

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 2456]
July 2, 1942]

**COMPUTATION OF RESERVE TO BE CARRIED WITH THE
FEDERAL RESERVE BANK BY MEMBER BANKS**

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

As you know, the instructions regarding the reporting of reciprocal interbank balances in call reports of condition have been amended so as to provide that reciprocal interbank demand balances with banks in the United States, except private banks and American branches of foreign banks, should hereafter be reported net instead of gross. In order that member bank reports of net demand and time deposits for reserve computation purposes (forms R.B. 13 and R.B. 20) may continue to be consistent with the call reports, the form entitled "Computation of Reserve to be Carried with the Federal Reserve Bank by Member Banks" (form F.R. 414) has been amended by the addition thereto of a footnote to the effect that such reciprocal interbank balances must be reported net.

The foregoing change in the computation form (F.R. 414) will be effective during and after the week beginning July 4, 1942, as to member banks reporting weekly on form R.B. 20 and during and after the semimonthly period beginning July 1, 1942, as to member banks reporting semimonthly on form R.B. 13. No changes have been made in forms R.B. 13 and R.B. 20.

A copy of form F.R. 414, as amended, is enclosed and additional copies will be furnished upon request.

ALLAN SPROUL,
President.

COMPUTATION OF RESERVE TO BE CARRIED WITH THE FEDERAL RESERVE BANK BY MEMBER BANKS

(For definitions of the terms gross demand deposits, deductions allowed in computing reserves, cash items in process of collection, net demand deposits and time deposits, see Regulation D of the Board of Governors of the Federal Reserve System.)

1. GROSS DEMAND DEPOSITS, including U. S. Government deposits and demand balances of other banks¹\$.....
(See Schedule E of the quarterly condition report for items constituting demand deposits)
(See copy of Schedule E on other side)

2. DEDUCTIONS ALLOWED IN COMPUTING RESERVES:
 - (a) Cash items in process of collection, except to the extent included in item 2-b (including checks with Federal Reserve Banks in process of collection and checks on hand which will be presented for payment or forwarded for collection on the following business day)\$.....
(Corresponds to item 1 in Schedule D of the quarterly condition report)

 - (b) Balances subject to immediate withdrawal due from other banks (including cash items forwarded to a correspondent bank for collection and credit and charged to "Due from banks", but excluding balances due from Federal Reserve Banks, from foreign banks or branches thereof, from foreign branches of domestic banks, or from private banks)¹\$.....\$.....
(Corresponds to item 2 in Schedule D of the quarterly condition report)
(See copy of Schedule D on other side)

3. NET DEMAND DEPOSITS (item 1 minus item 2)\$.....

4. TIME DEPOSITS\$.....
(See Schedule F of the quarterly condition report for items constituting time deposits)
(See copy of Schedule F on other side)

5. RESERVE REQUIRED²:
 - (a) On net demand deposits (item 3 above):
Banks in central reserve cities, per cent;
Banks in reserve cities, per cent;
Banks located elsewhere, per cent.\$.....

 - (b) On time deposits (item 4 above): per cent\$.....

 - (c) Total reserve to be maintained with Federal Reserve Bank\$.....

¹ Reciprocal interbank demand deposits with banks in the United States, except private banks and American branches of foreign banks, must be reported net.

² For current required reserve percentages, see latest supplement to Regulation D.

| SCHEDULE D—CASH, BALANCES WITH OTHER BANKS, INCLUDING RESERVE BALANCE, AND CASH ITEMS IN PROCESS OF COLLECTION | DOLLARS | | | Cts. | | |
|---|---------|----------|----------|------|--|---|
| | | | | | | |
| 1. Cash items in process of collection, including exchanges for clearing house..... | | | | | | 1 |
| 2. Demand balances with banks in the United States (except private banks and American branches of foreign banks) (excludes \$.....reciprocal balances) | | | | | | 2 |
| 3. TOTAL of items 1 and 2.....\$..... | (Am't | not to b | e extend | ed) | | 3 |
| 4. Other balances with banks in the United States (including private banks and American branches of foreign banks) | | | | | | 4 |
| 5. Balances with banks in foreign countries (including balances with foreign branches of other American banks, but excluding amounts due from own foreign branches) | | | | | | 5 |
| 6. Currency and coin..... | | | | | | 6 |
| 7. Reserve with Federal Reserve bank..... | | | | | | 7 |
| 8. TOTAL of items 1 and 2 and 4 to 7 (must agree with item 6 of "Assets") | | | | | | 8 |

SCHEDULE E—DEMAND DEPOSITS

| | | | | | | |
|--|--|--|--|--|--|---|
| 1. Deposits of individuals, partnerships, and corporations (must agree with item 13 of "Liabilities")..... | | | | | | 1 |
| 2. Deposits of United States Government..... | | | | | | 2 |
| 3. Deposits of States and political subdivisions..... | | | | | | 3 |
| 4. Deposits of banks in the United States (including private banks and American branches of foreign banks) (excludes \$.....reciprocal balances) | | | | | | 4 |
| 5. Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches) | | | | | | 5 |
| 6. Certified and cashier's (officers') checks (including dividend checks), letters of credit and travelers' checks sold for cash, and amounts due to Federal Reserve bank (transit account) (must agree with item 18 of "Liabilities") | | | | | | 6 |
| 7. TOTAL DEMAND DEPOSITS..... | | | | | | 7 |

SCHEDULE F—TIME DEPOSITS

| | | | | | | |
|---|-------|----------|----------|-----|--|-----|
| 1. Deposits of individuals, partnerships, and corporations: | | | | | | 1 |
| (a) Savings deposits..... (Number of accounts.....) | | | | | | (a) |
| (b) Certificates of deposit..... | | | | | | (b) |
| (c) Deposits accumulated for payment of personal loans..... | | | | | | (c) |
| (d) Christmas savings and similar accounts..... | | | | | | (d) |
| (e) Open accounts (not included in (c) or (d))..... | | | | | | (e) |
| (f) TOTAL (must agree with item 14 of "Liabilities") | (Am't | not to b | e extend | ed) | | (f) |
| 2. Postal savings deposits..... | | | | | | 2 |
| 3. Deposits of States and political subdivisions..... | | | | | | 3 |
| 4. Deposits of banks in the United States (including private banks and American branches of foreign banks) | | | | | | 4 |
| 5. Deposits of banks in foreign countries (including balances of foreign branches of other American banks but excluding amounts due to own foreign branches)..... | | | | | | 5 |
| 6. TOTAL TIME DEPOSITS..... | | | | | | 6 |