

## FEDERAL RESERVE BOARD

WASHINGTON

September 18, 1924.  
St. 4235.ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

SUBJECT: Expense Budget.

Dear Sir:

Replies received from the Federal reserve banks to the Board's letter St. 4167 of July 29, 1924, inquiring as to whether the banks have in operation any form of budget control of their expenses, indicate that the New York, Cleveland and Chicago banks are now operating under a budget, that the Kansas City bank has an expense control system which embodies some of the features of the budget system, and that the Richmond and Minneapolis banks intend to install a budget system in the near future. Those banks which have been operating under a budget for some time state that it has been a material factor in reducing expenses.

The subject of budget control is having the serious consideration of the Board and the topic will be placed on the program for discussion at the joint conference of Federal Reserve Agents and Governors of the Federal reserve banks to be held in Washington beginning November 10. It will be appreciated, therefore, if you will give this subject careful consideration so that the conference may be able to formulate definite recommendations regarding the adoption and operation of the budget system for the control of the operating expenses of the banks.

In order that you may have a general idea of the situation at each of the banks in regard to this question, there is enclosed herewith a mimeographed statement, St. 4236, summarizing the replies received from the Governors to the Board's letter of July 29.

Very truly yours,

Geo. R. James, Chairman,  
Committee on Salaries,  
Expenditures and Efficiency.

Enclosure.

LETTER TO GOVERNOR OF EACH FEDERAL RESERVE BANK