

FEDERAL RESERVE BANK
OF NEW YORK

Paper Currency Only
100 Pieces in Each Package

Circular No. 1415
September 11, 1934
Superseding Circular
No. 737, dated
September 1, 1926

SHIPMENTS OF PAPER CURRENCY AND COIN

To all Member Banks, State Banks and Trust Companies
in the Second Federal Reserve District:

This circular contains current instructions and information as to the handling of shipments of paper currency and coin between the Federal Reserve Bank of New York and banking institutions in the Second Federal Reserve District, and supersedes Circular No. 737, dated September 1, 1926 entitled "Shipments of Paper Currency, Coin and Bullion".

Federal Reserve Bank of New York will pay the expense of all postage, expressage and insurance incident to shipments of paper currency and coin to and from it for member banks provided the instructions printed on the following pages are observed in making such shipments to it. Banking institutions in the territory assigned to the Buffalo Branch of the Federal Reserve Bank of New York are requested to transact such business directly with the Buffalo Branch as usual.

**INCOMING SHIPMENTS
TO THE FEDERAL RESERVE BANK OF NEW YORK**

Paper Currency Only

100 Pieces in Each Package

1. The currency should be assorted by denominations.
2. Notes and certificates should be enclosed face and top up in packages bound with paper straps each containing 100 pieces of the same denomination with the name of the depositing bank, date, amount and initials of the counter plainly marked on each strap. Under no circumstances should rubber bands, pins or clips be used in substitution for paper straps.

Mutilated or Torn Currency

3. Mutilated or torn notes and certificates should be carefully mended on the back and not on the face of the currency with transparent paper in such a manner as to preserve as nearly as possible the original design and size. Pins, clips, and other metallic substances should be removed, as they will damage the machinery used in counting, punching and cutting currency and may cause injury to the handlers.

4. In the case of fragments, when three-fifths or more of the original note or certificate remain it is redeemable at the face value; when so mutilated that less than three-fifths, but clearly more than two-fifths of the original note or certificate remains, it may be sent to the Federal Reserve Bank of New York, if desired, for redemption only, by the Treasurer of the United States under Treasury regulations.

National Bank Notes

5. Circulated national bank notes will be received when sent in the regular course of business, but new uncirculated national bank notes will not be received when sent by the issuing bank in order to place the notes in circulation, or when sent in bulk by any bank to which the issuing bank may have caused them to be sent.

10 Packages in Each Bundle

6. The currency should be packed in separate bundles each bundle containing 10 packages, that is, 1,000 pieces of the same denomination as far as the volume permits, with the extra packages, if any, packed in an "odd-package-bundle," and so marked; but the large denominations, that is 50's and up, should be strapped in packages of 50 or 100 pieces each of the same denomination, if the volume permits, grouped, and packed in a single separate bundle. If there are less than 500 pieces in the large denominations they should be grouped and packed in the "odd-package-bundle."

Bundles to be Shipped in Sealed Bags

7. Shipments of paper currency should be sent by registered mail or by express as stated below. In either case the entire shipment should be enclosed in a cloth bag and sealed with a lead seal in such a manner that the bag will not be damaged when opened and may be used again. The tag attached should bear the name of the shipping bank and the postage stamps should in all cases be affixed securely to the back of the tag and not to the bag.

8. Paper currency shipments should not contain coin or securities.

When to Ship by Registered Mail

9. Paper currency in the \$5 denomination or larger and in the \$1 denomination amounting to \$500 or less, should be included in the same bag and sent by registered mail, and three copies of Form 82, provided by this bank, should be executed. Copies No. 1 and No. 2 of Form 82 should be enclosed with the currency, and if the shipment is to be insured under the registered mail insurance policies of the Federal Reserve Bank of New York, copy No. 3, an insurance declaration form, must at the time of shipment be forwarded by ordinary mail under separate cover, to the Auditing Department. When the shipment consists of more than one bag, three copies of Form 82 must be used for the contents of each bag. Under no circumstances can a shipment be insured under our policies when sent by ordinary mail.

Canadian Paper Currency

10. As heretofore member banks may include Canadian paper currency in the same bag with United States paper currency if separately packaged and if the amount is inserted as a separate item on the three copies of Form 82. The member bank's reserve account will be credited with the total on the day of receipt and an adjustment for either discount or premium will be made when the currency is sold.

Postage and Insurance

11. Postage on paper currency should be prepaid at first class rates, plus 15 cents registry fee and the surcharge of either 8 cents, 9 cents or 10 cents per thousand dollars or a fraction thereof, depending upon the parcel post zone in which the member bank is located. It is not necessary to pay the additional fee for a return post office registry card, as copy No. 2 of Form 82 showing the receipt of the package will be returned to the shipping bank. As a registry fee is charged on each bag, shipments should be confined to as few bags as possible.

12. In the event of loss of a shipment of paper currency sent by registered mail and insured under its registered mail insurance policies the Federal Reserve Bank of New York will make claim on behalf of

the shipping bank for the amount involved. The post office registry receipt should, therefore, be carefully filed as in the case of loss of shipment it would be required as evidence. The registered mail insurance policies of the Federal Reserve Bank of New York provide, in part, that:

"It is warranted by the Assured that the packing and sealing of the package containing the property insured hereunder shall be witnessed by two persons and shall be in charge of a responsible person until deposited and registered at the post office, or until receipted for by the Express Company, or shall be in the custody of an armored car service in transit from the office of the sender to the post office or express office."

"Risk to attach from the time of leaving the office of sender and to cover all risks until actual delivery has been made to the office of addressee, whether delivery is effected in whole or in part by employees or agents of the Post Office Department, sender, or addressee, and in event of non delivery to cover until return to sender. In case of reforwarding of any shipment, such shipment shall be covered until delivered at the correct or new address or until returned to sender."

"This policy does not cover loss by theft by employees of senders or addressees."

Credit and Advice

13. On the day of receipt, credit for the amount of the shipment, plus the cost of postage, will be given, subject to verification, and advice of credit will be mailed.

When to Ship by Express

14. Currency in the denomination of \$1 totaling over \$500 should be sent by express, charges collect, and three copies of Form 81, provided by this bank, should be executed. Copies No. 1 and No. 2 of Form 81 should be enclosed with the currency and copy No. 3 should be forwarded by ordinary mail at the time of shipment. On the day of receipt credit for the amount of the shipment will be given, subject to verification, and advice of credit will be mailed.

Coin Only

15. Coin should be shipped loose in cloth bags, and should not be put in wrappers of any kind, nor included in shipments of paper currency or securities. Each denomination should be in a separate bag, the amount contained in each bag should be plainly marked on the shipping tag, and the maximum amount in any one bag should be as follows:

| | |
|--|---|
| Silver Dollars.....not over \$1,000 to each bag | Dimes.....not over \$1,000 to each bag |
| Half Dollars.....not over \$1,000 to each bag | Nickels.....not over \$ 200 to each bag |
| Quarter Dollars.....not over \$1,000 to each bag | Cents.....not over \$ 50 to each bag |

Mutilated Coin

16. Mutilated coin is not accepted at its face value. If received by the Federal Reserve Bank of New York it will be sold at bullion value. Silver coin is mutilated when so punched, clipped, chipped, or otherwise mutilated, as to be appreciably reduced in weight, or when so defaced as to be not readily and clearly identified as to genuineness and denomination. Minor coins (nickels and cents) are mutilated when so defaced as not to be readily identified, or when so punched or clipped or otherwise mutilated as to show a material loss of metal, or when so altered as to render them available for use as coin of another denomination.

Shipments to be Sent by Express

17. All coin shipments should be sent by express, charges collect. An advice of shipment should be mailed, under separate cover, at the time of shipment. The advice must state (a) total amount shipped by denominations (b) number of separate bags and (c) instructions as to disposition. On day of receipt credit for the amount of the shipment will be given, subject to verification, and advice of credit will be mailed.

OUTGOING SHIPMENTS FROM THE FEDERAL RESERVE BANK OF NEW YORK

Paper Currency and Coin

1. The Federal Reserve Bank of New York will furnish paper currency, silver coin and minor coin in all available denominations. Shipments of paper currency will be forwarded by registered mail, insured, and coin will be forwarded at the option of the Federal Reserve Bank of New York either by registered mail or by express.

New Paper Currency

2. The paying out of new paper currency is governed entirely by the volume of fit paper currency on hand, and the payment of such new currency may be suspended entirely or in part until any abnormal supply of paper currency fit for use is sufficiently reduced.

New Coin

3. New coin of all denominations is supplied to the Federal reserve banks by the United States Mints only when circulated coin is not available. Because of this, the Federal Reserve Bank of New York is seldom in a position to supply new coin.

Requests for Paper Currency or Coin

4. Requests for shipments of paper currency or coin may be made by letter over properly authorized signature, or by telegram followed immediately by officially signed confirmation. In order that shipments will not be duplicated, the confirmation should be plainly marked as such. Telegrams must be forwarded prepaid and should be in A.B.A. code where possible with proper test word. A list of such test words will be supplied by this bank. Member banks should make their requests for shipments of currency or coin by mail unless immediate shipment is necessary. Requests for shipments of currency and coin which are received prior to 3 o'clock p.m. (Saturday 12 o'clock noon) will be acted upon the day of receipt unless otherwise directed. Requests received after 3 o'clock p.m. (Saturday 12 o'clock noon) will be acted upon the following business day.

Method of Payment

5. The reserve account of a member bank will be charged to cover all shipments of currency or coin. In case a draft is enclosed with a request for shipment, the draft will be entered for credit and the proceeds will be passed to the member bank's reserve account as available for reserve and checking purposes in accordance with and under the terms and conditions of the current circular covering the collection of checks and of the published time schedule of the Federal Reserve Bank of New York or the time schedule of its Buffalo Branch as the case may be. Requests for shipments of paper currency or coin received from nonmember banks accompanied by their drafts will be made only after the proceeds of the drafts are received by the Federal Reserve Bank of New York in finally and actually collected funds.

Advice of Paper Currency Shipment

6. There is enclosed with each paper currency shipment from the Federal Reserve Bank of New York a receipt descriptive of its contents, which must be signed by an authorized officer of the receiving bank and returned. Another copy of this advice will be forwarded by ordinary mail to the consignee. If the shipment is not promptly received the Federal Reserve Bank of New York should be immediately notified by telegram (charges collect) or by telephone (charges reversed) in order that the shipment may be promptly traced.

Contents of Coin Bags

7. Coin is shipped in standard bags containing the following amounts:

| | | | |
|-----------------------|---------------------|---------------|---------------------|
| Silver Dollars | \$1,000 in each bag | Dimes | \$1,000 in each bag |
| Half Dollars | \$1,000 in each bag | Nickels | \$ 200 in each bag |
| Quarter Dollars | \$1,000 in each bag | Cents | \$ 50 in each bag |

Wrapped Coin

8. Upon request and if available wrapped subsidiary silver and minor coin will be furnished in small quantities to member banks in that part of the Second Federal Reserve District located outside of Greater New York. In the event that wrapped coin is not available unwrapped coin will be shipped, unless otherwise instructed.

Advice of Coin Shipment

9. Two advices covering each shipment of coin will be forwarded by ordinary mail to the consignee, the copy marked "receipt" must be signed by an authorized officer of the receiving bank and returned.

10. Requests for paper currency should be addressed for the attention of the Currency Paying Teller and requests for coin for the attention of the Coin Paying Teller.

The following information is transmitted at the request of the Secret Service Division of the Treasury Department, New York District:

COUNTERFEIT, ALTERED OR RAISED CURRENCY

In accordance with regulations of the Treasury Department a receipt will, upon request, be issued to the depositing bank for any paper currency or coin that is found to be counterfeit or altered, and such currency or coin will be delivered to the United States Secret Service Division. If inspection of such specimen is desired for reclamation purposes, request should be made direct to the United States Secret Service Division, Room 746 Customhouse Building, New York, N. Y.

Information which may aid the United States Secret Service with respect to raised currency or to currency in the denomination of \$5.00 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 (especially 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 Treasury Department, Washington, D. C., for destruction.

All counterfeit, altered or raised currency received by banks from any source should be properly branded and forwarded to the nearest United States Secret Service Agent. The United States Secret Service Division has offices in the Customhouse Building in New York City and in the Post Office Buildings at Buffalo, N. Y., Syracuse, N. Y., and Newark, N. J.

GEORGE L. HARRISON,
Governor.