**



**FEDERAL RESERVE BANK OF DALLAS
FISCAL AGENT OF THE UNITED STATES**

SCOPE

This circular contains information concerning the telegraphic transfers of unmatured marketable bearer or book-entry securities of the United States and of certain eligible Agencies by the Federal Reserve Banks.

TABLE OF CONTENTS

Section 1, GENERAL

- 1.00 Right to alter circular
- 1.05 Reference to Federal Reserve office
- 1.10 References to this bank
- 1.15 Privilege not a right

Section 2, TRANSFERS AUTHORIZED

- 2.00 Types
- 2.05 Times

Section 3, LIMITATIONS OF TRANSFERS

- 3.00 New instructions needed
- 3.05 Transfer cancelled
- 3.10 No combining of transfers

Section 4, TIME LIMITATIONS

- 4.00 Closing hour
- 4.05 Supplement

Section 5, SUBMISSION OF REQUESTS AND SECURITIES

- 5.00 Requirements
- 5.05 Coupons

Section 6, FEES

- 6.00 General
- 6.05 Payment
- 6.10 Original issues

Supplement

Section 1, GENERAL

1.00 Right to alter circular

The right is reserved to withdraw, add to, or amend, at any time, any of the provisions of this circular.

1.05 Reference to Federal Reserve office

"Federal Reserve office" means a Federal Reserve Bank or Branch.

1.10 References to this Bank

Unless otherwise stated, all references to the Federal Reserve Bank of Dallas, or "this bank" include the Head Office and the Houston, San Antonio, and El Paso Branches.

1.15 Privilege not a right

The telegraphic transfers of securities are provided as a privilege and not as a right conferred on the holders of securities, and all such transfers are conditioned on the availability of facilities of the Federal Reserve offices, without responsibility on their part for delays in effecting deliveries for any reason.

Section 2, TRANSFERS AUTHORIZED

2.00 Types

This bank, as fiscal agent of the United States, is authorized to make telegraphic transfers of outstanding, unmatured, marketable bearer or book-entry securities of the United States (Treasury Bonds, Treasury Notes, Treasury Certificates of Indebtedness, and Treasury Bills) for the owners of such securities, between Federal Reserve offices. Such authorization is also applicable to certain agency securities identified in Appendix B of this bank's Bulletin 14 entitled "Book-Entry Securities".

2.05 Times

Transfers may be conducted on any business day prior to the date on which the security has been called for redemption or the maturity date of the security involved in the transfer.

Section 3, LIMITATIONS OF TRANSFERS

3.00 New instructions needed

Whenever a Federal Reserve office, which is located in the city in which securities are to be delivered in accordance with a transfer by wire, is unable to deliver the securities before the close of business on a day that is, for that Federal Reserve office, either the last business day of a calendar month, or the last business day preceding an interest payment date for the securities involved, the securities will not be delivered until new instructions are received from the transferor.

3.05 Transfer cancelled

Whenever a Federal Reserve office is unable to deliver the securities before the close of business on the last business day for that office preceding either the date of maturity or the date on which the securities involved have been called for redemption, the transfer will be cancelled.

3.10 No combining of transfers

Securities of two or more different issues may not be combined in a single transfer, nor may securities to be delivered to two or more recipients be combined in a single transfer.

Section 4, TIME LIMITATIONS

4.00 Closing hour

The closing hour for receiving requests for such transfers of securities is 2:30 p.m. local time of the Federal Reserve offices to which the transfers are to be made, but not later than 2:30 p.m. local time of the Federal Reserve office from which the transfers are to be dispatched.

4.05 Supplement

A table of closing hours of Federal Reserve offices may be found in the Supplement to this circular.

Section 5, SUBMISSION OF REQUESTS AND SECURITIES

5.00 Requirements

A written request from a designated official directing the transfer of the securities will be required in all cases and this request should accompany the deposit of the securities, unless the securities are already on deposit with this bank. The request should set forth the follow-

ing information:

(a) Description of the issue and amount of securities to be transferred;

(b) Name and address of transferee (include not only bank to which delivery is to be made but also indicate whose account);

(c) Date on which delivery is to be consummated; and

(d) Statement as to whether delivery is to be made against payment or against receipt, and, if against payment, the specific amount of money to be paid.

5.05 Coupons

Securities deposited for telegraphic transfer should have all unmatured coupons attached. If securities are presented with unmatured coupons missing, the securities will be accepted for telegraphic transfer provided the face amount of the unmatured missing coupons is paid to this bank with the deposit of such securities. Upon payment for unmatured missing coupons, securities

with a full complement of unmatured coupons attached will be delivered.

Section 6, FEES

6.00 General

Except as provided in section 6.10, a fee of \$3 will be charged for each transfer transaction conducted. One transfer transaction is construed to consist of securities of one issue surrendered for one account against delivery for one account.

6.05 Payment

A remittance for the amount of the fee should accompany the request for transfer, except the reserve account of a member bank will be charged for the fee unless other instructions are received.

6.10 Original issues

Transfer transactions to deliver securities against receipt to complete original issue will not be subject to fee. However, the usual \$3 fee will be charged on original issue transactions where securities are to be transferred against payment.

**REVISED CLOSING HOURS AT FEDERAL RESERVE OFFICES
FOR CPD TRANSFERS ADDRESSED TO POINTS HAVING THE
SAME OR A LATER CLOSING HOUR**

BANK OR BRANCH	LOCAL OFFICE TIME	TIME IN OTHER ZONES			
		EST	CST	MST	PST
BOSTON	2:30 p.m. EST		1:30	12:30	11:30
NEW YORK	2:30 p.m. EST		1:30	12:30	11:30
PHILADELPHIA	2:30 p.m. EST		1:30	12:30	11:30
CLEVELAND	2:30 p.m. EST		1:30	12:30	11:30
CINCINNATI	2:30 p.m. EST		1:30	12:30	11:30
PITTSBURGH	2:30 p.m. EST		1:30	12:30	11:30
RICHMOND	2:30 p.m. EST		1:30	12:30	11:30
BALTIMORE	2:30 p.m. EST		1:30	12:30	11:30
CHARLOTTE	2:30 p.m. EST		1:30	12:30	11:30
ATLANTA	2:30 p.m. EST		1:30	12:30	11:30
BIRMINGHAM	2:30 p.m. CST	3:30		1:30	12:30
JACKSONVILLE	2:30 p.m. EST		1:30	12:30	11:30
NASHVILLE	2:30 p.m. CST	3:30		1:30	12:30
NEW ORLEANS	2:30 p.m. CST	3:30		1:30	12:30
CHICAGO	2:30 p.m. CST	3:30		1:30	12:30
DETROIT	2:30 p.m. EST		1:30	12:30	11:30
ST. LOUIS	2:30 p.m. CST	3:30		1:30	12:30
LITTLE ROCK	2:30 p.m. CST	3:30		1:30	12:30
LOUISVILLE	2:30 p.m. EST		1:30	12:30	11:30
MEMPHIS	2:30 p.m. CST	3:30		1:30	12:30
MINNEAPOLIS	2:30 p.m. CST	3:30		1:30	12:30
KANSAS CITY	2:30 p.m. CST	3:30		1:30	12:30
DENVER	2:30 p.m. MST	4:30	3:30		1:30
OKLAHOMA CITY	2:30 p.m. CST	3:30		1:30	12:30
OMAHA	2:30 p.m. CST	3:30		1:30	12:30
DALLAS	2:30 p.m. CST	3:30		1:30	12:30
EL PASO	2:30 p.m. MST	4:30	3:30		1:30
HOUSTON	2:30 p.m. CST	3:30		1:30	12:30
SAN ANTONIO	2:30 p.m. CST	3:30		1:30	12:30
SAN FRANCISCO	2:30 p.m. PST	5:30	4:30	3:30	
LOS ANGELES	2:30 p.m. PST	5:30	4:30	3:30	
PORTLAND	2:30 p.m. PST	5:30	4:30	3:30	
SALT LAKE CITY	2:30 p.m. MST	4:30	3:30		1:30
SEATTLE	2:30 p.m. PST	5:30	4:30	3:30	