



FEDERAL RESERVE BANK
OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT
AND CHIEF OPERATING OFFICER

DALLAS, TEXAS 75222

December 15, 1988

Circular 88-87

TO: The Chief Executive Officer of the
financial institution addressed

SUBJECT

FUNCTIONAL COST ANALYSIS PROGRAM

DETAILS

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

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.

ENCLOSURES

A Functional Cost Analysis Brochure, seminar announcement, and a return card requesting additional information are enclosed.

MORE INFORMATION

Inquiries concerning the Functional Cost Analysis Program should be directed to Jerry Bramlett (214) 651-6370 or Kelley Steinley (214) 698-4285 of the Corporate Banking Department.

Sincerely yours,

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

FUNCTIONAL COST ANALYSIS SEMINARS

If you are interested in learning more about the Federal Reserve Bank's Functional Cost Analysis (FCA) program, we encourage you to attend one of the seminars listed below. The seminars will cover the benefits provided to financial institutions by participating in the FCA program as well as guidelines on how to prepare the worksheets if you decide to participate. Workpapers and an instruction manual will be distributed at the seminars.

FCA seminars are tentatively scheduled in the cities listed below on the dates indicated. All seminars will be held from 9:30 a.m. to noon and there is no charge for the seminars or for participating in the FCA program.

If you are interested in attending a seminar or if you are interested in participating in the program, please return the enclosed card by January 6.

Seminars

January 18	San Antonio	February 1	El Paso
January 24	Houston	February 1	Tyler
January 25	Austin	February 2	Odessa
January 25	Harlingen	February 7	Amarillo
January 26	Corpus Christi	February 7	Dallas
January 31	Shreveport LA.	February 9	Roswell N.M.