

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 1641, February 6, 1936]
Superseding Circular No. 616

Telegraphic Transfers of Funds Through the Federal Reserve System

Revised Rules Effective February 6, 1936

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

This circular sets forth revised rules, and schedule of time limits, effective from and after February 6, 1936, with respect to inter-Federal reserve district telegraphic transfers of funds between the Federal Reserve Bank of New York and other Federal reserve banks made at the request of, or for credit to, member banks and nonmember clearing banks located in the Second Federal Reserve District, and supersedes Circular No. 616 of this bank dated July 1, 1924.

The principal change made by the revised rules set forth in this circular is that telegraphic transfers of bank balances in round amounts, that is multiples of \$100, will be made over the commercial telegraph wires at the request of, or for credit to, *nonmember clearing banks*. The schedule on page 3, showing the hours up to which we will receive requests to make telegraphic transfers, is the same as the schedule accompanying our Circular No. 616, except that the time limits for transfers to the Charlotte Branch of the Federal Reserve Bank of Richmond and the San Antonio Branch of the Federal Reserve Bank of Dallas have been added to conform to our present practice.

Telegraphic transfers of funds will be made at the request of member banks and nonmember clearing banks subject to the terms and conditions of this circular as set forth below and to the time limits stated in the schedule printed on page 3.

Transfers Over Leased Wires

1. Only transfers of bank balances in round amounts, that is multiples of \$100, will be made over the Federal reserve leased wires. 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.

2. Telegraphic transfers of funds over the leased wires will be made for and paid to member banks only. Such transfers will be made without cost to member banks.

3. The descriptive data in telegrams transferring bank balances over the leased wires 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 originated.

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

5. The Federal reserve banks maintain, at large expense, a leased wire system over which it is necessary to transmit a heavy volume of important communications. Member banks are requested to cooperate with us in attempting to avoid overcrowding the leased wires by not making requests for telegraphic transfers of small amounts, or those which can be made as well through the mails.

Transfers Over Commercial Wires

1. Telegraphic transfers of funds for any purpose and in any amount and without limitation as to descriptive data will be made over the commercial telegraph wires for member

banks. While such transfers will be accepted from and paid to member banks only, they may be for the use of any bank, individual, firm or corporation.

2. Telegraphic transfers of bank balances in round amounts, that is multiples of \$100, will be made over the commercial telegraph wires for nonmember clearing banks. Such transfers will be accepted from any member bank for the credit of any nonmember clearing bank, and from any nonmember clearing bank for the credit of any member bank or any other nonmember clearing bank.

3. The cost of all telegrams between Federal reserve banks transferring funds over the commercial telegraph wires will be charged to the member and nonmember clearing banks for which the transfers are made. Member and nonmember clearing banks should prepay the cost of telegrams requesting such transfers, and telegrams to member and nonmember clearing banks advising credit will be sent "Collect".

Time Limits

Requests to us to make telegraphic transfers to other Federal reserve banks or branches thereof on the same business day such requests are received should reach us not later than the hours specified in the schedule printed on the following page. Requests may be received by us in our discretion on any business day after the hours specified in the schedule printed on the following page, but will be so received only on the understanding that the consummation of the transfers on that day will be discretionary with us and with the receiving Federal reserve banks or branches.

Operation

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

2. On a telegraphic transfer from us to another Federal reserve bank, the account of the member bank or nonmember clearing bank requesting us to make the transfer will be charged with the amount of such transfer on the day we receive such request. On a telegraphic transfer from another Federal reserve bank to us, we will credit the amount of the transfer to the account on our books of the member bank or nonmember clearing bank for whose credit the transfer is made on the receipt of the telegram from the sending Federal reserve bank, provided such telegram is received by us within banking hours.

3. In addition to the usual mail advice to the member bank or nonmember clearing bank receiving credit for a telegraphic transfer of funds, immediate advice by telegraph, or otherwise, will be given by the Federal reserve bank receiving the transfer in cases where the sending or receiving member bank or nonmember clearing bank has stated that other than the usual mail advice is necessary, or where the nature of the transaction or the amount involved indicates that the additional expense is justified, as to which the receiving Federal reserve bank will exercise its discretion. All such wire advices will be at the expense of the member bank or nonmember clearing bank receiving credit and, therefore, will be sent collect.

4. When a request to transfer funds is sent to us by telegram, the American Bankers Association Code should be used with our test word, and a letter of confirmation over an authorized signature should follow.

Liability of the Federal Reserve Bank

The Federal Reserve Bank of New York 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 its control.

GEORGE L. HARRISON,
Governor.

FEDERAL RESERVE BANK OF NEW YORK

Telegraphic Transfers

Schedule of Time Limits Effective February 6, 1936
(Eastern Standard Time)

This schedule shows the latest hours at which instructions will be received and accepted at Federal Reserve Bank of New York in New York City or at its Buffalo Branch in Buffalo, N. Y., from member banks and nonmember clearing banks in the Second Federal Reserve District for telegraphic transfers of funds.

Federal Reserve City	District No.	Transfer of Funds to	Instructions to reach Federal Reserve Bank of New York not later than	
			On Saturdays	On Other Business Days
			(a.m.)	(p.m.)
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
		Charlotte Branch . .	11:30	1:30
			(noon)	
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
			(a.m.)	
		Detroit Branch . . .	11:30	2:30
			(noon)	
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 Antonio 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