

Superseded by 43

FEDERAL RESERVE BANK OF NEW YORK

62 CEDAR STREET

NEW YORK, May 26, 1915.

TO THE CASHIER.

SIR:

INAUGURATION OF COLLECTION SYSTEM

In accordance with the plan outlined in Circular No. 22 dated April 20, 1915, the intra-district collection system of the Federal Reserve Bank of New York will become effective on June 1, 1915.

An alphabetical list of the member banks which have elected to join the collection system is appended hereto. On the first and fifteenth day of each month, if any changes have occurred, a corrected list will be forwarded.

The Federal Reserve Board has announced that it has added to District No. 2 the twelve northern counties of New Jersey. The transfer of the 131 member banks in these counties from the Federal Reserve Bank of Philadelphia to the Federal Reserve Bank of New York will be effected on July 1, 1915. These banks, a number of which have joined the collection system of the Federal Reserve Bank of Philadelphia, will, when transferred, be eligible to join the collection system of the Federal Reserve Bank of New York.

Only checks or drafts drawn on and received from the member banks which have joined the collection system, and which appear on the appended list, will be received. Such checks or drafts will be credited on receipt at par to the sending bank and charged and forwarded direct to the bank on which they are drawn.

Whenever experience may prove that it is necessary, member banks may arrange with their other reserve agents to make such regular transfers of funds as may be required to meet charges against their accounts without impairing their reserve balances with this bank.

On the other hand, upon request or by standing order filed with this bank, such excess balances as may be built up by a surplus of credits over debits may be transferred to a New York City reserve agent, thereby preventing unnecessary loss of interest on excess reserves.

Any member bank joining the collection system is at liberty to extend to its depositors the privilege of stamping their checks "Collectible at par through the Federal Reserve Bank of New York," which will provide for the collection of all such checks at par.

An indorsement stamp for use on all checks or drafts remitted to the Federal Reserve Bank of New York will be forwarded to-morrow to each member bank which has joined the collection system.

CHECKS ON OTHER FEDERAL RESERVE BANKS:

On June 15, 1915, this bank will discontinue accepting checks or drafts drawn on other Federal reserve banks for immediate credit, with the exception of those drawn on the Federal Reserve Banks of Boston and Philadelphia, which it will continue to receive, as at present, for immediate credit at par.

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Checks or drafts drawn on the nine other Federal reserve banks will be received for "collection" only and will be credited to the account of the member bank depositing them, subject to final payment, in accordance with the following time schedule:

Federal Reserve Bank of Richmond	1 day after receipt
Federal Reserve Bank of Atlanta	2 days " "
Federal Reserve Bank of Cleveland	2 " " "
Federal Reserve Bank of Chicago	2 " " "
Federal Reserve Bank of St. Louis.....	2 " " "
Federal Reserve Bank of Minneapolis.....	2 " " "
Federal Reserve Bank of Kansas City.....	2 " " "
Federal Reserve Bank of Dallas	3 " " "
Federal Reserve Bank of San Francisco.....	6 " " "

Items drawn on the above named banks should not be included with other "cash" items forwarded for immediate credit, but should be listed on a separate sheet and forwarded as "collection" items.

Advice of credit will be forwarded on the day credit is made to the member bank's account.

TRANSFER SYSTEM

In order to provide a direct and economical method of effecting transfers of funds by either mail or telegraph, the Federal Reserve Banks are inaugurating a Transfer System simultaneously with their Collection System. Through this Transfer System any member bank may order funds transferred by either mail or telegraph (a) to a member bank within its district, or (b) to a member bank outside its district. Sample forms for ordering such transfers are enclosed and additional forms will be supplied on request.

For transfers by either mail or telegraph within this district, no charge will be made.

For transfers by mail outside of this district, it is not anticipated that a charge will be made, unless the condition of the domestic exchange market should necessitate the shipment of currency to cover such transfers. For transfers by telegraph outside of this district, a charge will be made, covering

- (a) The cost of telegraphing, and
- (b) Interest at the rate of 2% for the time which would be required to make the transfer by mail, and
- (c) The prevailing charge, if any, for mail transfers.

The development of a Federal Reserve Transfer System, particularly for use between member banks in different districts, is in the interest of sound banking practice, and its use by member banks in this district is recommended whenever practicable.

Member banks in this district, are at liberty, as heretofore, to draw on this bank and send such drafts outside of this district, and all other Federal reserve banks have advised that, for the present, they will receive such drafts from their member banks for immediate credit either at par or at the market rate for New York exchange.

Respectfully,

BENJ. STRONG, JR.,
Governor.

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**LIST OF BANKS WHICH HAVE JOINED THE COLLECTION SYSTEM OF THE
FEDERAL RESERVE BANK OF NEW YORK.**

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JUNE 1, 1915
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Albany, N. Y.....	First National Bank.....	29-8
“ “ “	National Commercial Bank.....	29-7
“ “ “	N. Y. State National Bank.....	29-1
Amsterdam, N. Y.....	First National Bank.....	50-135
Bronxville, N. Y.....	Gramatan National Bank.....	50-668
Brooklyn, N. Y.....	First National Bank.....	1-356
“ “ “	Nassau National Bank.....	1-118
“ “ “	National City Bank.....	1-352
“ “ “	Peoples National Bank.....	1-385
Buffalo, N. Y.....	Central National Bank.....	10-24
“ “ “	Marine National Bank.....	10-2
“ “ “	Third National Bank.....	10-6
Cazenovia, N. Y.....	Cazenovia National Bank.....	50-685
Dundee, N. Y.....	Dundee National Bank.....	50-607
Elmira, N. Y.....	Second National Bank.....	50-108
Far Rockaway, N. Y.....	Natl. Bank of Far Rockaway....	1-436
Glens Falls, N. Y.....	First National Bank.....	50-256
“ “ “ “	Natl. Bank of Glens Falls.....	50-255
Granville, N. Y.....	Washington Co. Natl. Bank.....	50-484
Greenwich, N. Y.....	First National Bank.....	50-748
Ithaca, N. Y.....	First National Bank.....	50-262
“ “ “	Tompkins Co. National Bank....	50-261
Larchmont, N. Y.....	Larchmont National Bank.....	50-776
Lockport, N. Y.....	National Exchange Bank.....	50-223
Newburgh, N. Y.....	Highland National Bank.....	50-174
New York, N. Y.....	American Exchange Natl. Bank..	1-21
“ “ “ “	Bank of New York, N. B. A.....	1-1
“ “ “ “	Battery Park National Bank....	1-232
“ “ “ “	Bronx National Bank.....	1-416
“ “ “ “	Chase National Bank.....	1-74
“ “ “ “	Chatham & Phenix Natl. Bank..	1-30
“ “ “ “	Chemical National Bank.....	1-12
“ “ “ “	Citizens Central Natl. Bank....	1-36
“ “ “ “	Coal & Iron National Bank.....	1-99
“ “ “ “	East River National Bank.....	1-59
“ “ “ “	Fifth National Bank.....	1-82
“ “ “ “	First National Bank.....	1-65
“ “ “ “	Garfield National Bank.....	1-81
“ “ “ “	Gotham National Bank.....	1-244
“ “ “ “	Hanover National Bank.....	1-33
“ “ “ “	Importers & Traders Natl. Bank..	1-53
“ “ “ “	Irving National Bank.....	1-67
“ “ “ “	Liberty National Bank.....	1-91

New York, N. Y.....	Lincoln National Bank.....	1-80
" " " ".....	Market & Fulton National Bank..	1-42
" " " ".....	Mechanics & Metals Natl. Bank..	1-4
" " " ".....	Merchants Exchange Natl. Bank..	1-13
" " " ".....	Merchants National Bank.....	1-3
" " " ".....	National Bank of Commerce....	1-23
" " " ".....	Natl. Butchers & Drovers Bank..	1-15
" " " ".....	National City Bank.....	1-8
" " " ".....	National Park Bank.....	1-54
" " " ".....	New York County National Bank.	1-71
" " " ".....	Seaboard National Bank.....	1-85
" " " ".....	Second National Bank.....	1-63
" " " ".....	Union Exchange National Bank..	1-100
Nyack, N. Y.....	Nyack National Bank.....	50-457
Ogdensburg, N. Y.....	Natl. Bank of Ogdensburg.....	50-240
Ossining, N. Y.....	Ossining National Bank.....	50-319
Perry, N. Y.....	First National Bank.....	50-463
Port Jefferson, N. Y.....	First National Bank.....	50-555
Ridgewood, N. Y.....	Ridgewood National Bank.....	1-437
Rye, N. Y.....	Rye National Bank.....	50-845
Schenectady, N. Y.....	Union National Bank.....	50-90
Syracuse, N. Y.....	First National Bank.....	50-36
" " " ".....	Salt Springs Natl. Bank.....	50-34
Troy, N. Y.....	Manufacturers Natl. Bank.....	50-64
Tuckahoe, N. Y.....	First National Bank.....	50-941
Westfield, N. Y.....	Natl. Bank of Westfield.....	50-523
White Plains, N. Y.....	First National Bank.....	50-234

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Date

FEDERAL RESERVE BANK
OF NEW YORK

DEAR SIR :

Please charge our account and make the following transfers by ^{mail} telegraph

Credit account of Federal Reserve Bank of _____

for use of _____ of _____ \$ _____

Credit account of Federal Reserve Bank of _____

for use of _____ of _____ \$ _____

Credit account of Federal Reserve Bank of _____

for use of _____ of _____ \$ _____

Yours truly,

Cashier.

_____ Bank of _____

FEDERAL RESERVE BANK
OF NEW YORK

June 2, 1915.

To the Cashier,

S i r :

The Federal Reserve Board has informed this bank that Federal Reserve Districts Nos. 2 and 3 have been readjusted, and that the county in which your bank is situated will be included in District No. 2 on July 1, 1915. You will be duly advised as soon as a method has been determined upon for the transfer of your stock investment and reserve deposit in the Federal Reserve Bank of Philadelphia to the Federal Reserve Bank of New York.

The intra-district collection system of this bank became operative on June 1, 1915, and as soon as your bank has become a member of the Federal Reserve Bank of New York, you will have the opportunity of joining the collection system.

In order that you may bring this matter before your directors for such action as they may see fit to take, we enclose herewith our Circulars Nos. 22 and 24, and a letter sent to each member bank on April 20th, together with a blank form of resolution for execution by your bank, if desired, and extra copies of the list of banks that have already joined. The names of all banks whose resolutions are received not later than June 30th will appear in the revised list of members of the collection system, to be published on July 1st.

We are also enclosing herewith the following documents for execution by the officers or directors of your bank, in anticipation of your taking up active relations with this bank:

1. Resolution authorizing certain designated officers to discount commercial paper.
2. Specimen signature card to be executed by officers.

June 2, 1915.

We would also appreciate it if you would forward to us a list of all the officers of your bank for the current year, certified by either the secretary of your Board of Directors or cashier.

A book of blank drafts for use in drawing upon your deposit held with us is being prepared and will be forwarded to you some time before the first of July.

For your further information, a binder is being prepared for you similar to that which has already been furnished to each of our present members, designed to hold all circulars issued by the Federal Reserve Board and by the Federal Reserve Bank of New York. This will be sent to you in about three weeks with a full set of all circulars of both the Board and the bank which are now effective.

We wish to welcome your bank as a stockholder and member of this bank, and to express the hope that you will avail yourself of our facilities to the fullest degree, and that we may have the pleasure of receiving your officers at the bank in person in the near future.

Respectfully,

Governor.

JFC/LCE

Encs.