



FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT

January 7, 1987

DALLAS, TEXAS 75222

Circular 87-2

TO: The Chief Executive Officer of the
financial institution addressed

SUBJECT

Functional Cost Analysis Program

DETAILS

This year will be the twenty-first year the Functional Cost Analysis Program has been offered in the Eleventh Federal Reserve District. The program is again available to all financial institutions in the District on a voluntary non-cost basis.

The Functional Cost Analysis Program is designed so that all financial institutions can participate regardless of size and staff limitations. The program enables participants to measure employee efficiency as well as compile and analyze banking activities, such as receiving deposits, lending and fee-based services.

For institutions that participate, the FCA report provides a number of item costs such as the cost to process a transit check, a checking deposit and a savings withdrawal as well as to make an installment loan and to collect a payment. An important feature of the report is comparative cost figures for financial institutions most similar to the participating institution. The enclosed brochure provides additional information concerning the program.

If your institution is interested in participating in the Functional Cost Analysis Program, please return the enclosed postal card for additional information.

ATTACHMENTS

A Functional Cost Analysis brochure is enclosed.

MORE INFORMATION

Inquiries concerning the Functional Cost Analysis Program should be directed to Jerry Bramlett or Kathy Johnsrud of the Corporate Banking Department at (214) 651-6370.

Sincerely yours,

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

For additional copies of any circular please contact the Public Affairs Department at (214) 651-6289. Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank (800) 442-7140 (intrastate) and (800) 527-9200 (interstate).