

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2767]
February 23, 1944]

UNITED STATES WAR SAVINGS BONDS, SERIES E
Certain Checks Drawn on Treasurer of the United States Tendered in Payment

*To all Issuing Agents in the Second Federal Reserve District
Qualified for Sale of Series E War Savings Bonds:*

The Treasury Department has advised us that in connection with the termination of the Class "A" Pay Reservation Plan for the purchase of War Savings Bonds by members of the military services, the War Department is repaying any balances held for account of the participants in the plan by checks drawn on the Treasurer of the United States payable to the order of the participant or the Treasurer of the United States, in the alternative. These checks have been drawn by Lieutenant Colonel J. H. Rees, Finance Officer, over Symbol 896-004, and may be further identified by the words "War Bond Refund" as the object for which drawn. We understand that these checks are being forwarded to the addresses to which the bonds were being delivered, accompanied by the following advice:

"The inclosed check is in payment of the balance due the within named payee under the Class A Pay Reservation Plan for the purchase of United States War Savings Bonds, which plan terminated as of March 31, 1943.

"This check may be cashed only by the first named payee except when proper holder is in possession of duly executed Power of Attorney.

"If this check is applied to the purchase of a War Savings Bond in favor of the first named payee, no indorsement is necessary provided no co-owner or beneficiary is named on the bond. Such bond should be purchased from your local bond issuing agency, which agency must enter the bond number on the back of the check in the space provided."

In the circumstances, issuing agents may accept such a check where the amount thereof is to be applied against payment for a Series E War Savings Bond and no endorsement of the first named payee need be required provided (1) that the bond is to be issued in the name of such payee alone and no coowner or beneficiary is to be named, and (2) that the number of the bond issued and the name of the issuing agent are placed on the back of the check. Banking institutions receiving such checks for collection for account of issuing agents will be expected to endorse the checks in the usual manner. If a coowner or beneficiary is to be named on the bond, the check must be endorsed by the first named payee or by a person holding a duly executed power of attorney given by the payee.

Attention is invited to the fact that checks of the type referred to may be cashed only by the first named payee or by the holder of a duly executed power of attorney; accordingly, issuing agents are cautioned not to pay out any cash as change when the issue price of a bond purchased is less than the amount of the check, unless the check is endorsed by the first named payee or by another person under power of attorney.

Certain other checks drawn on the Treasurer of the United States have been issued by the War Department for the same purpose, but on these checks the Treasurer of the United States is not named as alternate payee. These checks, drawn by Lieutenant Colonel J. H. Rees, Finance Officer, over Symbol 896-004 for "War Bond Refund", may also be received by issuing agents and applied against the purchase price of Series E War Savings Bonds subject to the conditions stated above.

ALLAN SPROUL,
President.