

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 9509]
June 10, 1983]

NEW ACCOUNTING PROCEDURES FOR CASH SHIPMENTS

To All Depository Institutions in
the Second Federal Reserve District:

Effective July 1, 1983, the Federal Reserve System will adopt new accounting procedures for currency and coin shipments to or from Reserve Banks that are held overnight in a carrier's facility. These procedures are being made available to all depository institutions in this District, but will be primarily beneficial to those institutions that do not have a reserve requirement or whose vault cash exceeds their reserve requirements. The changes will take the following form:

Early credit. — For institutions that apply for it, credit for a currency or coin deposit will be given on the day a shipment leaves the sending institution, rather than on the day it arrives at this Bank. The credit will stand if the shipment is sent by Fed-arranged transportation, whether or not the shipment arrives at this Bank on the anticipated delivery date. However, if your institution arranges its own transportation and the shipment is not received by us, the credit to your account will be reversed.

Deferred charge. — A depository institution's account will be debited for a currency or coin order on the day the institution is scheduled to receive the shipment. Where transportation is arranged by your institution, this charge will stand whether or not it is received on the anticipated date. The charge will be reversed if the shipment involves Fed-arranged transportation and is not received on the anticipated date.

The early credit program requires the depositor to wire or telephone deposit data. To apply for the early credit program and to obtain details regarding specifications for data transmission, please provide the following information by letter (addressed as indicated below) at least two weeks in advance of the desired initial date of implementation:

- whether the deposit information will be sent by wire or by telephone;
- the number of your offices involved.

On shipments from this Bank, in order for the charge to be deferred, those institutions now charged on the date of pick-up must notify this Bank if the cash is not delivered on the same date as the pick-up.

We strongly urge you to review your armored carrier's insurance coverage when making transportation arrangements privately. The carrier should have sufficient coverage for all cash held in its vaults, including cash held overnight that has been reported to and credited by the Federal Reserve.

The new early credit accounting procedure will affect the reporting of vault cash on Form FR2900, "Report of Transaction Accounts, Other Deposits and Vault Cash." Please refer to your FR2900 instruction booklet for appropriate reporting under the new timing procedures.

If you have any questions or desire additional information about these new procedures, please contact Michael L. Zimmerman, Chief, Currency Services Division (Tel. No. 212-791-7907), or, in the Buffalo Branch territory, Donald Weber, Chief, Cash Division (Tel. No. 716-849-5026). Letter applications for the early credit program should be sent (a) in the Head Office territory, to Federal Reserve Bank of New York, Currency Services Division, Federal Reserve P.O. Station, New York, NY 10045; or (b) in the Buffalo Branch territory, to Federal Reserve Bank of New York, Cash Division, P.O. Box 961, Buffalo, NY 14240.

ANTHONY M. SOLOMON,
President.