

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

April 5, 1935
B-1072

SUBJECT: Functional Expense Reports.

Dear Sir:

There is inclosed, for your information, a copy of the "Manual of Instructions Governing the Preparation of Functional Expense Reports (Form E)", which has been revised, effective as of January 1, 1935. In accordance with the request contained in your telegram of March 12, 1935, there are being forwarded to you, under separate cover, copies of the instructions.

The instructions contained in the tentative Manual forwarded to you with our letter of November 10, 1934 (B-1030) were reviewed and commented on by each Reserve bank, and the entire manual, together with the suggestions made by the Reserve banks was reviewed at a committee meeting, held in Cleveland on February 18 and 19, 1935, at which the following were present:

Members of Committee

M. E. Lysen, Manager, Accounting Department,
Federal Reserve Bank of Minneapolis
H. N. Mangels, Assistant Cashier, Federal Reserve
Bank of San Francisco
L. S. Myrick, Technical Assistant, Division of Bank
Operations, Federal Reserve Board
G. R. Ross, Manager, Accounting Department, Federal
Reserve Bank of Cleveland (Secretary)

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W. H. Snyder, Controller, Federal Reserve Bank of Chicago
J. S. Walden, Jr., Controller, Federal Reserve Bank of
Richmond (Chairman)

Others

R. B. Hays, Assistant Cashier, Federal Reserve Bank of
Cleveland
E. L. Smead, Chief, Division of Bank Operations, Federal
Reserve Board.

A sub-committee consisting of Messrs. Lysen, Mangels and Myrick was designated to revise the instructions in accordance with the recommendations of the committee and these changes, together with others later agreed upon, have been incorporated in the instructions being sent to you at this time. Mr. Walden, who was Chairman of the Cleveland meeting, kindly consented to meet with the sub-committee after it had tentatively made the necessary revisions and he, and the other members of the full committee, have reviewed the present revised edition of the Manual.

The revised instructions are dated January 1, 1935, as it is thought that the work involved in preparing the form E report for the first half of 1935 on the new basis will not be materially different than would be the work involved in preparing the report on the old basis and in addition submitting the special report covering Fiscal Agency, Custodianship, and Depositary expenses.

The instructions, as revised, call for a more accurate distribution of costs, and it is suggested that special care be exercised by those engaged in the preparation of the reports to see that salaries

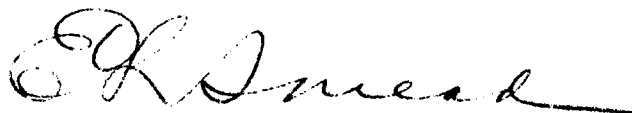
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and other costs are correctly allocated to the appropriate expense units and functions.

Form E is being reprinted and will be distributed as soon as received from the printer. Should any additional copies of the new manual be required they will be sent upon request.

Very truly yours,

A handwritten signature in dark ink, appearing to read "E. L. Smead", with a long horizontal flourish extending to the right.

E. L. Smead, Chief,
Division of Bank Operations.

Inclosure

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TO ALL GOVERNORS