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FEDERAL RESERVE BOARD

WASHINGTON

X-3440

June 13, 1922.

SUBJECT: Estimates of Fiscal Agency Expenses for Six Months'
Period beginning July 1, 1922.

Dear Sir:

There is transmitted herewith copy of a letter received from the Under Secretary of the Treasury, which is self-explanatory. You are requested at your earliest convenience to forward to the Board, for its information and for transmittal to the Treasury Department, an estimate, for the six months' period beginning July 1st next, of reimbursable fiscal agency expenses, in accordance with the terms of the enclosed letter, the Under Secretary's letter of June 6th, which was quoted to you in the Board's circular letter of June 8th (X-3432), and the classification of objects of expenditure, as prescribed by the Comptroller General in Bulletin No. 1, dated May 11, 1922, of the General Accounting Office, a copy of which is transmitted herewith.

Very truly yours,

G o v e r n o r .

(Enclosure)

GOVERNORS OF ALL F. R. BANKS
COPIES TO AGENTS.

COPY

X-3440a

TREASURY DEPARTMENT
WASHINGTON

June 12, 1922.

My dear Governor:

Referring to your circular letter of May 8, 1922, addressed to Federal Reserve Banks on the subject of reimbursement for fiscal agency expenses, and supplementing my letter of June 6th on the same subject, it is requested that you secure from each Federal Reserve Bank an estimate of reimbursable fiscal agency expenses, as defined in my letter of June 6th, that will be incurred during the six months' period beginning July 1, next; such estimates to be compiled under three general headings: (A) Treasury Notes and Certificates, (B) Treasury Savings Securities, and (C) Other Fiscal Agency Expenses; with further subdivisions in accordance with the classification of objects of expenditure, as prescribed by the Comptroller General in Bulletin No. 1, dated May 11, 1922, of the General Accounting Office. Copies of this bulletin are enclosed for transmission to the Federal Reserve Banks.

In my letter of June 6th, I failed to state that as a general rule the Treasury will not reimburse Federal Reserve Banks for any expenses incurred at branches. In special circumstances, expenses of handling issues of Treasury certificates and notes incurred at branches may be reimbursed, but as regards other expenses claims for reimbursement will not be entertained, except with respect to transactions conducted at the New Orleans Branch of the Federal Reserve Bank of Atlanta, where the procedure has been so long established that no change in policy will be made. In this connection you are advised that in response to inquiries Federal Reserve Banks have been advised that the Department will not object to general fiscal agency transactions being conducted at branches, but that such transactions must be conducted for account of the parent bank.

I hope it will be possible to secure the estimates above referred to within two weeks' time that the accounts involved may be established before the beginning of the next fiscal year.

By direction of the Secretary.

Very truly yours,

(Signed) S. P. Gilbert, Jr.

Under Secretary.

Honorable W. P. G. Harding
Governor, Federal Reserve Board.

12 enclosures