

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6030]
[September 5, 1967]

TRANSFERS OF FUNDS
Revision of Operating Circular No. 10

*To the Member Banks and Nonmember Clearing Banks
of the Second Federal Reserve District:*

Enclosed is a copy of Operating Circular No. 10, Revised effective September 5, 1967. The operating circular has been revised to reflect, in addition to editorial changes, the existing practice of this Bank in accepting telephone requests for transfers of funds.

Additional copies of the enclosure will be furnished upon request.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK
OF NEW YORK

[Operating Circular No. 10
Revised effective September 5, 1967]

TRANSFERS OF FUNDS

*To the Member Banks and Nonmember Clearing Banks
of the Second Federal Reserve District:*

This circular sets forth the rules governing transfers of funds made through this Bank at its Head Office in New York City or its Branch in Buffalo, New York:

(a) to other Federal Reserve Banks (which as used in this circular shall include Branches of Federal Reserve Banks) at the request of member banks of the Second Federal Reserve District for credit to member and nonmember clearing banks of other Federal Reserve Districts,

(b) from other Federal Reserve Banks for credit to member and nonmember clearing banks of the Second Federal Reserve District, and

(c) at the request of member and nonmember clearing banks of the Second Federal Reserve District, for credit to other member and nonmember clearing banks of the Second Federal Reserve District.

GENERAL

1. Subject to the applicable provisions of this circular, requests for transfers of funds may be made by letter, telephone, or telegraph.

2. We reserve the right not to accept a request made by telephone when the transfer is for the benefit of a nonbank third party.

3. Transfers of funds will be made by us only from collected funds on deposit with us in the account of the bank making the request.

4. When a request to transfer funds is sent to us by telegram, the American Bankers Association Code should be used with our test word, and a letter of confirmation (not in code) over an authorized signature(s) should follow. Requests made by telephone should include our test word and be confirmed in the same manner as requests made by telegram.

5. Member and nonmember clearing banks are requested to cooperate with us by using the mails to effect transfers of funds that do not require immediate credit, either by forwarding drafts direct or by using our mail transfer facilities.

6. The term "bank balance" as used in this circular means an accumulation of funds in an established account maintained by a member bank with its Federal Reserve Bank or with another member bank.

TELEGRAPHIC TRANSFERS OF FUNDS TO AND FROM OTHER FEDERAL RESERVE BANKS

Schedule of time limits

7. Operating Circular No. 11 contains a schedule showing the latest hours on each business day at which we will receive and accept requests for telegraphic transfers of funds on the same day to other Federal Reserve Banks, pursuant to the provisions of this circular. We may, in our discretion, receive and accept, on any business day after the hours shown in such schedule, requests for such transfers on that day, but only upon the understanding that the completion of each requested transfer will be discretionary with the receiving Federal Reserve Bank.

Transfers of bank balances for and to member banks

8. Telegraphic transfers of funds between Federal Reserve Banks of bank balances in multiples of \$1,000 will be made without charge for member banks to member banks. Requests to us to make such transfers may be made by "collect" telephone calls (from outside the New York City or Buffalo metropolitan area) or "collect" telegrams.

9. The descriptive data in requests to transfer bank balances without charge must be limited to (1) the name of the sending member bank, (2) the name of its correspondent member bank requesting the transfer, if any, (3) the name of the member bank receiving credit, and (4) the name of its correspondent member bank, if any.

Other transfers for member banks

10. Telegraphic transfers of funds for any purpose and in any amount and without the above limitation as to descriptive data will be made for and paid to member banks, subject either to a service charge of \$1.50 (except transfers of bank balances in multiples of \$1,000 as prescribed above) for the telegram or telegrams transmitted over the leased wire, or at the commercial wire rate for the telegram or telegrams transmitted by commercial wire. While such transfers will be accepted from and paid to member banks only, they may be for the use of any bank, individual, firm, or corporation.

11. At the request of member banks, telegraphic transfers of bank balances in multiples of \$1,000 will be made to nonmember clearing banks, subject to a charge as outlined in the preceding paragraph.

12. Member banks should prepay the cost of telegrams to us when requesting transfers that are subject to a charge, and telephone requests by member banks to us to make such transfers should not be made "collect."

Advice of credit

13. Mail advice of credit for all telegraphic transfers of funds will be given by the Federal Reserve Bank receiving the transfer to the

member or nonmember clearing bank receiving credit therefor and, in addition, immediate advice of credit, by telegraph, telephone, or otherwise, will be given when the bank receiving credit or the bank requesting the transfer has asked for such immediate advice, or where the nature of the transaction, or the amount involved, indicates that the additional expense is justified, as to which the receiving Federal Reserve Bank will exercise its discretion.

14. Long distance telephone charges and telegraph charges, if any, in connection with immediate advices will be charged to the member or nonmember clearing bank receiving credit unless the sending bank has requested that such expenses be charged to its account.

TRANSFERS OF FUNDS WITHIN THE SECOND FEDERAL RESERVE DISTRICT

Transfers of bank balances for and to member banks

15. Member banks of the Second Federal Reserve District may request us to make transfers of bank balances in multiples of \$1,000 to other member banks of this District. Requests to us to make such transfers may be made by "collect" telephone calls (from outside the New York City or Buffalo metropolitan area) or "collect" telegrams.

16. The descriptive data in requests to transfer bank balances within this District must be limited to the same data specified in paragraph 9.

Other transfers

17. Member banks of the Second Federal Reserve District may request us to make transfers of funds to other member or nonmember clearing banks of this District for any purpose and in any amount and without limitation as to descriptive data. Such transfers may be for the benefit or use of any bank, individual, firm, or corporation. Requests to us by telephone or telegram to make such transfers may not be made "collect," and the cost of telephone calls and telegrams advising of credit for such transfers will be charged to the accounts of the banks requesting us to make the transfers.

18. Nonmember clearing banks located in the territory assigned to the Head Office of this Bank may request the Head Office to make transfers of funds to member or other nonmember clearing banks located in the Head Office territory. Nonmember clearing banks located in the territory assigned to the Buffalo Branch may request the Buffalo Branch to make transfers of funds to member or other nonmember clearing banks located in the Branch territory. Such transfers may be made for any purpose, in any amount, and without limitation as to descriptive data, and may be for the benefit or use of any bank, individual, firm, or corporation. Requests to us by telephone or telegram to make such transfers may not be made "collect," and the cost of telephone calls and telegrams advising of credit for such transfers will be charged to the accounts of the banks requesting us to make the transfers.

MAIL TRANSFERS

19. Transfers of funds for any purpose and in any amount and without limitation as to descriptive data will be made by mail for member and nonmember clearing banks to other member and nonmember clearing banks located in this or in any other Federal Reserve District. While such transfers will be made for and paid to member and nonmember clearing banks only, they may be for the use of any bank, individual, firm, or corporation.

Liability of this Bank

20. This Bank will use due diligence and care in the transfer of funds by telegraph or by mail to the receiving Federal Reserve Bank for credit to the account of the payee bank, and in the transfer of funds made on its books for banks within the Second Federal Reserve District, but will not be responsible for errors or delays caused by circumstances beyond its control.

Revision of this circular

21. The right is reserved to withdraw, add to, or amend at any time any of the provisions of this circular.

Effect of this circular on previous circular

22. This circular supersedes our Operating Circular No. 10, Revised effective September 11, 1961.

ALFRED HAYES,
President.