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COMPTROLLER OF THE CURRENCY

## FEDERAL RESERVE BOARD

WASHINGTON

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W. T. CHAPMAN, ASSISTANT SECRETARY  
W. M. IMLAY, FISCAL AGENT

ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

May 31, 1919.

X-1558

SUBJECT: Closing of books on June 30, 1919.

Dear Sir:

The Board requests that the books of the Federal Reserve Banks be closed on June 30, 1919, and in order to insure uniformity of practice the following method of treatment of reserves, depreciation allowances and earnings has been approved for the period ending June 30, 1919:

1. Cost of Federal Reserve and Federal Reserve Bank notes and Furniture and Equipment:  
Charge balance of accounts as shown by books on June 30 to current expense account.
2. Reserve for Taxes, including tax on Federal Reserve Bank note circulation:  
Set aside sufficient amounts to take care of all taxes accrued, whether on account of bank note circulation or otherwise.
3. Extraordinary Charge-offs or Depreciation Allowances:  
That all action regarding extraordinary charge-offs or depreciation allowances, including depreciation charges on account of bank premises, be deferred until closing of books on December 31, 1919.

LETTER SENT TO ALL CHAIRMAN.

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4. Profit and Loss and Surplus Accounts:  
Transfer to surplus account 90% of the balance remaining in profit and loss account, after making allowance for dividend payments, the remaining 10% to be retained in profit and loss account until the books are closed on December 31, at which time proper provision should be made for depreciation and extraordinary charges against earnings for the year 1919.

May we request that you present this letter to your Board of Directors at an early date so that their resolution in the matter of closing the books and payment of dividends on June 30, together with a statement of the estimated amount of gross and net earnings, also of dividends accrued for the six months ending June 30, 1919, may reach the Board not later than June 15, 1919.

Very truly yours,

Governor.