

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 82-17
February 11, 1982

REPORT OF TRANSACTION ACCOUNTS, OTHER DEPOSITS
AND VAULT CASH (FR 2900)

TO THE FINANCIAL INSTITUTION ADDRESSED
IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System is concerned that institutions may be reporting funds received from the sale of travelers' checks incorrectly on Form FR 2900.

If your institution issues VISA or MasterCard travelers' checks and those checks are obligations of your institution, funds received from sales should be reported in Item 3, "Other demand deposits." If, on the other hand, the checks are the obligation of another party and funds from the sale are not remitted on a daily basis, the balances of unremitted funds should be reported in one of two places. If the obligator is another depository institution, the balances should be reported in Item 1, "Demand deposits due to depository institutions"; if the obligator is other than another depository institution, the balances should be reported in Item 3, "Other demand deposits."

MasterCard checks are either the obligation of the issuing institution or of MasterCard International. Since Chase Manhattan Bank acts in the capacity of a "payable through bank" for clearing these checks, the sale of these checks by other institutions are not an obligation of Chase and should be reported by the selling institution in Item 3, "Other demand deposits." Any funds received from the sale of travelers' checks that are remitted on a daily basis to the obligator should not be reported on Form FR 2900.

If you or your staff have questions concerning the treatment of travelers' checks, please telephone Stephen Welch at (214) 651-6294 or Karen Salisbury at (214) 698-4205.

Additional copies of this circular may be obtained by calling the Department of Communications, Financial and Community Affairs, Ext. 6289.

Sincerely yours,



William H. Wallace
First Vice President