



FEDERAL RESERVE BANK  
OF DALLAS

WILLIAM H. WALLACE  
FIRST VICE PRESIDENT

DALLAS, TEXAS 75222

March 28, 1986

Circular 86-26

**TO:** All depository institutions in the  
Eleventh Federal Reserve District

**SUBJECT**

**Revised Bulletin 4 - Reserves of Depository Institutions**

**DETAILS**

A revised Bulletin 4, Reserves of Depository Institutions, has been prepared effective January 1, 1986, to include the 1986 Schedule of Computation and Related Reserve Maintenance Periods for Weekly FR 2900 Reporters (Supplement A) and for Quarterly FR 2900 Reporters (Supplement B).

**ATTACHMENTS**

Attached is a copy of the revised Bulletin 4.

**MORE INFORMATION**

For further information, please contact Robert Feil at (214) 651-6690 or Evelyn Thomas at (214) 651-6132.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace".

**BULLETIN 4**

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**Reserves of  
Depository Institutions**

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**FEDERAL RESERVE BANK OF DALLAS**

## SCOPE

This bulletin sets forth general information pertaining to reserve balances that depository institutions are required by Section 19 of the Federal Reserve Act and Regulation D of the Board of Governors of the Federal Reserve System to maintain with this bank.

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## Section 1, DEFINITIONS

### 1.00 FR 2900 Report

“FR 2900 Report” means the Report of Transaction Accounts, Other Deposits and Vault Cash, Form FR 2900, sufficient copies of which are annually supplied to depository institutions and extra copies of which may be obtained from this bank as needed.

### 1.05 Contemporaneous Reserve Requirements (CRR)

Effective February 2, 1984, weekly reporting institutions are required to maintain reserves on their transaction account balance “contemporaneously,” i.e., with a two-day lag, while reserve requirements on non-transaction liabilities continue to be met on a lagged basis. It is important to note that CRR places a greater responsibility on depository institutions to project their own reserve requirements on transaction accounts because the Reserve Bank will not be able to supply depository institutions with final reserve requirements in advance of the maintenance period.

### 1.10 Computation Period

“Computation Period” (for Weekly Reporters)—A two-week period beginning on a Tuesday and ending on the second Monday thereafter, which consists of two Reporting Periods. Data from two separate computation periods are required to calculate the Total Reserve Requirement to be maintained during a given Maintenance Period. These are:

**Computation Period for Transaction Accounts:** (for Weekly Reporters)—A two-week period which begins on a Tuesday, two days before the beginning of the corresponding Maintenance Period; also called the **contemporaneous** computation period. The reserve requirement on Transaction Accounts is calculated based on data drawn from this period. (See Supplement A for current schedule.)

**Computation Period for Non-Personal Time and Savings Deposits, Eurocurrency Liabilities and Vault Cash:** (for Weekly Reporters)—A two-week period which ends on a Monday, 17 days before the beginning of the corresponding maintenance period; also called **lagged** computation period. The reserve requirements on non-personal time and savings deposits and Eurocurrency liabilities are calculated based on data drawn from this period. Moreover, vault cash from the period is used to satisfy all reserve requirements in the corresponding maintenance period. (See Supplement A for current schedule.)

Computation period (for Quarterly Reporters)—A one-week period beginning on the third Tuesday of March, June, September and December and ending the following Monday, which corresponds to a Reporting Period. (See Supplement B for current schedule.)

### 1.15 Maintenance Period

“Maintenance Period” (for Weekly Reporters) means the two-week—14 days—reserve period starting on a Thursday and ending on the second Wednesday thereafter. In other words, the maintenance period will end only two days after the end of its corresponding contemporaneous computation period, but 30 days after the end of its corresponding lagged computation period. Settlement day will then be every other Wednesday.

“Maintenance Period” (for Quarterly Reporters) means the thirteen one-week periods which begin on the fourth Thursday following the end of the March, June, September and December computation period, during which a depository institution holds Reserve and Clearing Balances to satisfy its Total Balance Requirement. A given maintenance cycle for quarterly reporters ends on the fourth Wednesday after the close of the institution's next computation period.

### 1.20 Reference to Bulletin 1

Several definitions, rules of Construction, and

other provisions applicable to this Bulletin are found in our Bulletin 1, "General Provisions," and are incorporated herein by reference.

## **Section 2, TERMS**

Terms used in this Bulletin will have the same meanings given them in the Monetary Control Act of 1980 and in Regulation D of the Board of Governors, unless otherwise indicated.

## **Section 3, FR 2900 REPORT**

### **3.00 Submission of FR 2900 Report**

Each weekly and quarterly reporting depository institution shall send this Bank a weekly or quarterly FR 2900 Report. This Report should be completed and mailed in time to reach this Bank by the Wednesday following the Monday report period ending date. Depository institutions transmitting their data through the Federal Reserve Bank of Dallas' RESPONSE network via the Remote Edited Deposits System (REDSYS) should do so by no later than 2:30 p.m. on the Tuesday following the Monday report period ending date.

### **3.05 FR 2900 Report determines reserve requirement**

The FR 2900 Report of a depository institution will determine the amount of reserves required to be maintained in its reserve balance for the Maintenance Period. As provided in Section 204.3(c) of Regulation D, the reserve requirements of depository institutions are determined on the basis of average daily deposit balances and average daily vault cash during the Computation Period, as set out in the FR 2900 Report(s) for that period.

### **3.10 Determination of balances at close of the banking day**

The balance for each day should reflect the balance at the close of business that day. The

balance for a non-banking day will be identical with the balance for the immediately preceding banking day. We compute each depository institution's balance with us at the end of each day.

### **3.15 Correct completion of FR 2900 Report**

Detailed instructions for the preparation of the FR 2900 Report, including a glossary of terms, are furnished to all reporting depository institutions.

## **Section 4, RESERVE COMPUTATION**

### **4.00 How to compute reserves**

Worksheets are provided by the Federal Reserve Bank of Dallas for use in determining the amount of reserves a depository institution must maintain with us. Depository institutions are encouraged to maintain current computations of their required reserves so that they will be aware of their required reserve position and be able to verify the required reserves shown on the Reports of Required Reserves. Copies of the worksheets are available upon request.

### **4.05 Period to which computation applies**

For weekly reporters, the reserve computation made by a depository institution represents the reserves required to be maintained during the Maintenance Period, which ends only two days after the end of its corresponding contemporaneous computation period, but 30 days after the end of its corresponding lagged computation period. For quarterly reporters, the related seven-day maintenance periods begin on the fourth Thursday following the end of March, June, September and December computation period and ends on the fourth Wednesday after the close of the institution's next computation period.

### **4.10 Reserve balance**

The reserve balance of a depository institution shall consist of the depository institution's average daily balance with this Bank at the end of each day during the related Maintenance Period.

## Section 5, PENALTIES

### 5.00 Penalties for reserve deficiencies

Depository institutions will be notified in writing of any reserve deficiency. Any excess or deficiency of a depository institution's required reserves will be carried forward to the following reserve maintenance period to the extent such excess or deficiency does not exceed 2% of the reserves required in the maintenance period in which the excess or deficiency occurred. Any excess or deficiency greater than 2% will not be carried forward. Any portion of the 2% allowable excess or deficiency not offset in the immediately following reserve maintenance period may not be again carried forward to subsequent maintenance periods.

#### 5.05 Assessment of penalties

A deficiency penalty will be assessed on the 25th day of the month, two months following the month in which one or more reserve deficiencies are incurred. If the 25th day of the month is on a non-banking day, the penalty will be assessed on the first banking day following the 25th.

#### 5.10 Penalty rate

Penalties are assessed at a rate of 2% per annum greater than the lowest rate in effect for borrowings from this Bank on the first day of the calendar month in which the deficiency or deficiencies occurred as stated in the Supplement A to Bulletin 2.

#### 5.15 Waiver of penalties

This Bank has discretionary power to waive penalties for deficiencies, and such power shall be exercised on a case-by-case basis with particular attention given to instances in which the penalty would be small and the depository institution is making appropriate efforts to maintain adequate reserves.

## Section 6, PASS-THROUGH RESERVE BALANCES

### 6.00 General

This section sets forth the terms for pass-through reserve balances maintained by pass-through correspondents, including depository institutions that maintain required reserves at this Bank, Federal Home Loan Banks, the Central Liquidity Facility of the National Credit Union Administration, head or branch offices of an Edge or Agreement Corporation, United States branches and agencies of foreign banks, or other authorized institutions, for respondents located in this Federal Reserve District, as provided in Section 204.3(i) of Regulation D of the Board of Governors of the Federal Reserve System ("Pass-Through Correspondents").

A depository institution desiring to serve as a Pass-Through Correspondent for an institution located in another Federal Reserve District (a depository institution, a branch or agency of a foreign bank, or a head or branch office of an Edge or Agreement corporation) should contact the Federal Reserve Bank of the District in which the proposed respondent is located. This Bulletin does not apply to such pass-through arrangements involving respondents located in other Federal Reserve Districts.

#### 6.05 Designation

A nonmember depository institution, a branch or agency of a foreign bank, or a head or branch office of an Edge and Agreement corporation located in the Eleventh Federal Reserve District ("Respondent") may elect to maintain its required reserve balances with this Bank or through a Pass-Through Correspondent by designating a Pass-Through Correspondent in a "Pass-Through Agreement" letter in the form set forth in Exhibit I of this Bulletin. The Pass-Through Correspondent designated in that letter must also execute the letter and forward it to us. The designation of a Pass-Through Correspondent will become effective on the date specified by us in letters to the

Pass-Through Correspondent and the Respondent acknowledging receipt of the Agreement.

If the Pass-Through Correspondent is located in the Eleventh Federal Reserve District, it may elect to include its Respondents' pass-through reserve balances in its reserve account ("Reserve Account"), or may elect to establish at the office where it maintains its Reserve Account a separate pass-through account with this Bank in which to hold all reserve balances of only its Respondents located in this District ("Pass-Through Account"), in each case subject to the terms of this Bulletin. If the Pass-Through Correspondent is located in another Federal Reserve District, it must establish a Pass-Through Account on our books.

The reserve balances of Respondents will be commingled in either the Pass-Through Correspondent's Reserve Account or Pass-Through Account. The balances in the Reserve Account or Pass-Through Account shall be deemed to be the property of the Pass-Through Correspondent and shall be subject to its sole order.

#### **6.10 Maintenance of reserves**

At the end of each maintenance period, this Bank will issue to each Eleventh Federal Reserve District depository institution a detailed statement indicating its reserve requirement for the maintenance period. At the same time, the Pass-Through Correspondent will be furnished with a summary of the total reserve requirement for its Respondents located in the Eleventh Federal Reserve District for the maintenance period. Any penalty for deficiency in reserve balances for the maintenance period will be imposed by this Bank on the Pass-Through Correspondent by debit to the Reserve Account, or Pass-Through Account, in which the deficiency occurs. The Pass-Through Correspondent may recoup any such penalty from a Respondent in accordance with any agreement between them.

The Pass-Through Correspondent shall maintain and retain for a period of at least five years

records showing all transactions affecting the maintenance of reserve balances by each of its Respondents.

A Pass-Through Correspondent may use a Pass-Through Account only for transactions of Respondents and can either maintain balances for weekly respondents only, for quarterly respondents only, or for both weekly and quarterly respondents. Since quarterly reporters maintain reserves on a weekly basis, a Pass-Through Correspondent that is a weekly reporter must maintain sufficient balances in the account for each week of the two-week maintenance period to satisfy the total balance requirements of the quarterly reporters. If the maintenance balance in each week does not satisfy the total balance requirements for each week for quarterly reporters, a penalty may be imposed on the Pass-Through Correspondent.

Inquiries regarding the provision of services by this Bank directly to Respondents involving the use of the Reserve Account or the Pass-Through Account of its Pass-Through Correspondent should be addressed to the appropriate operating area of this Bank. A respondent that maintains reserves with a Pass-Through Correspondent and desires direct access to this Bank's services may, with our prior approval, open a clearing account with us for that purpose.

All wire transfers of funds or payments for wire transfers of securities from the Reserve Account or the Pass-Through Account must be made by the Pass-Through Correspondent and may not be made by a Respondent. All wire transfers of funds or securities to a Respondent not maintaining clearing accounts with this Bank must be for the account of the Pass-Through Correspondent or other correspondent maintaining an account with this Bank and may designate that the transaction is for the benefit of the Respondent in the description portion of the transfer message.

A Respondent may terminate a Pass-Through Agreement by delivering written notice of termination to our Financial Planning and Control

Department and its Pass-Through Correspondent. A Pass-Through Correspondent may terminate its Agreement by delivering written notice of termination to our Financial Planning and Control Department and its Respondent. Unless otherwise specifically agreed to by this Bank, termination by either a Respondent or Pass-Through Correspondent will be effective at our close of business on the final day of the maintenance period that ends fourteen days after the maintenance period in which the notice is received by this Bank. This Bank will establish a reserve account on its books in the name of the former Respondent immediately upon termination of the Pass-Through Agreement unless a new Pass-Through Agreement has been established in accordance with the provisions of Section 6.05.

This Bank may terminate a Pass-Through Agreement by issuing written notice of termination to the Respondent and the Pass-Through Correspondent. Such termination shall be effective when received by the Respondent or at such later date as is specified in the notice.



**SUPPLEMENT A  
FOR WEEKLY REPORTERS**

**1986 SCHEDULE OF COMPUTATION AND RELATED RESERVE MAINTENANCE PERIODS**

(For Reserves Held Directly with FRB or with a Pass-Through Correspondent)

Reports of Transaction Accounts, Other Deposits and Vault Cash, Form FR 2900, (and related reports, if applicable) should be mailed as soon as possible after the end of the computation period.

Listed below are the periods in which the required reserves must be maintained and the related periods used for computing required reserves.

Maintenance Period	Computation Period	
	Non Transaction Accounts and Vault Cash	Transaction Accounts
01/02/86 - 01/15/86	12/03/85 - 12/09/85	12/31/85 - 01/06/86
	12/10/85 - 12/16/85	01/07/86 - 01/13/86
01/16/86 - 01/29/86	12/17/85 - 12/23/85	01/14/86 - 01/20/86
	12/24/85 - 12/30/85	01/21/86 - 01/27/86
01/30/86 - 02/12/86	12/31/85 - 01/06/86	01/28/86 - 02/03/86
	01/07/86 - 01/13/86	02/04/86 - 02/10/86
02/13/86 - 02/26/86	01/14/86 - 01/20/86	02/11/86 - 02/17/86
	01/21/86 - 01/27/86	02/18/86 - 02/24/86
02/27/86 - 03/12/86	01/28/86 - 02/03/86	02/25/86 - 03/03/86
	02/04/86 - 02/10/86	03/04/86 - 03/10/86
03/13/86 - 03/26/86	02/11/86 - 02/17/86	03/11/86 - 03/17/86
	02/18/86 - 02/24/86	03/18/86 - 03/24/86
03/27/86 - 04/09/86	02/25/86 - 03/03/86	03/25/86 - 03/31/86
	03/04/86 - 03/10/86	04/01/86 - 04/07/86
04/10/86 - 04/23/86	03/11/86 - 03/17/86	04/08/86 - 04/14/86
	03/18/86 - 03/24/86	04/15/86 - 04/21/86
04/24/86 - 05/07/86	03/25/86 - 03/31/86	04/22/86 - 04/28/86
	04/01/86 - 04/07/86	04/29/86 - 05/05/86
05/08/86 - 05/21/86	04/08/86 - 04/14/86	05/06/86 - 05/12/86
	04/15/86 - 04/21/86	05/13/86 - 05/19/86
05/22/86 - 06/04/86	04/22/86 - 04/28/86	05/20/86 - 05/26/86
	04/29/86 - 05/05/86	05/27/86 - 06/02/86
06/05/86 - 06/18/86	05/06/86 - 05/12/86	06/03/86 - 06/09/86
	05/13/86 - 05/19/86	06/10/86 - 06/16/86
06/19/86 - 07/02/86	05/20/86 - 05/26/86	06/17/86 - 06/23/86
	05/27/86 - 06/02/86	06/24/86 - 06/30/86
07/03/86 - 07/16/86	06/03/86 - 06/09/86	07/01/86 - 07/07/86
	06/10/86 - 06/16/86	07/08/86 - 07/14/86
07/17/86 - 07/30/86	06/17/86 - 06/23/86	07/15/86 - 07/21/86
	06/24/86 - 06/30/86	07/22/86 - 07/28/86

## SUPPLEMENT A (cont.)

Maintenance Period	Computation Period	
	Non Transaction Accounts and Vault Cash	Transaction Accounts
07/31/86 - 08/13/86	07/01/86 - 07/07/86	07/29/86 - 08/04/86
	07/08/86 - 07/14/86	08/05/86 - 08/11/86
08/14/86 - 08/27/86	07/15/86 - 07/21/86	08/12/86 - 08/18/86
	07/22/86 - 07/28/86	08/19/86 - 08/25/86
08/28/86 - 09/10/86	07/29/86 - 08/04/86	08/26/86 - 09/01/86
	08/05/86 - 08/11/86	09/02/86 - 09/08/86
09/11/86 - 09/24/86	08/12/86 - 08/18/86	09/09/86 - 09/15/86
	08/19/86 - 08/25/86	09/16/86 - 09/22/86
09/25/86 - 10/08/86	08/26/86 - 09/01/86	09/23/86 - 09/29/86
	09/02/86 - 09/08/86	09/30/86 - 10/06/86
10/09/86 - 10/22/86	09/09/86 - 09/15/86	10/07/86 - 10/13/86
	09/16/86 - 09/22/86	10/14/86 - 10/20/86
10/23/86 - 11/05/86	09/23/86 - 09/29/86	10/21/86 - 10/27/86
	09/30/86 - 10/06/86	10/28/86 - 11/03/86
11/06/86 - 11/19/86	10/07/86 - 10/13/86	11/04/86 - 11/10/86
	10/14/86 - 10/20/86	11/11/86 - 11/17/86
11/20/86 - 12/03/86	10/21/86 - 10/27/86	11/18/86 - 11/24/86
	10/28/86 - 11/03/86	11/25/86 - 12/01/86
12/04/86 - 12/17/86	11/04/86 - 11/10/86	12/02/86 - 12/08/86
	11/11/86 - 11/17/86	12/09/86 - 12/15/86
12/18/86 - 12/31/86	11/18/86 - 11/24/86	12/16/86 - 12/22/86
	11/25/86 - 12/01/86	12/23/86 - 12/29/86

**SUPPLEMENT B  
FOR QUARTERLY REPORTERS**

**1986 SCHEDULE OF COMPUTATION AND RELATED RESERVE MAINTENANCE PERIODS**

(For Reserves Held Directly with FRB or with a Pass-Through Correspondent)

Reports of Transaction Accounts, Other Deposits and Vault Cash, Form FR 2900, (and related reports, if applicable) should be mailed as soon as possible after the end of the computation period.

Listed below are the periods used for computing required reserves and the related periods in which the required reserves must be maintained.

COMPUTATION PERIOD	MAINTENANCE PERIOD (13 Weeks)
03/18/86 - 03/24/86	04/17/86 - 04/23/86
	04/24/86 - 04/30/86
	05/01/86 - 05/07/86
	05/08/86 - 05/14/86
	05/15/86 - 05/21/86
	05/22/86 - 05/28/86
	05/29/86 - 06/04/86
	06/05/86 - 06/11/86
	06/12/86 - 06/18/86
	06/19/86 - 06/25/86
	06/26/86 - 07/02/86
	07/03/86 - 07/09/86
	07/10/86 - 07/16/86
06/17/86 - 06/23/86	07/17/86 - 07/23/86
	07/24/86 - 07/30/86
	07/31/86 - 08/06/86
	08/07/86 - 08/13/86
	08/14/86 - 08/20/86
	08/21/86 - 08/27/86
	08/28/86 - 09/03/86
	09/04/86 - 09/10/86
	09/11/86 - 09/17/86
	09/18/86 - 09/24/86
09/25/86 - 10/01/86	
10/02/86 - 10/08/86	
10/09/86 - 10/15/86	

## SUPPLEMENT B (cont.)

## COMPUTATION PERIOD

MAINTENANCE PERIOD  
(13 Weeks)

09/16/86 - 09/22/86

10/16/86 - 10/22/86  
10/23/86 - 10/29/86  
10/30/86 - 11/05/86  
11/06/86 - 11/12/86  
11/13/86 - 11/19/86  
11/20/86 - 11/26/86  
11/27/86 - 12/03/86  
12/04/86 - 12/10/86  
12/11/86 - 12/17/86  
12/18/86 - 12/24/86  
12/25/86 - 12/31/86  
01/01/87 - 01/07/87  
01/08/87 - 01/14/87

12/16/86 - 12/22/86

01/15/87 - 01/21/87  
01/22/87 - 01/28/87  
01/29/87 - 02/04/87  
02/05/87 - 02/11/87  
02/12/87 - 02/18/87  
02/19/87 - 02/25/87  
02/26/87 - 03/04/87  
03/05/87 - 03/11/87  
03/12/87 - 03/18/87  
03/19/87 - 03/25/87  
03/26/87 - 04/01/87  
04/02/87 - 04/08/87  
04/09/87 - 04/15/87

Exhibit I

PASS-THROUGH AGREEMENT

TO: FEDERAL RESERVE BANK OF DALLAS (Federal)

- Head Office                       Houston Branch
- El Paso Branch                       San Antonio Branch

The undersigned Respondent and Correspondent agree as follows:

1. Respondent hereby selects Correspondent to pass through Respondent's required reserves to Federal.
2. Respondent shall maintain its reserves in an account at Correspondent, and Correspondent shall pass through such reserves to an account at Federal established pursuant to

- § 204.3(i)(3)(i)(A) or
- § 204.3(i)(3)(i)(B) or
- § 204.3(i)(3)(iii)

of Regulation D.

3. Regulation D (12 CFR Part 204) and Federal's Bulletin 4 as they now exist or are hereafter amended provide additional terms and conditions as to this agreement, and the parties agree to comply therewith.
4. This agreement may be terminated only in accordance with Bulletin 4.
5. Effective date to be supplied by Federal: \_\_\_\_\_

_____	_____
<i>(Respondent)</i>	<i>(Correspondent)</i>
_____ Address	_____ Address
By _____	By _____
_____ Title	_____ Title
_____ Date	_____ Date

ACCEPTED AND AGREED TO:  
FEDERAL RESERVE BANK OF DALLAS

By \_\_\_\_\_

\_\_\_\_\_ Title

\_\_\_\_\_ Date

(Note: Prepare in triplicate. After execution by both Respondent and Correspondent, forward all copies to Federal for acceptance. Upon acceptance, Federal will supply an effective date and return one copy each to Respondent and Correspondent.)