

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 5081]
[September 6, 1961]

TRANSFERS OF FUNDS
Revision of Operating Circular No. 10

*To the Member and Nonmember Clearing Banks
of the Second Federal Reserve District:*

Enclosed is a copy of Operating Circular No. 10, Revised effective September 11, 1961. The revised operating circular contains some editorial changes and a change in paragraph 6 that has been adopted uniformly by all Federal Reserve Banks.

Paragraph 6 (formerly 5), on interdistrict telegraphic transfers for member banks (other than certain transfers of bank balances that are made without charge), now provides for a service charge of \$1.50 for a telegram or telegrams transmitted over the leased wire, instead of a charge approximating the commercial wire rate.

Additional copies of the enclosure will be furnished upon request.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
OF NEW YORK**

[Operating Circular No. 10
Revised effective September 11, 1961]

TRANSFERS OF FUNDS

*To the Member and Nonmember Clearing Banks
of the Second Federal Reserve District:*

This circular sets forth the rules governing telegraphic and mail transfers of funds made through this Bank at its Head Office in New York City or its Branch in Buffalo, New York:

(a) to other Federal Reserve Banks (which as used in this circular shall include Branches of Federal Reserve Banks) at the request of member banks of the Second Federal Reserve District for credit to member and nonmember clearing banks of other Federal Reserve Districts,

(b) from other Federal Reserve Banks for credit to member and nonmember clearing banks of the Second Federal Reserve District, and

(c) at the request of member and nonmember clearing banks of the Second Federal Reserve District, for credit to other member and nonmember clearing banks of the Second Federal Reserve District.

**TELEGRAPHIC TRANSFERS OF FUNDS TO AND FROM
OTHER FEDERAL RESERVE BANKS AND BRANCHES**

Schedule of time limits

1. Operating Circular No. 11 contains a schedule showing the latest hours on each business day at which we will receive and accept requests for telegraphic transfers of funds on the same day to other Federal Reserve Banks, pursuant to the provisions of this circular. We may, in our discretion, receive and accept, on any business day after the hours shown in such schedule, requests for such transfers on that day, but only upon the understanding that the completion of each requested transfer will be discretionary with the receiving Federal Reserve Bank.

Transfers of bank balances for and to member banks

2. Telegraphic transfers of funds between Federal Reserve Banks of bank balances in multiples of \$1,000 will be made without charge for member banks to member banks, and telegrams requesting us to make such transfers may be sent to us "collect."

3. The descriptive data in telegrams transferring bank balances without charge must be limited to (1) the name of the sending member bank, (2) the name of its correspondent member bank requesting the

transfer, if any, (3) the name of the member bank receiving credit, and (4) the name of its correspondent member bank, if any.

4. The term "bank balance" as used in paragraphs 2 and 3 shall be construed to mean an accumulation of funds comprising an established account maintained by a member bank with its Federal Reserve Bank or with another member bank.

5. Transfers for the benefit or use of an individual, firm, corporation, or nonmember bank, and transfers of the proceeds of individual collection items or individual cash letters, will not be made without charge.

Other transfers for member banks

6. Telegraphic transfers of funds for any purpose and in any amount and without the above limitation as to descriptive data will be made for and paid to member banks, subject either to a service charge of \$1.50 (except transfers of bank balances in multiples of \$1,000 as prescribed above) for the telegram or telegrams transmitted over the leased wire, or at the commercial wire rate for the telegram or telegrams transmitted by commercial wire. While such transfers will be accepted from and paid to member banks only, they may be for the use of any bank, individual, firm, or corporation.

7. At the request of member banks, telegraphic transfers of bank balances in multiples of \$1,000 will be made to nonmember clearing banks, subject to a charge as outlined in the preceding paragraph.

8. Member banks should prepay the cost of telegrams when requesting us to make transfers that are subject to a charge.

Advice of credit

9. Mail advice of credit for all telegraphic transfers of funds will be given by the Federal Reserve Bank receiving the transfer to the member or nonmember clearing bank receiving credit therefor and, in addition, immediate advice of credit, by telegraph, telephone, or otherwise, will be given when the bank receiving credit or the bank requesting the transfer has asked for such immediate advice, or where the nature of the transaction, or the amount involved, indicates that the additional expense is justified, as to which the receiving Federal Reserve Bank will exercise its discretion.

10. Long distance telephone charges and telegraph charges, if any, in connection with such immediate advices will be charged to the member or nonmember clearing bank receiving credit unless the sending bank has requested that such expenses be charged to its account.

TELEGRAPHIC TRANSFERS OF FUNDS WITHIN THE SECOND FEDERAL RESERVE DISTRICT

Transfers of bank balances for and to member banks

11. Member banks of the Second Federal Reserve District may request us by telegraph to make transfers of bank balances in multiples

of \$1,000 to other member banks of this District, and telegrams requesting us to make such transfers may be sent to us "collect."

12. The descriptive data in telegrams transferring bank balances and sent "collect" must be limited to (1) the name of the sending member bank, (2) the name of its correspondent member bank requesting the transfer, if any, (3) the name of the member bank receiving credit, and (4) the name of its correspondent member bank, if any.

13. The term "bank balance" as used in paragraphs 11 and 12 shall be construed to mean an accumulation of funds comprising an established account maintained by a member bank with this Bank or with another member bank in this District.

14. Telegrams requesting us to make transfers for the benefit or use of an individual, firm, corporation, or nonmember bank, and transfers of the proceeds of individual collection items or individual cash letters, should not be sent collect.

Other transfers

15. Member banks of the Second Federal Reserve District may request us by telegraph to make transfers of funds to other member or nonmember clearing banks of this District for any purpose and in any amount and without limitation as to descriptive data. Such transfers may be for the benefit or use of any bank, individual, firm, or corporation. Telegrams requesting us to make such transfers should be sent prepaid, and the cost of telegrams sent by us to member and nonmember clearing banks advising of credit for such transfers will be charged to the accounts of the banks requesting us to make the transfers.

16. Nonmember clearing banks located in the territory assigned to the Head Office of this Bank may request the Head Office by telegraph to make transfers of funds to member or other nonmember clearing banks located in the Head Office territory. Nonmember clearing banks located in the territory assigned to the Buffalo Branch may request the Buffalo Branch by telegraph to make transfers of funds to member or other nonmember clearing banks located in the Branch territory. Such transfers may be made for any purpose, in any amount, and without limitation as to descriptive data, and may be for the benefit or use of any bank, individual, firm, or corporation. Telegrams requesting us to make such transfers should be sent prepaid, and the cost of telegrams sent by us to member and nonmember clearing banks advising of credit for such transfers will be charged to the accounts of the banks requesting us to make the transfers.

MAIL TRANSFERS

17. Transfers of funds for any purpose and in any amount and without limitation as to descriptive data will be made by mail for member and nonmember clearing banks to other member and nonmember clearing banks located in this or in any other Federal Reserve District. While such transfers will be made for and paid to member

and nonmember clearing banks only, they may be for the use of any bank, individual, firm, or corporation.

GENERAL

18. Transfers of funds will be made by us only from collected funds on deposit with us to the credit of the bank making the request.

19. When a request to transfer funds is sent to us by telegram, the American Bankers Association Code should be used with our test word, and a letter of confirmation (not in code) over an authorized signature should follow.

20. Member and nonmember clearing banks are requested to cooperate with us by using the mails to effect transfers of funds that do not require immediate credit, either by forwarding drafts direct or by using our mail transfer facilities.

Liability of this Bank

21. This Bank will use due diligence and care in the transfer of funds by telegraph or by mail to the receiving Federal Reserve Bank for credit to the account of the payee bank, and in the transfer of funds made on its books for banks within the Second Federal Reserve District, but will not be responsible for errors or delays caused by circumstances beyond its control.

Revision of this circular

22. The right is reserved to withdraw, add to, or amend at any time any of the provisions of this circular.

Effect of this circular on previous circular

23. This circular supersedes our Operating Circular No. 10, Revised effective January 15, 1957.

ALFRED HAYES,
President.