

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 1958, June 30, 1939]
[Superseding Circular No. 1844]

**TELEGRAPHIC TRANSFERS OF FUNDS THROUGH THE
FEDERAL RESERVE SYSTEM**

REVISED RULES

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

This circular contains revised rules, effective from and after July 1, 1939, 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. 1844 of this bank dated May 12, 1938.

Schedules showing the hours up to which we will receive requests to make telegraphic transfers will be printed separately and issued as supplements hereto from time to time.

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 on the following pages and to the time limits in effect from time to time at this bank which will be set forth in supplements to this circular.

Transfers of Bank Balances for Member Banks

1. Telegraphic transfers between Federal Reserve banks and branches of bank balances in multiples of \$1,000 will be made for member banks without charge. Such transfers will be made for and paid to member banks only. 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. The descriptive data in telegrams transferring bank balances without charge must be limited to the name of the sending member bank, name of its correspondent member bank requesting the transfer, name of the member bank receiving credit, and the name of its correspondent member bank.

3. Transfers for the benefit or use of an individual, firm, corporation, or nonmember bank and transfers of the proceeds of individual collection items or individual cash letters will not be made without charge.

Other Transfers

1. Telegraphic transfers of funds for any purpose and in any amount and without limitation as to descriptive data will be made for and paid to member banks subject in each case to a charge which will approximate but not exceed the commercial wire rate for the telegram or telegrams involved in the transfer. 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 multiples of \$100 will be made for nonmember clearing banks subject to a charge as outlined in the preceding paragraph. 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. Member and nonmember clearing banks should prepay the cost of telegrams requesting transfers that are subject to a charge, and telegrams to member and nonmember clearing banks advising of credit will be sent "collect".

Leased Wires

Federal Reserve leased wires will be used for all telegrams between Federal Reserve banks and branches, unless these wires are overcrowded or transmission over the leased wires would involve undue delay or undesirable circuitous routing. When a Federal Reserve bank makes a charge against a member or nonmember clearing bank in connection with a telegram sent to or received from another Federal Reserve bank or branch, such charge will be based on the commercial wire rate.

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 then current supplement to this circular. Requests may be received by us in our discretion on any business day after the hours specified in the schedule, 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 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 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 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 bank or the credited 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 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,
President.