

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2777]
March 10, 1944

**ENDORSEMENT OF GOVERNMENT CHECKS REPRESENTING
REFUNDS OF BALANCES IN SOLDIERS WAR BOND ACCOUNTS**

*To all Banking Institutions
in the Second Federal Reserve District:*

Reference is made to our Circular No. 2767 dated February 23, 1944, describing the manner in which the War Department is repaying the balances held for account of participants in the Class "A" Pay Reservation Plan for the purchase of War Savings Bonds by members of the military services. We set forth in that circular the text of the advice accompanying the checks being forwarded in repayment of such balances, reading in part as follows:

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

Since the issuance of Circular 2767, we have received inquiries concerning the propriety of crediting the proceeds of such a check to a bank account in the name of the payee, in a case in which the check has not been endorsed by the payee or by another person under power of attorney.

In this connection, we are in receipt of a communication dated March 2, 1944, from Mr. G. O. Barnes, Assistant to the Treasurer, Treasury Department, the text of which we quote for your information:

One of the Federal Reserve banks recently made inquiry by telegram as to the acceptability of the endorsement on a government check refunding the balance in a soldier's War Bond account, on which check the cashing bank had supplied the absent endorsement of the payee and certified that his account had been credited with the proceeds of the check.

This question is thought to be of general interest and the Treasurer's reply, in pertinent part, is quoted below:

* * * checks to soldiers refunding balance war bond account may be credited to account soldier payee if no withdrawals from such account can be made by another person except by power of attorney.

We believe that the foregoing information will be of assistance to banks wishing to handle such checks in the manner indicated.

ALLAN SPROUL,
President.

FEDERAL RESERVE BANK
OF NEW YORK

March 15, 1944.

*To all Banking Institutions in the
Second Federal Reserve District:*

We are pleased to announce that The Phoenix Bank,
Phoenix, New York, has become a member of the Federal
Reserve System effective March 15, 1944.

ALLAN SPROUL,
President.