

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2650]  
July 13, 1943]

**INSTRUCTIONS TO DEPOSITARIES FOR WITHHELD TAXES**

*To all Banking Institutions in the Second Federal Reserve District  
Qualified to Act as Depositaries for Withheld Taxes:*

All banking institutions in the Second Federal Reserve District which are qualified as Depositaries for Withheld Taxes are required to comply with the provisions of Treasury Department Circular No. 714, entitled "Regulations Governing the Payment through Depository Banks of Funds Withheld as Taxes in Accordance with the Provisions of the Current Tax Payment Act of 1943", and with the following instructions:

**1. Payment to Depository Banks of Amounts Withheld as Taxes.**

Each Depository for Withheld Taxes (hereinafter referred to as depository) shall open and maintain on its books a special account entitled "Federal Reserve Bank of New York, Fiscal Agent of the United States—Withheld Taxes". To this special account the depository shall credit all payments of withheld taxes made to the depository by employers for such purpose. At the time such payments are credited to such account the depository must issue a depository receipt in accordance with paragraph 2 below.

The depository will not be required to accept from employers, as payment of withheld taxes, funds which are not immediately available to the depository at the time of such payment. If other funds are accepted by the depository, the depository will be responsible for such funds unless they are handled by the depository for collection for account of the employer. In the latter event no credit should be entered in the special Withheld Taxes account, and no depository receipt should be issued, until the funds have been collected. Treasury Notes, Tax Series, or other public debt securities of the United States, may not be accepted by depositaries from employers as payment of withheld taxes; and employers should be cautioned NOT to make checks payable to the Secretary of the Treasury, Collector of Internal Revenue, Federal Reserve Bank, or other Federal official, for the purpose of making payment of withheld taxes to depositaries.

Employers may make their payments of withheld taxes to any depository bank. Depositaries will not, however, have any responsibility for determining the correctness of amounts of withheld taxes deposited by employers or otherwise determining whether employers have complied with the law or regulations relating to funds withheld by them as taxes.

**2. Execution of Depository Receipts.**

For each payment of withheld taxes received from an employer and credited to the special account, the depository must issue, *in triplicate*, a Depository Receipt for Withheld Taxes (Form No. 410), hereinafter referred to as depository receipt. Each depository receipt must be dated the day the funds are credited to the special account. *The original and first copy of each depository receipt must contain the A.B.A. number of the depository or branch if the*

*receipt is issued at a branch* (if the branch has no separate A.B.A. number the A.B.A. number of the parent bank must be used *plus* an additional identifying letter or number), and both copies must be signed by a duly authorized officer or employee acting on behalf of the depository, in one of the following forms:

- (1) A manual signature of a duly authorized officer or employee followed by the title of such officer or employee;
  - (2) A rubber stamp impression containing the name of the depository, supported by the manual signature of the receipting officer or employee and followed by his title;
  - (3) A facsimile or rubber stamp impression signature of a duly authorized officer over his official title, supported by the manual initial of such officer or the employee receiving the deposit; or
  - (4) A facsimile or rubber stamp impression signature of a duly authorized employee over his official title, supported by the manual initial of such employee.
- (All initials or manual signatures must be in ink.)

*Depositories should follow serial number sequence in the issuance of receipts to the fullest extent practicable* without causing serious operating complications and delay in the issuance of receipts.

### **3. Disposition of Executed Depository Receipts.**

Disposition of the original and copies of each executed depository receipt must be made as follows:

- (a) *The original must be delivered to the employer* to evidence the payment of withheld taxes to the depository. Only one depository receipt may be issued to an employer with respect to each payment of withheld taxes;
- (b) *The first carbon copy must be forwarded to the Federal Reserve Bank* at the time the funds represented by the receipt are remitted to the Federal Reserve Bank (see paragraph 4);
- (c) *The second carbon copy must be retained by the depository* for its records. Depositories will be expected to maintain such arrangements of their files of these copies as will provide a convenient source of reference to individual payments by employers. *None of these copies should be destroyed or otherwise disposed of except in accordance with specific instructions which will be issued at a later date.*

### **4. Remittance to Federal Reserve Bank.**

When deposits in such special account reach a balance of \$5,000 the entire balance in such account must be remitted, not later than the following business day, to the Federal Reserve Bank for credit to the account of the Treasurer of the United States. Such remittances, however, are not required to be made more frequently than once each day. The entire balance in the special account on the last business day in each month, regardless of the size of the balance, must be remitted to the Federal Reserve Bank not later than the following business day.

Each remittance to the Federal Reserve Bank must be accompanied by the first carbon copy of *each* depository receipt issued with regard to the funds constituting the remittance. The receipt number and amount covered by each depository receipt must be listed on a duly executed "Remittance for Withheld Taxes" form (Form No. W. Tax 2) which must accompany the remittance. *A separate remittance form must be used in listing the receipts issued by each branch of the depository, whether or not such branch remits directly to the Federal Reserve Bank.* The depository receipts accompanying each remittance must, of course, be in the exact aggregate amount of the remittance and must relate exclusively to withheld taxes thus remitted. *Receipts should be listed in serial sequence on remittance forms.*

All remittances must be made in funds immediately available at the Federal Reserve Bank point.

## 5. Banks in the Buffalo District.

All depositary banks and their branches in the territory assigned to the Buffalo Branch of the Federal Reserve Bank of New York (i. e., the counties of Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Livingston, Monroe, Niagara, Orleans, and Wyoming, in the State of New York) will be required to make their remittances to the Buffalo Branch and to obtain all supplies of depositary receipts and remittance forms from the Buffalo Branch. Accordingly, "Federal Reserve Bank" as used in these instructions means the Buffalo Branch in the case of banks in the Buffalo territory, and the head office of the Federal Reserve Bank of New York in the case of all other banks in the Second Federal Reserve District.

## 6. Branches of Depositary Banks.

Branches of depositary banks may, under the qualification of the parent bank, receive payment for withheld taxes from employers and may, with the consent and approval of the parent bank, remit and account directly to the Federal Reserve Bank. Whether or not a branch is authorized to remit and account directly to the Federal Reserve Bank, all stock of depositary receipts to be issued at a branch must be requisitioned on a separate requisition form (Form No. W. Tax 4); and such requisition form, as well as all depositary receipts issued by the branch, must show the A.B.A. number of the branch. If the branch has no separate A.B.A. number, the A.B.A. number of the parent bank *plus* an additional identifying letter or number must be used.

In any case in which the parent bank desires to have the branch remit and account directly to the Federal Reserve Bank, the parent bank should advise the Federal Reserve Bank, by official letter, of its consent and approval thereof. Such branch should thereafter make all remittances directly to the Federal Reserve Bank, as outlined in these instructions, and should requisition its further supplies directly from the Federal Reserve Bank. *The parent bank will, of course, be responsible for proper custody and use of receipts in the hands of the branch.*

## 7. Control of Stock of Depositary Receipt Forms.

All stock of depositary receipt forms will be supplied by the Federal Reserve Bank, and should be requisitioned on the form (Form No. W. Tax 4) supplied for that purpose. *Each depositary bank will be held fully responsible to the Federal Reserve Bank, as fiscal agent of the United States, for the proper control and use of all stocks of receipts which are delivered to it and will be expected to observe the following procedural requirements with respect to such receipts:*

- (a) So far as possible, all blank stock of depositary receipts, when not in use, should be kept in the depositary's vaults or safes. The depositary should take care to check up from day to day its stock of blank receipts for current use.
- (b) Whenever a stock of depositary receipts is mailed to a depositary bank an advice of shipment will be mailed under separate cover to the depositary. If the shipment should fail to reach the depositary within a reasonable time after receipt of the advice, the depositary should promptly notify the Federal Reserve Bank.
- (c) Immediately upon receiving the shipment of receipts the depositary should sign and return to the Federal Reserve Bank the acknowledgment form enclosed with the shipment for that purpose.
- (d) In the event any of the stock of depositary receipts delivered to a depositary is lost or destroyed while in the custody of the depositary, the Federal Reserve Bank may give stock credit therefor; provided first, the depositary furnishes the Federal Reserve Bank with a statement certifying to such loss or destruction, including identification of the stock in question and full particulars of

the occurrence; and second, that the Federal Reserve Bank is satisfied with the certification and the bona fide nature of the loss or destruction.

- (e) In the event any of the stock of depositary receipts delivered to a depositary is voided for any reason or otherwise spoiled, the depositary must return all copies of such voided and spoiled stock to the Federal Reserve Bank with its remittance, listing the numbers of the voided or spoiled receipts on the remittance form with an appropriate notation, such as "voided" or "spoiled". Stock credit will be given for all such voided and spoiled stock which is returned.

**8. Issuance of Duplicate Depositary Receipt in case Receipt issued by  
Depositary to Employer is Lost, Stolen or Destroyed.**

*Duplicate receipts may not be issued by depositary banks.* Duplicate receipts will be issued only by the Federal Reserve Bank upon application by the employers concerned and the submission of required evidence to the appropriate Federal Reserve Bank. Further instructions will be issued relative to the procedure to be followed.

Further information and additional copies of these instructions will be furnished upon request.

ALLAN SPROUL,  
*President.*

FEDERAL RESERVE BANK  
OF NEW YORK

Fiscal Agent of the United States

July , 1943.

*To each Banking Institution in the Second Federal Reserve District  
Qualified to Act as a Depository for Withheld Taxes:*

We are sending you herewith a formal notification of your qualification as a Depository for Withheld Taxes, several copies of our circular No. 2650 dated July 13, 1943, entitled "Instructions to Depositories for Withheld Taxes", and a supply of forms (Form No. W. Tax 4) for use in requisitioning Depository Receipts for Withheld Taxes and other forms.

Each depository is required to open a special account on its books entitled "Federal Reserve Bank of New York, Fiscal Agent of the United States—Withheld Taxes", and to credit to such account all payments of withheld taxes made to the depository by employers for such purpose. At the time such payments are credited to such account the depository must issue to the employer a Depository Receipt for Withheld Taxes, on an official form (Form No. 410). *Accordingly, depositories should not enter any credit in, or accept any payment for credit to, such special Withheld Taxes account until they have received a supply of official depository receipt forms.* These forms are being prepared in Washington, and are not yet available. If you will requisition, using the enclosed requisition forms, an initial supply of depository receipts and remittance forms, sufficient to meet your estimated requirements for the next two months, we will ship them to you as soon as the depository receipt forms are available.

Employers are not required to make payment of withheld taxes to depositories until the tenth day of the month following the month in which such taxes are withheld. If in the meantime employers wish to have special accounts opened in their own names in which to deposit amounts withheld as taxes prior to the payment of such amounts to the depository, there is no objection to the depository banks opening and maintaining such accounts.

*Depositories operating one or more branches must use a separate requisition form in ordering the stock of depository receipts to be used by EACH of the branches at which depository receipts will be issued, whether or not such branches are authorized to remit directly to the Federal Reserve Bank (See paragraph 6 of the enclosed Instructions).* In no event should any part of the stock of depository receipts requisitioned by the parent bank for its own use be sent to branches for their use. The A.B.A. number of the branch *must* be placed on the requisition form for the stock of receipts to be used by such branch, and such number must also be placed on each depository receipt issued at such branch. Branches which have no separate A.B.A. number should use the A.B.A. number of the parent bank *plus* an additional identifying letter or number.

(OVER)

As provided in section 8 of Treasury Department Circular No. 714, for the purpose of offsetting additional costs incurred by depositaries, depositaries will be permitted to purchase 2 Percent Depositary Bonds, Second Series. The initial amount of bonds that may be purchased will be in proportion to the business transacted during the first full calendar month after the date of the notification of qualification as a depositary. Subscription forms and more detailed information relating to the purchase of depositary bonds will be issued at a later date.

Banks in the territory served by our Buffalo Branch should address their requisitions and other communications relating to their qualification and operations as Depositaries for Withheld Taxes to the Buffalo Branch.

Very truly yours,

L. R. ROUNDS,

*First Vice President.*

Enclosures.

FEDERAL RESERVE BANK  
OF NEW YORK

Fiscal Agent of the United States

FORM NO. 411-B  
TREASURY DEPARTMENT  
FISCAL SERVICE  
BUREAU OF ACCOUNTS

NOTIFICATION OF QUALIFICATION OF  
DEPOSITARY FOR WITHHELD TAXES

.....194....

To

Your Application-Agreement, Depositary for Withheld Taxes, Form 411, has this date been approved and you are hereby notified that you are qualified to act as a Depositary for Withheld Taxes pursuant and subject to the provisions of Treasury Department Circular No. 714, dated June 25, 1943, and any amendments or supplements thereof, and instructions issued pursuant thereto.

FEDERAL RESERVE BANK OF NEW YORK  
Fiscal Agent of the United States

By.....  
*Assistant Vice President*

REQUISITION FOR DEPOSITARY RECEIPTS AND OTHER FORMS

Date .....

A.B.A. No. .... (\*)

Federal Reserve Bank of New York,  
Fiscal Agent of the United States,  
Withheld Taxes Division,  
New York, N. Y.

The undersigned as Depositary for Withheld Taxes hereby requests that the following forms be shipped as indicated below :

Number of Pads	Number of Sets of Forms Per Pad	Form No.	Description
	50	410	Depositary Receipt for Withheld Taxes
	25	W. Tax 2	Remittance form
	25	W. Tax 4	Requisition for Depositary Receipts and other forms

(\*) Separate requisitions for Depositary Receipts must be executed by or on behalf of each branch of the depositary bank which is authorized to issue Depositary Receipts, whether or not such branch remits directly to the Federal Reserve Bank. Branches which have no separate A.B.A. number should use the A.B.A. number of the parent bank *plus* an additional identifying letter or number.

Check if Depositary Receipts requested above are for use of a branch.

.....  
(Name of Depositary for Withheld Taxes)

By .....  
(Official signature required) (Title)

Please make delivery to the following address :

Street Address .....

City, Town or Village, and State.....



REMITTANCE FOR WITHHELD TAXES

Withheld Taxes Division

TO: FEDERAL RESERVE BANK OF NEW YORK

*Fiscal Agent of the United States*

33 Liberty Street, New York 5, N. Y.

We are enclosing herewith depositary receipts covering deposits of withheld taxes made by employers for which remittance is made as indicated below.

Receipt Number

Amount

Receipt Number

Amount

Charge our account

Check enclosed

\_\_\_\_\_  
Name of Depository

\_\_\_\_\_  
Address

\_\_\_\_\_  
Official Signature

REMITTANCE FOR WITHHELD TAXES

**DUPLICATE**  
To be retained by Depository  
Withheld Taxes Division

TO: FEDERAL RESERVE BANK OF NEW YORK  
*Fiscal Agent of the United States*  
33 Liberty Street, New York 5, N. Y.

We are enclosing herewith depository receipts covering deposits of withheld taxes made by employers for which remittance is made as indicated below.

<u>Receipt Number</u>	<u>Amount</u>	<u>Receipt Number</u>	<u>Amount</u>
-----------------------	---------------	-----------------------	---------------

Charge our account

Check enclosed

\_\_\_\_\_  
Name of Depository

\_\_\_\_\_  
Address

\_\_\_\_\_  
Official Signature

ADVISE OF SHIPMENT OF  
DEPOSITARY RECEIPTS FOR WITHHELD TAXES

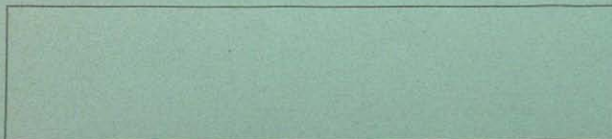
Date of Shipment.....

We are shipping to you under separate cover a supply of Depositary Receipts for Withheld Taxes (Form 410) as requested in your letter dated.....

Quantity of Receipts Shipped	Serial Numbers of Receipts Shipped
.....	FR 2..... through FR 2.....
.....	FR 2..... “ FR 2.....
.....	FR 2..... “ FR 2.....
.....	FR 2..... “ FR 2.....

Should this shipment fail to reach you please notify us at once in order that we may trace.

FEDERAL RESERVE BANK OF NEW YORK  
Fiscal Agent of the United States



## RECEIPT FOR DEPOSITARY RECEIPTS FOR WITHHELD TAXES

Sign and return to the Federal Reserve Bank  
of New York when Receipts are received

Date of Shipment.....

We acknowledge receipt of the following supply of Depositary Receipts for Withheld Taxes  
as requested in our letter dated.....

Quantity of Receipts Shipped	Serial Numbers of Receipts Shipped
.....	FR 2..... through FR 2.....
.....	FR 2..... “ FR 2.....
.....	FR 2..... “ FR 2.....
.....	FR 2..... “ FR 2.....

Above Shipment Received

.....  
Name of Bank

.....  
Official Signature

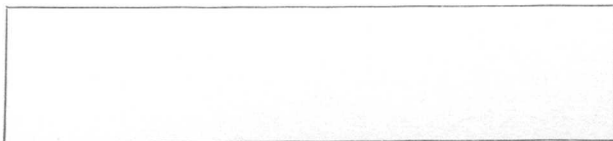
**PLEASE SIGN AND RETURN IMMEDIATELY.**

## RECORD OF DEPOSITARY RECEIPTS FOR WITHHELD TAXES

Date of Shipment.....

The following supply of Depositary Receipts for Withheld Taxes was shipped today to the bank named below as requested in its letter dated.....

Quantity of Receipts Shipped	Serial Numbers of Receipts Shipped
	FR 2..... through FR 2.....
	FR 2..... “ FR 2.....
	FR 2..... “ FR 2.....
	FR 2..... “ FR 2.....



ADVICE OF SHIPMENT OF  
DEPOSITARY RECEIPTS FOR WITHHELD TAXES

Date of Shipment.....

We are shipping to you under separate cover a supply of Depositary Receipts for Withheld Taxes (Form 410) as requested in your letter dated.....

Quantity of Receipts Shipped	Serial Numbers of Receipts Shipped
.....	FR 21..... through FR 21.....
.....	FR 21..... “ FR 21.....
.....	FR 21..... “ FR 21.....
.....	FR 21..... “ FR 21.....

Should this shipment fail to reach you please notify us at once in order that we may trace.

FEDERAL RESERVE BANK OF NEW YORK  
Fiscal Agent of the United States

BUFFALO BRANCH

## RECEIPT FOR DEPOSITARY RECEIPTS FOR WITHHELD TAXES

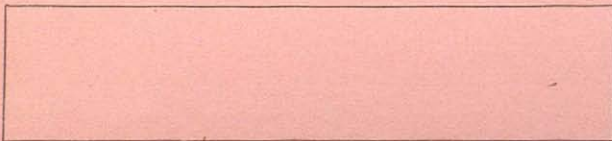
Sign and return to the Buffalo Branch of the  
Federal Reserve Bank of New York when Receipts are received

Date of Shipment.....

We acknowledge receipt of the following supply of Depositary Receipts for Withheld Taxes  
as requested in our letter dated.....

Quantity of Receipts Shipped	Serial Numbers of Receipts Shipped
.....	FR 21..... through FR 21.....
.....	FR 21..... “ FR 21.....
.....	FR 21..... “ FR 21.....
.....	FR 21..... “ FR 21.....

Above Shipment Received



.....  
Name of Bank

.....  
Official Signature

**PLEASE SIGN AND RETURN IMMEDIATELY.**

## RECORD OF DEPOSITARY RECEIPTS FOR WITHHELD TAXES

Date of Shipment.....

The following supply of Depositary Receipts for Withheld Taxes was shipped today to the bank named below as requested in its letter dated.....

Quantity of Receipts Shipped	Serial Numbers of Receipts Shipped
.....	FR 21..... through FR 21.....
.....	FR 21..... “ FR 21.....
.....	FR 21..... “ FR 21.....
.....	FR 21..... “ FR 21.....

