

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7464

June 23, 1933.

SUBJECT: Assessment for general expenses
of the Federal Reserve Board
July 1 to December 31, 1933.

Dear Sir:

The Banking Act of 1933 contains an amendment to Section 10 of the Federal Reserve Act which includes the following provision:

"The Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid, and may leave on deposit in the Federal reserve banks the proceeds of assessments levied upon them to defray its estimated expenses and the salaries of its members and employees, * * * * and funds derived from such assessments shall not be construed to be Government funds or appropriated moneys."

In view of the fact that the Board's funds, under this provision of law, are not Government funds or appropriated moneys and inasmuch as the law appears to contemplate that such funds will be left on deposit with Federal reserve banks instead of being placed with the Treasury as has been done heretofore, the Federal Reserve Board has arranged to open an account with the Federal Reserve Bank of Richmond in which the proceeds of its semiannual assessments upon Federal reserve banks to defray its estimated expenses and the salaries of

- 2 -

its members and employees may be deposited. It is requested, therefore, that the proceeds of such semiannual assessments hereafter made by the Federal Reserve Board upon the Federal reserve banks be deposited by them through the Gold Settlement Fund with the Federal Reserve Bank of Richmond for credit to the account of the Federal Reserve Board.

There is inclosed herewith a copy of a resolution adopted by the Federal Reserve Board levying an assessment upon the several Federal reserve banks in an amount equal to Ninety-two thousandths of one per cent (.00092) of the total paid-in capital stock and surplus of such banks as of the close of business June 30, 1933, to defray the estimated expenses and the salaries of the members and employees of the Board from July 1 to December 31, 1933, and specifying, as indicated above, the manner in which such assessments shall be deposited with the Federal Reserve Bank of Richmond.

Very truly yours,

J. C. Noell,
Fiscal Agent.

Inclosure.

TO THE CHAIRMEN OF ALL FEDERAL RESERVE BANKS EXCEPT RICHMOND.

RESOLUTION LEVYING ASSESSMENT.

WHEREAS, under Section 10 of the act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semi-annually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts and employees, for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year;

WHEREAS, Section 10 of the Federal Reserve Act, as amended by the Banking Act of 1933, contains the following provision:

"The Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid, and may leave on deposit in the Federal reserve banks the proceeds of assessments levied upon them to defray its estimated expenses and the salaries of its members and employees, * * * and funds derived from such assessments shall not be construed to be Government funds or appropriated moneys."

WHEREAS, it appears from estimates submitted to and considered by the Federal Reserve Board that it is necessary that a fund equal to ninety-two thousandths of one per cent (.00092) of the total paid-in capital stock and surplus of the Federal reserve banks be created for the purpose hereinbefore described, exclusive of the cost of engraving and printing of Federal reserve notes;

NOW, THEREFORE, BE IT RESOLVED BY THE FEDERAL RESERVE BOARD, That:

(1) There is hereby levied upon the several Federal reserve banks an assessment in an amount equal to ninety-two thousandths of one per cent (.00092) of the total paid-in capital and surplus of each such bank at the close of business on June 30, 1933;

(2) Such assessment shall be paid by each Federal reserve bank in two equal installments on July 1, 1933, and September 1, 1933, respectively;

(3) Every Federal reserve bank except the Federal Reserve Bank of Richmond shall pay such assessment by transferring the amount thereof on the dates stated above through the Gold Settlement Fund to the Federal Reserve Bank of Richmond for credit to the account of the Federal Reserve Board on the books of that bank, and the Federal Reserve Bank of Richmond shall pay its assessment by crediting the amount thereof on its books to the Federal Reserve Board on the dates stated above.