

## FEDERAL RESERVE BOARD

WASHINGTON

X-7577

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

September 1, 1933.

SUBJECT: Proposed agreement covering services by Federal Reserve Banks as depositaries, custodians, and fiscal agents for the Federal Emergency Administrator of Public Works.

Dear Sir:

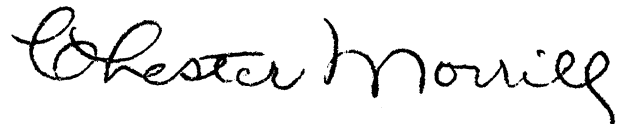
Since the Board's telegram of August 31, 1933 (Trans 1866), on the above subject was transmitted to you, certain changes in the proposed memorandum of agreement covering the services proposed to be rendered by the Federal reserve banks as depositaries, custodians, and fiscal agents for the Federal Emergency Administrator of Public Works were agreed upon as a result of further negotiations between the Treasury Department, the Federal Emergency Administrator of Public Works and the Federal Reserve Bank of New York; and there is inclosed herewith a copy of the proposed memorandum of agreement as further revised so as to incorporate the changes thus agreed upon. The changes consist of the insertion in the proposed agreement of the words underlined on the inclosed copy and they are believed to be self explanatory. You will note that the new paragraph numbered 8 eliminates one of the five points of difference mentioned in the Board's telegram of August 31; and that the Administrator of Public Works has now accepted in substance all but four of the suggestions made by the Federal reserve banks.

As stated in the Board's telegram of August 31, in view of the decision of the Treasury Department, the Federal Reserve Board offers

no objection to any Federal reserve bank acting upon receipt of a request of the Secretary of the Treasury, in the capacities indicated in the inclosed form of agreement, provided such agreement is satisfactory to the contracting Federal reserve bank.

It is understood that the Under Secretary of the Treasury will promptly request each Federal reserve bank to act in the capacities indicated and that the Administrator of Public Works will forward copies of the proposed memorandum of agreement to all Federal reserve banks for execution.

Very truly yours,



Chester Morrill,  
Secretary.

Inclosure.

TO THE GOVERNORS OF ALL FEDERAL RESERVE BANKS.

MEMORANDUM OF AGREEMENT, effective this       day of       ,  
1933, by and between the FEDERAL RESERVE BANK OF \_\_\_\_\_ (hereinafter  
called the "Bank"), and THE UNITED STATES OF AMERICA.

Whereas, the Secretary of the Treasury has requested the Bank  
as fiscal agent of The United States of America to act in accordance  
with this agreement as depository, custodian, and fiscal agent for the  
Federal Emergency Administration of Public Works, an agency of The United  
States of America organized under Act, Public No. 67, of the 73rd Con-  
gress, approved June 16, 1933, (hereinafter called "Public Works"), and  
the Bank has agreed to act for Public Works in such capacities,

NOW, THEREFORE,

1. The bank shall from time to time make payments of moneys  
to be loaned, granted, or otherwise transferred by Public Works in ac-  
cordance with instructions, telegraphic or written, from time to time  
received from Public Works, provided that the Bank is then authorized to  
draw checks in the name and on behalf of the disbursing officer of Public  
Works. Unless otherwise instructed, the Bank shall make such payments  
by drawing checks upon the Treasurer of the United States, in the name  
and on behalf of the disbursing officer of Public Works, under Symbol  
No. 95-100, payable to the order of the proposed recipient of such funds  
designated by Public Works or to the order of a bank designated by such  
proposed recipient (hereinafter called the "Borrower") for the credit of  
the Borrower. If so instructed by Public Works the Bank may make such  
payments by telegraphic transfer and shall thereupon reimburse itself by  
drawing checks upon the Treasurer of the United States, in the name and  
on behalf of the disbursing officer of Public Works, under Symbol No.  
95-100, payable to the order of the Bank.

In making payments for Public Works the Bank assumes no liability as to the legality or advisability of payments authorized by Public Works, the financial responsibility of the Borrower, the adequacy of the security, or any other matter affecting the credit risk assumed by Public Works under its arrangements with the Borrower, or the priority or validity of the lien of any instrument deposited with the Bank. The Bank assumes no liability as to the filing or recording, or the refiling or maintaining of record of any instrument executed in connection with any loan, grant or other transfer of funds made by Public Works; or the payment of any tax or assessment, the discharge of any lien, or the existence or maintenance of any insurance with respect to premises referred to in any such instrument; or the performance of any condition or covenant contained in any such instrument other than conditions specifically set forth in instructions to the Bank from Public Works in connection with the payment of any such loan, grant or other transfer of funds.

2. The Bank shall receive and handle as custodian for Public Works, checks, notes, drafts, contracts, bonds, coupons, warrants, debentures, bills of exchange, acceptances, receipts, and other obligations or instruments evidencing loans, grants or other transfers of funds made by Public Works or representing collateral for such loans or other transfers of funds, including all instruments and other documents tendered in connection therewith, and shall keep the same separate and apart from the assets of the Bank, and upon the request of Public Works shall deliver the same or any designated item or items thereof at any time to, or upon the order of, Public Works. The Bank shall handle for collection and credit in the General Account of the Treasurer of the United States,

Symbol No. 95-100, any instruments for the payment of money held by it as custodian and any items sent to it for collection by Public Works. Unless otherwise directed by Public Works the Bank shall handle such items for collection upon the terms and conditions provided in the collection circulars of the Bank then in force with respect to the collection by the Bank of cash and non-cash items for member banks.

If requested by Public Works the Bank shall maintain or secure the maintenance of a fidelity bond or bonds, providing coverage, in addition to any coverage that may be already in effect, for all officers and employees of the Bank engaged in handling such items, under the terms of which Public Works will be protected to its satisfaction. The cost of all additional premiums for such coverage for the benefit of Public Works will be paid by Public Works as part of the expenses of the Bank provided for herein.

3. The Bank shall transmit all items payable to bearer by registered mail, express or otherwise, and shall when reasonably necessary obtain insurance covering such items, and the cost of such insurance, together with mail and express charges, will be paid by Public Works as part of the expenses of the Bank provided for herein.

4. The Bank shall keep separate accounts and records of all its transactions for and on behalf of Public Works under this agreement, shall transmit from time to time such receipts, reports and statements as Public Works may reasonably require, and shall permit Public Works at any reasonable time to examine all such accounts and records, except securities located in the vaults of the Bank. Such securities are ordinarily examined at least once each year by the examiners of the

Federal Reserve Board and by the General Auditor of the Bank, and at the time of such examinations the reports concerning such securities will be reconciled with the records of Public Works.

5. Under no circumstances shall the Bank be held responsible to Public Works for any loss arising from any cause whatsoever in carrying out the provisions of this agreement or any directions or instructions of Public Works hereunder, except such as may arise from its negligence or that of its officers, directors, employees or duly authorized agents. In acting or disbursing any funds hereunder, the Bank shall be entitled to rely on any directions or instructions of Public Works, or any of its duly constituted agents, whether telegraphic, written or otherwise, which the Bank believes to be genuine and duly authorized, and to have been given, made, sent or signed by the proper person, and in so acting and disbursing funds the Bank shall be fully protected and without liability of any kind whatsoever except for its own negligence.

6. Public Works shall reimburse the Bank for all expenses incurred by the Bank on account of or arising out of services rendered by the Bank hereunder, statements of such expenses to be rendered by the Bank monthly.

7. All action to be taken by or on behalf of Public Works hereunder shall be taken by Harold L. Ickes, Federal Emergency Administrator of Public Works, or his successor or successors in office, or his or their duly authorized agent or agents. Public Works shall keep on file with the Bank the names, titles and specimen signatures of all such persons authorized to act hereunder.

8. Either party hereto may terminate this agreement by giving to the other 30 days written notice.

IN WITNESS WHEREOF the Bank, by its duly authorized officer,  
and The United States of America, by the Federal Emergency Administrator  
of Public Works, have executed this memorandum of agreement.

ATTEST:

FEDERAL RESERVE BANK OF \_\_\_\_\_

by \_\_\_\_\_  
Governor

\_\_\_\_\_

THE UNITED STATES OF AMERICA

by \_\_\_\_\_  
Federal Emergency Administrator of  
Public Works.