

EX-OFFICIO MEMBERS

WILLIAM G. MCADOO
SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

CHARLES S. HAMLIN, GOVERNOR
FREDERIC A. DELANO, VICE GOVERNOR
PAUL M. WARBURG
W. P. G. HARDING
ADOLPH C. MILLER
H. PARKER WILLIS, SECRETARY
SHERMAN P. ALLEN, ASST. SECRETARY

FEDERAL RESERVE BOARD
WASHINGTON

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

June 9, 1916.

Dear Sir:

Inquiry has been made as to what changes will be necessary in Form 34 in order to provide for the new general ledger accounts which may have to be opened on July 15, in connection with the new Clearing Plan.

The Board at this time is not prepared to issue detailed instructions regarding the matter, leaving it to the judgment of the banks to open such additional general ledger accounts as may be necessary properly to record and report the collection operations of the bank. In order to insure uniform treatment and classification of the items, it is suggested, that in preparing the Daily Bank Statement (Form 34) and the weekly telegraphic reports, the accounts named below be composed as follows:

RESOURCES

"Due from Other Federal Reserve Banks", (Code word "BARE")

This account should show the gross amount of items forwarded to other Federal reserve banks for collection and credit.

"Due from Banks and Bankers", (Code word "BISE")

This account should include items sent to non-member banks for collection and remittance.

"Deferred Debits (Transit Account)", (Code word "BUMP")

Items which have been sent to member banks for collection but which have not been charged to the account of member bank on the books of reserve bank.

LIABILITIES

"Due to other Federal Reserve Banks" (Code word "CHOP")

This account should include the following items:

- (a) Balance of funds collected,
- (b) Deferred credits to other Federal reserve banks. Items received upon which credit is deferred.

Accounts (a) and (b) to be shown separately in Mail Reports (Form 34) only.

"Due to member banks", (Code word "CLAY")

Gross amount of balance and items received for ~~immediate~~ credit of member banks.

"Deferred Credits - Member banks", (Code word "CORK")

Items received but not credited to the account of member bank on the books of the reserve bank.

The amount upon which reserve is to be computed will be ascertained in the same manner as at present; namely, subtracting "Total deduction from Gross Deposits" from "Gross Deposits", as shown in Form 34.

For the information of the Division of Statistics, you are respectfully requested to furnish the following:

1. Half a dozen copies of all circulars sent to banks in connection with the collection system which will be inaugurated July 15.
2. Description of method of recording on books of the reserve banks:
 - (a) Items on member banks;
 - (b) Items on non-member banks collected through member banks;
 - (c) Items on non-member banks sent direct for collection and remittance;
 - (d) Items on member and non-member banks sent to other Federal reserve banks for collection and credit.
3. Information as to additional general ledger accounts which will be carried to cover clearing operations.
4. Whether daily statements to member banks will show gross balance or net balance.

Respectfully,

Assistant Secretary.