FEDERAL RESERVE BOARD

WASHINGTON

June 4, 1919.

X-1563

Subject: Notary Fees on Items Protested.

Dear Sir:

With further reference to the Board's letter of May 7, 1919, (X-1522 - subject "Notary Fees on Items Protested"), the Board is advised by its General Counsel that there appears to be some conflict of authority as to the right of a bank or a notary to enter into an agreement whereby the notary, in consideration of his employment by the bank, shall assign to the bank his notary fees. The general and well-established principles of public policy, as well as statutory and common law, prohibit a public officer from assigning his unearned salary or fees, although it has been held that the principles which apply to the assignment of unearned salary or fees do not apply to the assignment of salary or fees earned prior to the assignment.

The Board believes that, because of the doubts as to the propriety of a bank's receiving notary fees for its own account, it would be well to either employ notaries not connected with the bank or to permit a notary who is in the employ of the bank in another capacity to retain the fees for his own use as part of his compensation for general services. If the fees amount to any considerable sum the bank may properly take that into account in determining the salary to be paid to that employee or they may be divided among several employees doing notarial work. It does not seem proper in the circumstances, for the bank to divert all or any portion of the notary fees to its own use.

Very truly yours,

Governor.

Letter sent to Chairmen, Federal Reserve Banks.