

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 5538 ]  
[ August 20, 1964 ]

**Shipments of Coin to This Bank  
During Current Shortage**

*To All Member and Nonmember Banks  
in the Second Federal Reserve District:*

To help relieve the current coin shortage, all Federal Reserve Banks are adopting, until further notice, changes suggested by The American Bankers Association in their policies and procedures governing coin shipments to them. Similar changes were initiated for a limited period by the Reserve Banks about a year ago. To effectuate the changes, those provisions of our Operating Circular No. 3, Revised April 4, 1956, that set forth the terms and conditions under which this Bank receives coin are hereby modified to the extent indicated below, until further notice:

(1) We will accept wrapped coin in deposits from all member and nonmember banks and their branches.

(2) We will pay the transportation costs of coin shipments from nonmember banks and their branches located outside New York City or Buffalo. Credit for coin deposits, subject to verification, will be made to a nonmember bank's clearing account, if one is carried, or to the account of a member bank correspondent designated by the nonmember bank. Reimbursement for shipping charges on shipments made to us will be made as follows:

(a) If shipment is by express, it should be sent charges collect.

(b) If shipment is by fourth-class insured mail, credit for the postage costs will be made in the same way that credit is made for deposits. The amount of coin contained in each bag shipped in this manner should not exceed \$200, and the address tag attached to each such bag should be endorsed "Examined at mailing office—Contains only fourth-class mail."

(c) If shipment is to be made by armored car carrier, it will be subject to prior approval and appropriate arrangements by us. (A large percentage of our member banks are served by our Head Office or our Buffalo Branch by means of armored carrier. Therefore, if a nonmember bank has surplus coin and is located near a member bank receiving such service, we can probably arrange to have the coin picked up by the carrier if we are notified.)

(3) We will assume the risk of loss on incoming coin shipments from nonmember banks and their branches located outside New York City or Buffalo to the same extent that we assume the risk of loss on shipments from member banks, as set forth in our Operating Circular No. 3.

For some time we have been transferring new coin from Mint-sealed bags into our own bags and, to the extent possible, mixing circulated coin with the new coin. Our purpose in so doing is to discourage efforts on the part of collectors, dealers, and others to acquire quantities of uncirculated coin. We urge banks to screen all requests for uncirculated coin received by them to insure that the coin they pay out is required, and will be used, as a medium of exchange. We again solicit your cooperation in returning any coin, wrapped or loose, that is in excess of your reasonable needs so that we may recirculate it to banks requiring it.

Additional copies of this circular will be furnished upon request.

ALFRED HAYES,  
*President.*