

FEDERAL RESERVE BANK
OF NEW YORK

Cash Department

[Circular No. 616, July 1, 1924]
Superseding Circular No. 459

Telegraphic Transfers of Funds

For Member Banks Through the Federal Reserve System

New Regulations Effective July 15, 1924

**To all Member Banks
in the Second Federal Reserve District:**

This circular sets forth our revised rules and regulations effective July 15, 1924 governing telegraphic transfers of funds through us for our member banks and supersedes our Circular No. 459 of May 15, 1922.

The principal changes are: (1) Transfers of funds over the Federal Reserve leased wires free of charge will be limited to bank balances (as defined in the regulations) in round amounts, that is, multiples of \$100. As heretofore, such transfers will be accepted from and paid to member banks only. (2) Transfers for the use of any bank, individual, firm or corporation, heretofore handled over the leased wires, will be accepted from and paid to member banks only, as in the past, but will be made over the commercial wires. Such transfers may be for any purpose or for any amount. A charge covering the cost of the telegrams will be made as provided in the regulations printed on the next page.

The above changes are made necessary by the present over-crowded condition of the leased wire system.

Our current schedule of time limits showing the hours up to which we will receive wire transfer instructions will continue in effect without change.

The Federal Reserve Banks maintain, at large expense, a leased wire system over which a heavy volume of important communications passes between Federal Reserve Banks and branches. Member banks are requested to co-operate with us in attempting to avoid over-crowding the leased wires by not making requests for telegraphic transfers of small amounts, or those which can be made as well through the mails.

The rules and regulations, effective July 15, 1924, are set forth on the following page.

Transfers of Bank Balances Without Cost

Telegraphic transfers of funds will be made for and paid to member banks only.

Transfers of bank balances in round amounts, that is, multiples of \$100, will be made over the Federal Reserve leased wires. Such transfers will be made without cost to member banks. The term "bank balance" shall be construed to mean an accumulation of funds comprising an established account maintained by a member bank with its Federal Reserve Bank or with another member bank.

Transfers of proceeds of individual collection items will not be made over the leased wires.

The descriptive data in telegrams transferring bank balances must be limited to the amount to be transferred, name of the member bank to receive credit and, when necessary, name of its correspondent member bank and name of member bank with which request originates.

Transfers Over Commercial Wires

We will make transfers of funds for any purpose and any amount over the commercial telegraph wires. Such transfers will be accepted from and paid to member banks only, but may be for the use of any bank, individual, firm, or corporation.

The cost of all telegrams from us to any other Federal Reserve Bank transferring funds over the commercial telegraph wires will be charged to the member banks for which the transfers are made. Member banks should prepay the cost of telegrams to us requesting such transfers, and telegrams to member banks advising credit will be sent by us "collect."

Time Limits

Telegraphic transfers to other Federal Reserve districts, to be consummated on the day of receipt should reach us not later than the hours shown in the schedule given on the next page. Requests received before the hours specified will be accepted for transfer on the same business day, but it should be clearly understood as stated below that we will not be responsible for errors or delays caused by circumstances beyond our control.

Requests for transfers may be received by us in our discretion after the hours specified in the schedule on the next page, but in that case, they will be forwarded with the definite understanding that consummation will be subject both to the discretion and ability of the receiving Federal Reserve Bank to complete the transaction.

Operation

Telegraphic transfers will be made only from funds on deposit with us to the credit of the member bank making the request.

The account of the sending member bank is charged with the amount of a transfer from us to another Federal Reserve district on the day we send it and the member bank is advised of the charge. On telegraphic transfers to us the payee member bank for whose account the transfer is made is credited on the receipt of the telegram within banking hours. In addition to the usual mail advice to the member bank receiving credit for telegraphic transfers of funds, immediate advice by telegraph, or otherwise, is given, except in cases where the credited member bank has stated that other than the usual mail advice is unnecessary or the nature of the transaction indicates that the additional expense is not justified.

When the request is sent by telegram the American Bankers Association Code should be used, with our test word, and confirmation by mail should follow.

Liability

We will use due diligence and care in the transfer of funds by telegraph to the receiving Federal Reserve Bank for credit to the account of the payee bank, but will not be responsible for errors or delays caused by circumstances beyond our control.

Very truly yours,

BENJ. STRONG,
Governor.

Federal Reserve Bank of New York

Telegraphic Transfers

Schedule of Time Limits Effective July 15, 1924

(Eastern Standard Time)

Locality	District No.	Transfer of Funds to	Instructions to reach Federal Reserve Bank of New York not later than	
			Saturdays	Other Days
Boston . .	1	Federal Reserve Bank of Boston .	11:30	2:30
Philadelphia	3	Federal Reserve Bank of Philadelphia	11:30	2:30
Cleveland .	4	Federal Reserve Bank of Cleveland .	11:30	2:30
Richmond .	5	Federal Reserve Bank of Richmond .	11:30	1:30
		Baltimore Branch .	11:30	1:30
Atlanta . .	6	Federal Reserve Bank of Atlanta .	12:00	2:30
		New Orleans Branch	12:00	3:00
Chicago . .	7	Federal Reserve Bank of Chicago .	12:00	2:30
		Detroit Branch .	11:30	2:30
St. Louis . .	8	Federal Reserve Bank of St. Louis .	12:00	2:30
		Little Rock Branch	12:00	2:30
		Louisville Branch .	12:00	2:30
		Memphis Branch .	12:00	2:30
Minneapolis .	9	Federal Reserve Bank of Minneapolis	12:00	3:00
		Helena Branch .	12:00	3:00
Kansas City	10	Federal Reserve Bank of Kansas City	12:00	3:00
		Denver Branch .	12:00	3:00
		Omaha Branch .	12:00	3:00
Dallas . .	11	Federal Reserve Bank of Dallas .	12:00	3:00
		El Paso Branch .	12:00	3:00
		Houston Branch .	12:00	3:00
San Francisco	12	Federal Reserve Bank of San Francisco	12:00	3:00
		Seattle Branch .	12:00	3:00
		Spokane Branch .	12:00	3:00
		Portland Branch .	12:00	3:00
		Salt Lake City Branch	12:00	3:00
		Los Angeles Branch	12:00	3:00