

OUTLINE OF OPERATIONS OF BRANCH BANK TO BE OPERATED UNDER
BY-LAWS AGREED UPON BY THE BOARD ON NOVEMBER 16, 1917.

There will be no theoretical capital assigned to the branch, nor will the member banks in any specific territory be required to deal with the branch. The branch will be established upon the theory that it is an office of the Federal Reserve Bank of the district opened for the convenience of such member banks as may desire to use it. The routine operations of the branch will be conducted by the manager and the Board of Directors, subject to the supervision of the directors of the Federal Reserve Bank and of the Federal Reserve Board. A collection zone will be allotted to each ^{branch} and checks drawn upon banks located in this zone may be sent to the branch by any member bank in order to save time in transit and to reduce float. The resulting credit will be reported by the branch to the Federal Reserve Bank.

The member banks will continue to send their offerings for discount to the Federal Reserve Bank except that any bank located in the collection zone allotted to a branch and having signified its desire to deal with the ^{branch} may have the option of offering its paper for discount to the branch. Paper which, in the opinion of the directors or the discount committee of the directors of the branch, is eligible, may be passed immediately to the credit of the member bank on the books of the branch, subject to approval by the Federal Reserve Bank.

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Each member bank located in the collection zone of a branch bank will be expected to advise the Federal Reserve Bank as to whether it wishes to treat the branch bank as its Federal reserve correspondent. If a bank so elects, it will transact all its Federal reserve business with the branch, except that it may send checks direct to the Federal reserve bank or to any other branch for credit of its account with its own branch. In the matter of exchange transfers, currency shipments and cash deposits and withdrawals, its dealings will be with its own branch, and not with the Federal Reserve Bank.

Each Federal reserve branch will forward to the Federal reserve bank of its district a daily transcript of all business transacted, showing in detail credits given for loans, / ^{deferred} credits given on account of collected items, and checks paid for member banks. The Federal reserve bank will make proper entries on its books, in order to maintain a record of the reserves of all member banks in its district, and will receive, as heretofore, reports from all member banks throughout the entire district, of their deposits and required reserves, and will notify all member banks of any delinquencies in reserves. Each Federal Reserve branch bank will keep a record of the collected balances and total reserves of each member bank within its collection zone, in order that it may be in position to pay checks of member banks in its zone which elect to use it as ^{their} principal correspondent, without being

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obliged to telegraph or telephone the Federal Reserve bank. Each branch will receive daily advices from the Federal Reserve bank and from other branches in the district of debits and credits appearing on their books which affect the accounts of member banks which have elected to use the branch as its Federal reserve correspondent, in order that the record of a branch as to the reserves of member banks dealing with it may be complete.

11/17/17