

# FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

January 24, 1923.  
St. 3319.

SUBJECT: Monthly Report of Clear-  
ing Operations, Form 170.

Dear Sir:

There are being forwarded to you today under separate cover copies of Form 170 - "Report of Clearing Operations." It is requested that the revised forms be used beginning with the reports submitted for the present month. As provision has been made on the reverse side of the revised form for reporting the number of member banks, of non-member banks on the par list, and of non-member banks not on the par list, Form 170-a has been discontinued.

Inquiries received by the Board indicate that there has been some doubt as to whether or not return items, postal money orders, etc., should be included with clearing figures as reported on this form. There is therefore given below a general statement of the items which should be included and of those which should not be included in the preparation of the reports.

Items which should be included. All cash items actually handled by the Federal reserve bank or branch such as: Government warrants; checks and drafts, including checks and drafts drawn against member banks' reserve balances or against clearing balances of non-member banks; officers' and certified checks of the Federal reserve banks; Federal reserve exchange and transfer drafts; Postal money orders.

Where the Federal reserve bank handles so-called package clearings, i. e., packages containing a number of items already sorted and which are passed through the clearing without being opened by the Federal reserve bank, each of such packages should be counted as one item and a footnote appended to the appropriate item on the form reading as follows:

"Includes \_\_\_\_\_ packages containing  
checks aggregating \$ \_\_\_\_\_."

Items which should not be included. Government and other coupons; non-cash items received for collection; return items; items forwarded by member banks direct to other Federal reserve banks and branches or to other member banks for credit on the books of the Federal reserve bank (items not handled by the reporting Federal reserve bank). Where member banks have special

clearing arrangements whereby debit or credit entries are made on the books of the Federal reserve bank or branch to cover the result of the local clearing of items not handled by the Federal reserve bank or branch, neither the number nor the amount of such items should be included in reports on Form 170.

By following this procedure the total of items 1 to 7, when combined for all Federal reserve banks and branches, will represent the number and amount of different items actually handled by the System as a whole, without duplications on account of items having been handled by more than one Federal reserve bank or branch. The extent to which duplications arise through the handling of items by more than one Federal reserve bank or branch will be obtainable from figures shown against items 8, 9, and 10.

Very truly yours,

E. L. Smead, Chief,  
Division of Bank Operations.

LETTER TO BE SENT TO  
EACH FEDERAL RESERVE AGENT.