

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7408]
[June 14, 1974]

TRANSFERS OF FUNDS
Revision of Operating Circular No. 10

*To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

Enclosed is a copy of our Operating Circular No. 10, "Transfers of Funds," revised effective April 19, 1974.

The operating circular has been revised to reflect the following changes:

(a) Paragraphs 2, 3, 9, and 10 (formerly 2, 3, 10, and 11) have been amended, and the former paragraph 4 has been deleted, to reflect the fact that this Bank no longer maintains non-member clearing accounts. The relevant provisions of the amended paragraphs now cover member banks and others maintaining accounts on the books of this Bank.

(b) Paragraph 5 (formerly 6), on requests for transfers by telephone, incorporates the provisions of the Second Supplement, dated February 26, 1974, to the superseded edition of the operating circular.

(c) Paragraph 8 (formerly 9), on closing hours for receipt of requests for transfers, as amended by the First Supplement, effective April 2, 1973, to the superseded edition of the operating circular, has been further amended to reflect the fact that this Bank may, in unusual or unanticipated circumstances, grant requests for extensions of time for making transfers of funds within the Second Federal Reserve District after the established 4 p.m. closing hour. Telephone requests for such extensions of time by parties located in the territory served by the Head Office should be made by calling 212-267-5068, and by parties located in the territory served by the Buffalo Branch, by calling 716-853-1700, Ext. 240. On each Wednesday ("settlement day"), or if Wednesday is a legal holiday, on the preceding business day, intra-district transfers may be made by member banks to settle their reserve account balances for 30 minutes following the intra-district closing hour; during this period, however, transfers for the accounts of third parties are not permitted.

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 April 19, 1974]

TRANSFERS OF FUNDS

To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:

1. This circular sets forth the rules governing transfers of funds made through this Bank at its Head Office in New York City or its Branch in Buffalo, New York. The term "bank balance," as used in this circular, shall be construed to mean an accumulation of funds in an established account maintained by a member bank or others with its Federal Reserve Bank or with another member bank.

Telegraphic transfers of funds to and from
other Federal Reserve Banks

Transfers of bank balances for member banks and for others

2. Telegraphic transfers of bank balances between Federal Reserve Banks (which as herein used shall include branches of Federal Reserve Banks) in any amount of \$1,000 or over will be made without charge for member banks and for others to member banks or to others maintaining accounts on the books of this Bank. A charge of \$1.50 will be made for such transfers in any amounts of under \$1,000. Such telegraphic transfers of bank balances may contain descriptive third party information not exceeding four 80-character lines of alphabetic data. While such transfers will be paid only to member banks, or others maintaining accounts on the books of this Bank, through the utilization of descriptive third party information, they may be for the use of any bank, individual, firm, or corporation.

Transfers of funds within the Second
Federal Reserve District

Transfers of bank balances for member banks and for others

3. Transfers within the Second Federal Reserve District of bank balances in any amount of \$1,000 or over will be made without charge for member banks or for others to member banks or to others maintaining accounts on the books of this Bank, subject to the provisions of paragraph 2 as to descriptive information. A charge of \$1.50 will be made for such transfers in any amounts of under \$1,000.

Requests for transfers

4. Subject to the applicable provisions of this circular, requests for transfers of funds may be made by telephone, teletype (TWX), or letter. Requests may also be made through the use of electronic telecommunications facilities by special arrangement.

Requests by telephone

5. A request to transfer funds made by telephone to the Head Office of this Bank (call "collect" — No. 212-267-5068) or to its Buffalo Branch (call "collect" — No. 716-853-1700, Ext. 243) must include our test word and will automatically be recorded on magnetic-tape recording devices.¹

Requests by teletype (TWX)

6. A request to transfer funds made by the use of TWX facilities must identify the requesting bank by name and routing symbol-transit number and must contain our test word and the name of the person authorizing the request. If more than one transfer of funds is requested in one TWX message, the total dollar amount of such transfers must also be contained in the message. Teletype requests to transfer funds may be made "collect" — at the Head Office, call No. 710-581-5573, and at the Buffalo Branch, call No. 710-522-1187.

Requests by letter

7. A request to transfer funds made by letter must contain authorized signature(s), a specimen of which is on file with this Bank.

General

Closing hours

8. (a) *Inter-district transfers* — Requests for transfers of funds on the same day to other Federal Reserve Banks will be received and accepted by this Bank until 3 p.m. Eastern time on each business day. We may, in our discretion, receive and accept, on any business day after 3 p.m. Eastern time, requests for transfers on that day, but only upon the understanding that the completion of any requested transfer to be received by another Federal Reserve Bank will be discretionary with such receiving Federal Reserve Bank.

(b) *Intra-district transfers* — Requests for transfers of funds on the same day within the Second Federal Reserve District will be received and accepted by this Bank until 4 p.m. Eastern time. We may, in our discretion, receive and accept, on any business day after 4 p.m. Eastern time, requests for transfers on that day.^o On Wednesdays, or if Wednesday is a legal holiday, on the preceding business

¹ This Bank reserves the right to require the requesting bank to confirm its telephone request by a letter of confirmation over authorized signature(s).

^o Requests for time extensions may be granted by this Bank in its discretion in any of the following circumstances:

- (a) Breakdown of telephone or TWX service or of the Sigma V Communications System;
- (b) Breakdown in a bank's equipment associated with this Bank's Sigma V Communications System;
- (c) Extremely heavy volume of transfers on a given day — particularly on Federal agency issue days, on the first or last day of the month, and before or after local holidays;
- (d) Delay in the closing hours for securities transfers; or
- (e) Other unusual or unanticipated circumstances.

Telephone requests for extensions of time may be made to the Head Office of this Bank by calling 212-267-5068 or to its Buffalo Branch by calling 716-853-1700, Ext. 240.

day, a 30-minute settlement period will follow the closing hour — or the extended closing hour, if such closing hour is extended in accordance with this subparagraph — for receipt of intra-district transfers, to assist member banks in settling their reserve account balances. During this settlement period, only requests for intra-district transfers of funds for the accounts of member banks will be accepted; such requests for the accounts of third parties will not be accepted during this period.

Advices of credit

9. Mail advice of credit for all inter-district telegraphic transfers of funds will be given by the Federal Reserve Bank receiving the transfer to the member bank or to other parties receiving credit therefor^o 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. Mail and immediate advice of credit will also be given for transfers of funds within the Second Federal Reserve District, to the same extent and under similar conditions as for transfers to and from other Federal Reserve Banks.

Statements of account

10. Transfers of funds executed by this Bank will be reflected in a statement of account with this Bank which will be dispatched, after the close of business on each business day, to each member bank and to others maintaining accounts on the books of this Bank. Each member bank and others maintaining accounts on the books of this Bank shall carefully examine the entries relating to its transfers of funds as set forth in such statement of account and shall report any exceptions thereto to this Bank promptly.

Liability of the Federal Reserve Bank

11. The Federal Reserve Bank of New York will use diligence and care in the transfers of funds by telegraph 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 and others within the Second Federal Reserve District, but will not be responsible for errors or delays caused by circumstances beyond its control. The Federal Reserve Bank of New York shall be deemed to have acted reasonably and with due care if, in good faith, it acts upon instructions that are authenticated by the use of the appropriate test word.

Revision of this circular

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

^o Mail advice will not be given to banks that use electronic tele-communications facilities, since those banks automatically receive advice of credit as part of their use of these facilities.

Effect of this circular on previous circular

13. This circular supersedes Operating Circular No. 10, Revised effective February 21, 1973, and the First and Second Supplements thereto, dated April 2, 1973, and February 26, 1974, respectively.

ALFRED HAYES,
President.