

FEDERAL RESERVE BOARD

455

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

January 21, 1929,
St. 6064.

SUBJECT: Revision of Form for Computing
Member Bank Reserve Requirements.

Dear Sir:

There is enclosed herewith a copy of Form St. 6059, recently approved by the Board, indicating the manner in which reserves required to be carried by member banks should be computed. It is suggested that the form furnished by you to member banks, illustrating the method of computing required reserves, be revised in accordance with the form enclosed herewith.

In the past it has been found that some of the member banks have apparently classified their deposit liabilities in one way when making out their quarterly condition reports, and in another for the purpose of determining deposit liabilities on which reserves are carried with the Federal reserve bank. To overcome this difficulty the enclosed form St. 6059 states specifically just how the items in the call report should be used in determining the amount of net demand and time deposits subject to reserve. It is suggested that the deposit figures furnished the Federal reserve bank by member banks for reserve computation purposes be checked against the quarterly call reports, to insure that both reports are being prepared on the same basis.

Very truly yours,

Walter L. Eddy,
Secretary.

TO CHAIRMEN OF ALL F. R. BANKS

COMPUTATION OF RESERVE TO BE CARRIED WITH THE FEDERAL RESERVE BANK

BY MEMBER BANKS

DEMAND DEPOSITS SUBJECT TO RESERVE

1. DEPOSITS, except bank and U. S. Government, due in 30 days or less or subject to less than 30 days' notice (Total of Schedule K in the quarterly condition report)..... \$ _____

2. DUE TO BANKS:
 - (a) Due to Federal reserve bank (deferred credits) \$ _____
 - (b) Demand balances due to other banks and trust companies in United States
 - (c) Demand balances due to banks in foreign countries
 - (d) Certified and cashier's or treasurer's checks, including dividend checks, outstanding
 - (e) Letters of credit and travelers' checks sold for cash and outstanding
 - (f) Total due to banks (Total of Schedule J in the quarterly condition report)

- LESS:

3. DUE FROM BANKS:
 - (a) Items with Federal reserve bank in process of collection
 - (b) Due from banks (other than Federal reserve bank) and trust companies in United States (Do not include any amounts not subject to withdrawal without notice)
 - (c) Exchanges for clearing house and other checks on local banks
 - (d) Balances payable in dollars due from foreign branches of other American banks
 - (e) Total due from banks (Total of items 4 to 8 in Schedule I of the quarterly condition report)

4. NET BALANCE DUE TO BANKS (excess of item 2-f over item 3-e; if "Total due to banks" (item 2-f) is less than "Total due from banks" (item 3-e), no amount should be reported against this item).....

5. NET DEMAND DEPOSITS SUBJECT TO RESERVE (Item 1 plus item 4)

TIME DEPOSITS

6. DEPOSITS payable after 30 days or subject to 30 days or more notice, as defined in Federal Reserve Board Regulation D; and Postal Savings (Total of Schedule L in the quarterly condition report)

RESERVE REQUIRED

ON NET DEMAND DEPOSITS (item 5 above): Banks in central reserve cities, 13 per cent; in reserve cities, 10 per cent; elsewhere, 7 per cent

ON TIME DEPOSITS (item 6 above): 3 per cent

TOTAL RESERVE TO BE MAINTAINED WITH FEDERAL RESERVE BANK ...