

AT CIR NO 8525(a)  
February 22, 1979

To the Addressee:

Attached are (1) a technical amendment, effective October 17, 1978, to the "Rules Regarding Delegation of Authority" of the Board of Governors of the Federal Reserve System, and (2) technical amendments, effective October 17 and November 1, 1978, to the Board of Governors' "Rules of Organization."

Circulars Division  
Federal Reserve Bank of New York

**Board of Governors of the Federal Reserve System**  
**RULES REGARDING DELEGATION OF AUTHORITY**

**AMENDMENT**

*(effective October 17, 1978)*

Effective October 17, 1978, section 265.2 (j) of the Rules Regarding Delegation of Authority is deleted and section 265.2 (d) is amended to read as follows:

**SECTION 265.2—SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND TO FEDERAL RESERVE BANKS**

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(d) The Staff Director for Federal Reserve Bank Activities or the Staff Director's designee is authorized:

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(3) Under the provisions of the third paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 413), to apportion credit among the Reserve Banks for unfit notes that are destroyed, giving consideration to the net number of notes of each denomination that were issued by each Reserve Bank during the preceding calendar year.

(4) Under the provision of §§ 216.5(b), 216.5(d), and 216.6 of this chapter (Regulation P), with respect to Federal Reserve Banks and branches

(i) to require reports on security devices;  
(ii) to require special reports; and  
(iii) to determine in view of the provisions of §§ 216.3 and 216.4 whether security devices and procedures are deficient in meeting the requirements of Part 216, to determine whether such requirements should be varied in the circumstances of a particular banking office, and to require corrective action.

(5) To approve or disapprove supplementary budget requests and special incentive programs to improve operations or reduce costs, provided that the Board has previously approved the budget of the requesting Reserve Bank and provided that the supplemental request adheres to the Board's general expense guidelines and such guidelines as the Board may have imposed in approving the Reserve Bank's budget and provided that the amount approved may not exceed in any budgetary year one hundred thousand dollars (\$100,000) for each Reserve Bank and seven hundred fifty thousand dollars (\$750,000) for all Reserve Banks in the System.

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Printed in New York

[technical amendment — not issued]



# Board of Governors of the Federal Reserve System

## RULES OF ORGANIZATION

### AMENDMENT

1. Effective October 17, 1978, paragraph (c) through (p) of section 3 of the Rules of Organization are redesignated as paragraphs (d) through (q); and a new paragraph (c) is added to read as follows:

#### SECTION 3—CENTRAL ORGANIZATION

The Board's central organization consists of the members of the Board and the following Offices, Divisions, and officials:

(c) **Office of Staff Director for Federal Reserve Bank Activities** is responsible for overseeing the Divisions of Federal Reserve Bank Operations and Federal Reserve Bank Examinations and Budgets, assisting the Board's Committee on Federal Reserve Bank Activities, and coordinating the functions of other Board Divisions that relate to Federal Reserve Bank matters.

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2. Also effective October 17, 1978, redesignated paragraphs (i) and (j) of section 3 of the Rules of Organization are amended as follows:

(i) **Division of Federal Reserve Bank Operations,\*\*\*** provides an appraisal of Reserve Bank communication and automation plans and proposals and recommendations to the Board in such areas; and maintains liaison with various interested parties on payments mechanism matters.

(j) **Division of Federal Reserve Bank Examinations and Budgets,\*\*\*** and provides

certain centralized financial accounting services. The Division also coordinates the printing and distribution of Federal Reserve notes and is jointly responsible with the Bureau of the Mint for the production and distribution of coin.\*\*\*

3. Effective November 1, 1978, section 3 of the Rules of Organization is amended as follows:

\* \* \*

(b) **Office of Staff Director for Monetary and Financial Policy** is responsible for Federal Open Market Committee staff activities; preparation of proposals on monetary policy instruments including discount rates and reserve requirements; coordination of staff work on regulatory and supervisory issues closely related to domestic and international monetary and financial policies and the functioning of domestic and international money and capital markets; coordination with the System Account Manager on domestic open market activities and with the System Account Manager and the Treasury on foreign exchange market activities; coordination of analysis and development of options for Board consideration with regard to foreign exchange policies and the international payments mechanism; Euro-dollar and international banking policy issues; coordination of System statistical programs related to monetary and financial policy operations; and appropriate staff coordination with other Government agencies and with private groups in these areas.

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