

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-6766

November 25, 1930.

SUBJECT: Unissued Federal Reserve Notes at Branches.

Dear Sir:

This letter is written for the purpose of calling the attention of those Federal reserve banks which operate branches to the fact that a stock of unissued Federal reserve notes for use in emergencies has been established under triple control of the Federal reserve bank, the Federal reserve agent and the Auditing Department at the Pittsburgh and Cincinnati Branches of the Federal Reserve Bank of Cleveland and at the Jacksonville and New Orleans Branches of the Federal Reserve Bank of Atlanta. The agreement under which Federal reserve notes have been placed at these branches is similar to that described in the Board's letter of October 7, 1926, (X-4682).

It may be that other Federal reserve banks will wish to establish a supply of unissued notes at one or more of their branches under similar conditions and you are advised that the Federal Reserve Board would not object to the establishment of such a plan at any branch.

In order that this plan may be put into operation, it first will be necessary for the Federal reserve bank and the Federal reserve agent to enter into an agreement substantially in the form enclosed herewith. The Governor of the Bank should execute the agreement on behalf of the Federal reserve bank pursuant to a proper resolution of authority from the Board of Directors of the Bank, a certified copy of which should be furnished the Federal Reserve Board, together with a certified copy of the agreement as adopted.

For the purpose of placing unissued Federal reserve notes at any branch, under the triple control agreement referred to, it will be necessary for the Federal reserve agent or an Assistant Federal reserve agent to visit the branch to receive the notes from the Post Office authorities and to see that they are properly deposited under the necessary control combinations. In the event that this plan is established, you should notify the Federal Reserve Board of the date on which the Federal

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reserve agent or Assistant Federal reserve agent will be present at the branch for this purpose and the Board will ship to the agent or assistant agent such amount of Federal reserve notes as may be desired, to arrive at the branch on the date specified.

Very truly yours,

E. M. McClelland,
Assistant Secretary.

Enclosure.

TO ALL FEDERAL RESERVE AGENTS.

AGREEMENT REGARDING CUSTODY OF UNISSUED FEDERAL
RESERVE NOTES AT THE BRANCH OF THE FEDERAL
RESERVE BANK OF

WHEREAS, a stock of unissued Federal reserve notes for use in emergency purposes has been placed in a number of chests within the vault of the branch of the Federal Reserve Bank of , each chest under triple control of an officer of the branch, a representative of the auditing department stationed at the branch, and the Federal Reserve Agent and Assistant Federal Reserve Agent at the Federal Reserve Bank of ;

WHEREAS, it is proposed that when Federal reserve notes are needed for emergency purposes, the need will be communicated to the Federal Reserve Agent at , who will telegraph or telephone his control combination or combinations for a specific chest or chests to the said branch; and the said branch will prepare and mail to the Federal Reserve Agent the usual vault record sheet showing the serial numbers, denominations and amount of notes issued, attested by the officer of the branch and the representative of the auditing department designated as joint custodians, and carrying a receipt signed by an officer of the branch for the amount of notes received from the Federal Reserve Agent through the release of the particular chest or chests;

WHEREAS, it is further proposed that whenever it is deemed necessary to replenish the emergency supply of Federal reserve notes held in accordance with the conditions herein set forth at the branch of the Federal Reserve Bank of , either the Federal Reserve Agent or an Assistant Federal Reserve Agent will be present at the branch in order to receive such Federal reserve notes from the post office authorities or from the branch whenever an accumulation of notes is turned back to the Federal Reserve Agent, and in order to see that such notes are properly deposited in the chest or chests under the necessary control combinations;

WHEREAS, the Federal Reserve Board has advised that it will interpose no objection to the operation of the plan as set forth in this agreement, with the proviso, however, that if at any time it should appear for any reason that the plan is impracticable or in any way objectionable, the Federal Reserve Board will require it to be discontinued or modified in any way which may seem proper under the circumstances;

NOW, THEREFORE, in consideration of the premises, the Federal Reserve Agent of the Federal Reserve Bank of and the Federal

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Reserve Bank of _____, through its Governor acting pursuant to a proper resolution of its board of directors, hereby expressly consent and agree that the dispatch by the Federal Reserve Agent or by the Assistant Federal Reserve Agent of the telegraph or telephone message giving the control combination or combinations to a particular chest or chests under the circumstances above set forth, will, in each and every case, be considered as a delivery to the Federal reserve bank of the amount of such Federal reserve notes shown by the records of the Federal Reserve Agent and of the other joint custodians to have been placed in the said chest or chests at the time the control was established, and that this amount will be accepted as conclusive for all purposes.

In witness whereof, the said Federal Reserve Agent has hereunto set his hand and seal, and the said Federal reserve bank has caused its corporate name to be hereunto signed by its Governor and its corporate seal to be hereunto affixed by its Secretary this _____ day of _____ 1930.

Federal Reserve Agent

(SEAL)

Federal Reserve Bank of

By _____
Governor.

(Corporate
Seal)

Attest:

Secretary.