

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 2790]
April 21, 1944]

UNITED STATES WAR SAVINGS BONDS, SERIES E
Revised Instructions to Issuing Agents

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

Our instructions to issuing agents in the Second Federal Reserve District qualified for sale of United States War Savings Bonds, Series E, as revised to date, are set forth on the following pages. This revision brings up to date our earlier general instructions to issuing agents and also incorporates currently effective instructions with respect to specific subjects which were not contained in our general instructions but were referred to in separate circulars distributed to issuing agents from time to time in the past. We believe that issuing agents will find it helpful to have all pertinent instructions under one cover.

The revised instructions contained herein supersede our "Instructions to Issuing Agents in Second Federal Reserve District Qualified for Sale of United States War Savings Bonds, Series E", dated January 1, 1943, our "Instructions to Issuing Agents in Second Federal Reserve District with respect to Shipments of Inscribed War Savings Bonds by Ordinary Mail", dated January 1, 1943, and our Circulars Nos. 2416, 2496 and 2562, dated April 14, 1942, September 4, 1942, and December 18, 1942, respectively.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

INSTRUCTIONS TO ISSUING AGENTS IN SECOND FEDERAL RESERVE DISTRICT QUALIFIED FOR SALE OF UNITED STATES WAR SAVINGS BONDS, SERIES E

The Secretary of the Treasury has provided that issuing agents qualified for sale of War Savings Bonds, Series E, must follow all regulations and instructions issued directly by the Secretary of the Treasury or through the Federal Reserve Bank of the district as fiscal agent of the United States, covering the sale, issue, inscription and validation of the bonds and the disposition of registration stubs. In addition to the regulations promulgated by the Secretary of the Treasury in Department Circular No. 530, Fifth Revision, dated June 1, 1942, as amended, the following instructions are issued by this bank as fiscal agent of the United States for the guidance of issuing agents in the Second Federal Reserve District.

Authority of Issuing Agents

All organizations qualified as issuing agents are authorized to sell and issue Series E bonds. Employers qualified as issuing agents for sale of Series E bonds to employees participating in the payroll allotment plan are also authorized to sell and issue bonds to persons not participating in the plan.

Although only the Federal Reserve Banks and Branches and the Treasury Department are authorized to issue United States Savings Bonds of Series F and Series G, any issuing agent is authorized to receive applications for the purchase of bonds of such series and to forward the applications and payment therefor to us in order that the bonds may be issued. Application forms to be used in subscribing for bonds of Series F and Series G will be furnished to issuing agents upon request.

Sale of Bonds—Receipt of Checks Tendered in Payment

Regulations of the Treasury Department authorize issuing agents to sell Series E bonds for cash and make no provision for the sale of such bonds except on a cash basis. The following instructions should be observed by issuing agents in connection with the delivery of bonds against checks tendered in payment therefor:

1. Each issuing agent should establish a waiting period after deposit of a check before delivery of the bond is effected, to allow for return of the check if it proves to be uncollectible. Issuing agents should consult their local banks for guidance in establishing an adequate waiting period.
2. In the event a bond is delivered by an agent and the check tendered in payment therefor is subsequently returned unpaid to the agent, a description of the bond and a statement of the facts of the case should be furnished to us at once. The agent will be expected to obtain payment or have the bond returned immediately.
3. If the agent obtains either payment or the return of the bond, appropriate advice should be forwarded to us promptly. If the agent does not obtain payment or the return of the bond after two requests therefor, the agent's file or photostatic copy thereof should be forwarded promptly to us for further action.
4. Although full cooperation will be given issuing agents, it is not legally possible for the Treasury Department to waive any rights it may have to demand reimbursement from issuing agents for any loss which may result to the Treasury Department on account of bonds issued and delivered by an agent against a check which subsequently proves to be uncollectible.

Banks and trust companies which maintain war loan deposit accounts pursuant to Treasury Department Circular No. 92 (Revised) are authorized to endorse and collect checks payable to the Treasurer of the United States or to this bank as provided in our Circular No. 2692, dated September 15, 1943, copies of which have been furnished to all such banks and trust companies. No other issuing agents are authorized to endorse and collect checks payable to the Treasurer of the United States or to this bank and we will not receive such checks in remittance for Series E bond stock. Accordingly, if any such agent should receive such a check in payment for a Series E bond, *the bond should not be issued by the agent but the application and check should be forwarded to us, or to a bank or trust company maintaining a war loan deposit account, in order that the check may be collected and the bond issued.*

Custody of Bond Stock and Proceeds of Sale

Issuing agents are expected to have adequate facilities to safeguard bond stock in their possession. Agents are responsible for bond stock furnished to them, and whether they procure insurance

or take other protective measures to guard against the loss of such stock is a matter for their decision. In the absence of negligence, however, and upon proof of the facts pertaining to a loss, the Treasury Department may grant relief to an issuing agent for lost, stolen or destroyed bond stock.

Except for agents which pay in advance the full issue price of bond stock requisitioned, all issuing agents should deposit the proceeds of sales of bonds in a separate bank account and should keep such proceeds segregated from any of their other funds.

Restrictions and Limitations on Sale of Bonds

Only residents of the United States (including its territories, insular possessions and the Canal Zone), American citizens temporarily residing abroad, and nonresident aliens employed in the United States by the Federal government or an agency thereof, may be named as owners, coowners or designated beneficiaries of Series E bonds; provided, however, that a nonresident alien (not a citizen of an enemy nation) may be named as coowner or designated beneficiary, but will be entitled only to request and receive payment either at or before maturity. Under the terms of Executive Order No. 8389, as amended, and the regulations issued thereunder, bonds may not be issued to nationals (as defined in said Order) of blocked countries or to nationals of enemy countries, whether or not residing in the United States, unless such nationals are generally licensed nationals or the issuance of such bonds to such nationals is generally or specially licensed under the Order.

The amount of Series E bonds issued during any one calendar year (January 1—December 31) that may be held by any one person at any one time is limited to \$5,000 (maturity value). Additional holdings are permitted, however, in certain circumstances where bonds are registered in coownership form. In the case of Series E bonds so registered, no excess exists if in a particular group of coowners the holdings are such that the entire amount held can be allocated among the several coowners without apportioning an aggregate amount in excess of \$5,000 (maturity value) to any one person, including any amount chargeable to that person individually. For example, if a married man with two children has already purchased in 1944 \$5,000 maturity value of Series E bonds registered in his own name, and his wife and children are not named as the registered owners or coowners of any Series E bonds issued in 1944, he may purchase an additional \$15,000 maturity value of such bonds registered as follows: \$5,000 in his name with his wife as coowner, \$5,000 in his name with one child as coowner, and \$5,000 in his name with the other child as coowner. In such circumstances, the man as the sole owner of \$5,000 maturity value and as a coowner of \$15,000 maturity value of bonds would be entitled under the regulations to redeem all or part of such bonds without obtaining the signature of any of the other coowners.

Forms

The forms referred to below should be used by issuing agents in requisitioning Series E bonds, in remitting for such bonds and in returning stubs and spoiled bonds. Supplies of such forms may be obtained from this bank as they are needed by submitting a requisition therefor (Form G.B. 350). Each of the forms forwarded to us by an issuing agent should be executed by an officer or employee of the issuing agent theretofore certified to us by the issuing agent on Form G.B. 379 entitled "Official Signatures" as authorized to act on behalf of such issuing agent in connection with the issuance of Series E bonds.

Requisition for Bonds

Issuing agents may obtain unissued Series E bonds from this bank by submitting a requisition for bond stock on Form G.B. 1786. Payment in full of the issue price of the bonds desired must accompany requisitions submitted by agents which have agreed to pay in advance for bond stock requisitioned.

Series E bonds are prepared in two different assemblies, designated Type "A" and Type "B". Type "A" is assembled in such a manner that by inserting carbon paper between the bond and the stubs the inscription may be made on the bond and both stubs in the same operation. Type "B" is designed for use in certain addressing machines and in other methods of inscription where carbon paper is not used. Issuing agents should specify in the space provided on the form of requisition the type of bonds desired.

Inscribing Bonds

1. Whenever possible, a typewriter or addressing machine should be used for the purpose of inscribing bonds.
2. The name and post office address of registered owner should be inscribed in the space provided in the center of the bond and stubs. If the bond is to be mailed in a window envelope, the

name and address of the registered owner should be placed so that it will appear properly in the window.

3. The issue date (month and year) should be inscribed in the space provided in the upper right-hand portion of the bond. *Each bond should be dated as of the first day of the month in which full payment of the issue price is received by the issuing agent.*
4. The name of issuing agent and the date on which the bond is inscribed should be imprinted in the space indicated by the circle on the bond and stubs, using the stamp furnished by us for this purpose.

Care should be exercised in inscribing bonds. *Erasures or alterations on a bond are not permitted.* If an error is made in the inscription, the bond and both stubs should be marked "Spoiled", the issuing agent's stamp impressed thereon, and a new bond issued. Spoiled bonds should be returned to us as provided below under the heading "Spoiled Bonds".

Authorized Forms of Inscription

Series E bonds may be registered only in the names of natural persons (i.e., individuals) in their own right, in one of the following forms:

ONE PERSON

- (a) In the name of one person, for example:

John A. Jones
751 East Main Street
Blankville 2, New York

TWO PERSONS (AS COOWNERS)

- (b) In the names of two (but only two) persons, for example:

John A. Jones
751 East Main Street
Blankville 2, New York
or Mrs. Ella S. Jones

ONE PERSON (WITH ONE BENEFICIARY)

- (c) In the name of one person, payable on death to one (but not more than one) designated person as beneficiary, for example:

John A. Jones
751 East Main Street
Blankville 2, New York

Payable on death to
Miss Mary E. Jones

If it is desired that, upon the death of the owner, a bond revert to the United States as a donation, it may be registered in the name of the owner with the Treasurer of the United States named as beneficiary.

MINOR

- (d) In the name of a minor (whether or not under legal guardianship) in any of the foregoing forms subject to the following conditions:
- (i) Bonds purchased as a gift to a minor may be registered in his name as owner, coowner or beneficiary.
 - (ii) Bonds purchased by a minor from his wages, earnings or other money in his possession may be registered in his name and he may designate a coowner or beneficiary.
 - (iii) Bonds purchased by a parent or guardian with funds already belonging to a minor must be registered in the minor's name alone without the addition of a coowner or beneficiary.

- (iv) In any case in which a guardian of the estate of a minor has been appointed by a court of competent jurisdiction or has otherwise legally qualified, appropriate words, such as "a minor under legal guardianship", should be added after the name of such minor, for example:

Charles E. Brown, a minor under legal guardianship of Henry Smith
4630 W. Grand Avenue
Blankville 2, New York

In such cases, registration in the form "Henry Smith, legal guardian of Charles E. Brown, a minor" is not permitted.

The full name of the owner and that of the coowner or beneficiary, if any, should be used and should be the name by which the person is ordinarily known and under which he does business; if there are two given names the initial of one may be used, or if a person is habitually known and does business by initial only of his given names, registration may be in such form. In the case of women, the name must be preceded by "Miss" or "Mrs." and a married woman's own given name should be used, not that of her husband, for example, "Mrs. Mary A. Jones", not "Mrs. Frank B. Jones"; the use of initials only for both given names of a married woman is not permissible.

In registering bonds, issuing agents should ascertain if feasible that the name of the person to be used in the registration corresponds exactly with the name by which such person has been described as owner, coowner or beneficiary in the registration of bonds previously issued.

It is permissible for employers issuing bonds to employees to place on the bond a payroll number or other identifying symbol provided such number or symbol is clearly separated from the remainder of the inscription.

Series E bonds may not be registered in the names of corporations, unincorporated associations, partnerships, fiduciaries, or in any form other than those given above. Bonds should not be registered in the name of a person under legal disability for reasons other than minority unless a legal representative of his estate has been appointed. If a guardian or similar legal representative of the estate of such a person has been appointed by a court of competent jurisdiction, or has otherwise legally qualified, the name of such person should be followed by appropriate words such as "an incompetent under legal guardianship" or "an incompetent under legal guardianship of Henry Smith".

Stubs

A legible imprint of the dating stamp is necessary on the original stubs which must be returned to this bank as hereinafter provided. Except as to issuing agents which are required at the date of these instructions to return duplicate stubs to this bank, the duplicate (salmon-colored) stubs need not be returned. Such stubs, if not returned to this bank, may be used by issuing agents for the purpose of obtaining from the purchasers receipts for the bonds delivered and may be retained by the agents for their records.

In any case where an American citizen temporarily residing abroad is named as owner of a Series E bond and his foreign address is given in the registration, the issuing agent should certify on the reverse side of the original stub of the bond that such owner is an American citizen temporarily residing abroad.

The original stubs are specially prepared and punched so that they may be counted, sorted and listed by the use of mechanical equipment. Stubs which have been damaged as the result of folding, tearing or perforating cannot be counted, sorted or tabulated mechanically, and issuing agents are requested, therefore, to see that stubs are not folded, pinned, stapled, clipped, or mutilated in any manner.

Spoiled Bonds

Whenever an error has been made in inscribing a bond and the error has been detected before the bond has been delivered, the incorrect bond and both stubs should be marked "Spoiled", the issuing agent's stamp impressed thereon, and a new bond issued. The spoiled bond and the original stub should be returned to this bank with Form G.B. 1789, executed in duplicate.

The stubs should not be stapled, clipped, or in any manner affixed to the related bonds, but should be grouped separately and assembled in the same order as the spoiled bonds returned.

Where an error made in inscribing a bond is not detected until after the stub has been forwarded to us, *the issuing agent must not issue a new bond to make the correction.* The incorrectly inscribed bond should be obtained from the owner and sent to us with a letter from the issuing agent explaining the

cause of the error and stating the correct inscription. A new bond with the correct inscription will be issued by us and delivered in accordance with the instructions of the issuing agent.

Remittance for Bonds Sold

Each issuing agent should submit to this bank reports of sales on Form G.B. 1787, in duplicate, accompanied by the original stubs from the bonds reported sold. Issuing agents, except those which pay in advance for bond stock requisitioned, should remit to this bank for bonds reported sold and such remittance should be made *not less frequently than once each week*. Issuing agents which pay in advance for bond stock requisitioned should disregard references on Form G.B. 1787 to method of payment for bonds sold.

War Savings Stamps received by issuing agents in exchange for bonds should be presented by them to the post office for redemption.

All remittances and shipments of stubs or spoiled bonds should be addressed as follows:

Federal Reserve Bank of New York
Government Bond Department
Federal Reserve P. O. Station
New York 7, N. Y.

Original Delivery of Bonds by Mail

Original delivery of War Savings Bonds to owners by authorized issuing agents may be made as ordinary first class mail without payment of postage, under special penalty envelopes with distinctive markings to indicate the character of the contents. Special penalty envelopes to be used for this purpose will be furnished to issuing agents by this bank upon written request specifying whether plain or window envelopes are desired. *Such envelopes may not be obtained in any other manner.*

The following instructions for the use of special penalty envelopes must be carefully observed by all agents:

1. Deliveries of bonds by mail in special envelopes must be restricted to those cases where personal delivery either is not practicable or is inadvisable.
2. The name and return address of the issuing agent must be printed or stamped in the blank space in the corner card on the envelopes over the words "Authorized Issuing Agent."
3. The special envelopes may be used only for the purpose provided. Attention is directed to the penalty of \$300 provided for in cases of improper use of penalty envelopes. The Post Office Department has ruled that the envelopes may not be used to mail matter other than bonds even though postage is paid, but that there is no objection to the enclosure as penalty matter of a letter of transmittal describing the contents or containing information as to the condition of an employee's bond account under the payroll allotment plan. *Firm advertising material even though relating largely to savings bond campaigns should not be enclosed in penalty envelopes.*
4. The utmost care should be used in enclosing bonds in envelopes and in effecting delivery of the bonds *to the local post office*. They should not be deposited in an ordinary mail box, since this would not insure the special handling of the envelopes which is expected when they are delivered directly to the post office. Agents are not required to obtain receipts evidencing delivery to the post office.
5. The Government Losses in Shipment Act, as amended, is applicable to shipments of inscribed bonds in special penalty envelopes, and claims for relief in the event of losses in shipment may be made as provided in such act and the regulations issued thereunder. No reports of shipments will be required from issuing agents, nor will it be necessary to forward separate notices to the addressees by mail of the shipment of bonds. However, agents will be expected to maintain appropriate records of all shipments whereby it will be possible to prove the exact extent of loss in the event claim is made for replacement of bonds or for payment pursuant to the Government Losses in Shipment Act. The Treasury Department has stated that, in the absence of suspicious or unusual circumstances, the application for bonds or schedule of purchases showing the requirement or necessity of mailing a bond or bonds, together with (1) the related bond information recorded either on the application, bond stub or elsewhere in the records usually maintained by an agent and (2) the evidence of a uniform method of handling such items requiring mailing, would provide sufficient proof to establish the exact extent of loss. Evidence of uniformity of procedure and exercise of due care in handling the bonds at the time of enclosure in envelopes, sealing thereof and disposal of the items thereafter are the important factors. If a bond mailed by an issuing agent is not received by the owner, prompt notice should be given to this bank

including the serial number and name and address of the registered owner of the bond and we will furnish instructions and forms to be used in applying for the issuance of a substitute bond.

6. Bonds may be delivered at the risk and expense of the United States only in States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico and the Canal Zone. Special penalty envelopes should not, therefore, be used to mail bonds to purchasers at addresses outside the areas specified.

Reimbursement for Postage and Registry Fees Expended by Issuing Agents

Reimbursement will be made for postage and registry fees expended by issuing agents in returning to us the stubs of bonds sold, spoiled bonds, unissued or excess stock, and shipping bags, provided no other matter is included in the same package or envelope and the following instructions are complied with:

1. Packages weighing 8 ounces or less should be sent as registered mail, and postage should be paid thereon at the first-class rate in addition to the registry fee of 20 cents.

2. Packages weighing in excess of 8 ounces but not more than 70 pounds should be sent as insured mail to be treated as registered mail, and postage should be paid thereon at the fourth-class (parcel post) rate in addition to an insurance fee of 30 cents on each shipping unit. Each package should bear a notation placed thereon by the sender by rubber stamp impression, printed slip, or otherwise, reading as follows:

“This article is put up and mailed by authority of the Post Office Department upon prepayment of postage at the fourth-class (parcel post) rate and insurance fee. It must be recorded and handled as a registered article by postal employees. RAMSEY S. BLACK, *Third Assistant Postmaster General.*”

3. Each package should be securely sealed. No package should exceed 70 pounds in weight.

Printed stickers will be furnished upon request for the convenience of agents in complying with the foregoing instructions when mailing articles weighing in excess of 8 ounces.

No request for reimbursement of postage and registry fees in accordance with the foregoing provisions will be necessary. This bank will determine the amount by the postage on each shipment sent in compliance with the foregoing instructions, and will make refund therefor periodically.

Loss, Theft or Destruction of Bond Stock or Bonds

In the event of the loss, theft or destruction of unissued bond stock or of inscribed bonds which have not been delivered to the purchasers thereof, immediate notice of the facts, together with a complete description of the bonds including serial numbers, should be furnished to this bank.

In the event of the loss, theft, destruction, mutilation or defacement of a bond after delivery to the owner, relief either by the issue of a substitute bond or by payment may be had under the provisions of the Government Losses in Shipment Act, as amended, upon filing a claim and furnishing proof of loss satisfactory to the Treasury Department. In any such case immediate notice of the facts, together with a complete description of the bond (including series, month and year of issue, serial number and name and address of the registered owner) should be given by the registered owner to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois.