

FEDERAL RESERVE BANK  
OF NEW YORK

Reference to 235

[ Circular No. 297 ]  
[ August 18, 1920 ]

Cash Department

## Shipments of Paper Currency, Coin and Bullion

To all Member Banks in the  
Second Federal Reserve District:

Many inquiries have recently been received from the banks concerning our methods of receiving and shipping at our expense paper currency, coin and bullion and asking for our latest instructions covering this service. To comply with these requests and to place conveniently before the tellers of the banks current information on this subject we have revised our older circulars and have brought them up-to-date with, however, only minor changes. The conditions under which we shall bear the expense incurred in making such shipments are as follows:

### Absorption of Shipping Expenses

This bank will pay the expense of all postage, expressage and insurance incident to shipments of paper currency, coin and bullion to and from member banks, and in addition will pay charges on all telegrams and essential telephone messages received from or sent to member banks in connection with such shipments, exchange transfers and deposit transactions, *provided* the following provisions are observed in making such shipments to us.

### Assortment of Currency and Coin

Incoming paper currency and coin transferred by banks to us should be carefully assorted according to denominations. Paper currency should be enclosed in paper straps each containing fifty or one hundred bills, face and top up, with the name of the depositing bank, the date, the amount and the initials of the counter plainly marked on the strap. Coin should be shipped loose in cloth bags in one denomination only in each bag, with the denomination, amount, date and initials of the counter clearly indicated on the face of the shipping tag, and the weight shown on the reverse side.

### Foreign Currency or Coin

Foreign currency or coin should not be included in regular shipments as above provided. If either is sent to us, however, it should be forwarded under separate cover for sale and credit at the current rate of exchange.

### Older Circulars Superseded

The provisions of our Circular No. 54 of November 10, 1916 entitled "Insurance of Currency Shipments," of our Circular No. 91 of November 17, 1917 entitled "Currency Shipments" and of our letter of October 8, 1918 concerning the payment of expenses on such shipments to and from member banks, are superseded by the provisions of this circular.

### Methods of Shipment

Instructions covering methods of shipment are given in detail in the following pages arranged so that the tellers, if they so desire, may slip them under the glass tops of their money counters for ready reference.

## INCOMING

### Shipments to the Federal Reserve Bank of New York

#### PAPER CURRENCY

##### *By Registered Mail*

All currency shipped to us by registered mail and accompanied by letter of advice will be insured under our policies provided the *insurance declaration* on the form in current use is forwarded to us by ordinary mail at the time of shipment. Bills of \$5, or larger, should be sent in this manner. (Reference below to shipment of 1's and 2's.)

##### *Preparation of Package for Shipment*

(a) The preparation and sealing of the package should be witnessed by two adults, *if possible*, one of whom shall have charge of the package until deposited and registered at the Post Office.

(b) Contents of the package should be enclosed in a cloth bag sealed with lead seals so that the bag after breaking the seal may be opened and used again; or, in a strong wrapper or heavyweight envelope, well secured by twine inside and out, sealed with wax. The tag should bear the name of the shipping bank and the postage stamps should in all cases be affixed to the tag and not to the bag.

(c) Registry receipt should be carefully filed, as in the case of loss it would be required as evidence of shipment.

Credit for shipments, thus received, plus the cost of postage, will be made on the day of receipt.

##### *By Express*

Incoming currency in denominations of \$1 and \$2 should be sent to us by express "collect." No insurance declaration is necessary, but letter of advice should be mailed, as usual, under separate cover. Credit is given on the day of receipt.

#### COIN

##### *By Express*

Incoming coin should be sent to us by express "collect." Credit is given on the day of receipt. All mutilated coin will be received for credit and sale and a charge for the loss caused by the mutilation will be made upon our receipt of the proceeds of sale.

#### GOLD BULLION

##### *By Express or Otherwise*

Gold bullion may be sold to this bank by banks, bankers, smelters or others and the net proceeds of such incoming shipments (the value of which is determined by subtracting the melting charges from the assayed valuation) are paid to the shipper by check or credit. Bankers guaranteeing by letter the value of the shipment receive check immediately for approximately 90 per cent. of its value as stated in the letter of guaranty and receive the difference by check when the exact value after melting is known.

Receipts from the United States Assay Office of gold bullion deposited by smelters, which indicate the weight of the gold shipment before melting, are purchasable by us from them by check at a price permitting a margin of safety. Upon ascertaining the weight, after melting, and the fineness and exact value of the gold, the balance in favor of the seller, less the necessary United States Assay Office charges, is remitted by check.

## OUTGOING

### Shipments from the Federal Reserve Bank of New York

#### PAPER CURRENCY

*By Registered Mail or Express Prepaid*

Currency from us in the denominations of \$1, \$2 and \$5 will be forwarded either by registered mail, insured, or by express, and in the larger denominations by registered mail, insured.

#### COIN

*By Express Prepaid*

Outgoing silver coin and minor coin will be shipped by us by express. Upon request subsidiary silver coin will be forwarded, wrapped in crimped paper cartridges, \$10 in halves, \$10 in quarters and \$5 in dimes, and minor coin \$2 in nickels and \$.50 in 1-cent pieces. The cartridges containing such coin cannot be opened without injury and will be enclosed in pasteboard boxes which will be shipped in sealed cloth bags.

#### GOLD BULLION

*By Express Prepaid*

Gold bullion is shipped by us to member banks at its assayed valuation, plus the charges as fixed in the current table of charges at the Mints and Assay Offices of the United States.

Outgoing shipments of paper currency, coin or gold bullion, are charged to correspondents on the day forwarded.

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#### Counterfeit, Altered or Raised Notes

Information lending aid or support to the United States Secret Service with respect to raised notes or to notes of \$5 or more, mutilated by having the ends or corners torn or cut off, should be given to the nearest United States Secret Service Agent.

Fragments of currency notes (particularly the ends) are sometimes used illegally in raising or altering lower denominations to higher. To prevent such unlawful operations these fragments should be collected and destroyed or forwarded to the Department of the Treasury at Washington for destruction.

All counterfeit, altered or raised notes received by one bank from another, after being properly branded, may be returned to the bank or other source from which they were received, but the nearest United States Secret Service Agent should also be notified of the transaction. The Secret Service has headquarters in the Second Federal Reserve District in the Custom House in New York City, and at the Post Office Buildings at Buffalo and Utica.

Very truly yours,

J. H. CASE,

*Acting Governor*