

MEMORANDUM.FEDERAL RESERVE AGENT.

Control of funds and Federal Reserve Notes.

Funds and Federal Reserve notes in the custody of the Federal Reserve Agent, should be kept in safes or compartments having two combination locks with different combinations.

I One combination to be held by the Federal Reserve Agent, the Deputy Federal Reserve Agent and the Assistant to the Federal Reserve Agent.

The second combination to be held by an officer or the auditor of the Federal Reserve Bank.

If funds and notes are kept in a safe or compartment having two key locks, one key should be held by the Federal Reserve Agent or his representative and the second by an officer or the auditor of the Federal Reserve Bank. If funds or notes are kept in a safe or compartment having but one combination or one key lock, (which system is not, however, considered desirable), such combination or key should be held by the Federal Reserve Agent or his representative. The system of control should provide that such safes should be opened only in the presence of an officer or the auditor of the Reserve Bank.

A detailed record should be kept of all entrances to safes or compartments in which funds or reserve notes are kept, by whom made, the purpose, and funds or reserve notes deposited or withdrawn.

If the bond of a Federal Reserve Agent or Deputy Federal Reserve Agent is reduced it would be well to have the auditor maintain a continuous audit or make a monthly or bi-monthly audit of the accounts of the Federal Reserve Agent and forward a copy of the reports to the Federal Reserve Board.

J. A. BRODERICK,

Division of Audit & Examination
Federal Reserve Board.

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