

## FEDERAL RESERVE BOARD

WASHINGTON

X-9397

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

December 19, 1935.

Dear Sir:

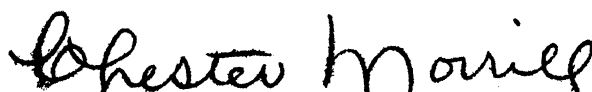
Following the revision of the Board's Regulation D, Reserves of Member Banks, effective January 1, 1936, and the revision of the deposit schedules in the forms to be used by member banks on the next call for condition reports, the reserve computation form (B-15) which was revised by the Board's telegram Trans 2301 of August 27, 1935, has been further revised and a copy of the revised form is inclosed. A copy of Schedules I, J, and K of the form to be used on the next call for condition reports of member banks is also inclosed. It will be noted that as in the past the items in the reserve computation form refer to corresponding items in the call report form.

It is understood that the semi-weekly, weekly and semi-monthly reports of deposits for reserve purposes, now being rendered to the Federal Reserve banks by member banks, show only two items for each date in the reserve computation period, namely, net demand deposits and time deposits, and that the formula is furnished to member banks merely to illustrate the method of computing required reserves. It would be of considerable value to have figures not only of the amount of net demand deposits subject to reserve but also of the principal items entering into the computations thereof, namely, gross demand deposits, balances due from banks, and

cash items in process of collection. Accordingly, it will be appreciated if you will amend the forms which you furnish to member banks for use in rendering their reports of deposits for reserve purposes, beginning with 1936, so as to show for each day the amount of (1) gross demand deposits, (2) balances subject to immediate withdrawal due from other banks, (3) cash items in process of collection, (4) time deposits, conforming to items 1, 2-a, 2-b, and 4, respectively, of the new reserve computation form. Since the additional figures requested are used in computing reserve requirements, no additional burden should be placed upon the member banks in compiling the reports on the new basis. The form should, of course, provide for showing the aggregate of the daily figures for each of the 4 columns, but averages should be computed only of net demand deposits and time deposits as at present. If on any given day a bank's gross demand deposits are less than the allowable deductions, net demand deposits on that date should be taken as zero.

Inasmuch as the forms for the next call report will not be distributed to member banks until around the end of the year, the new reserve computation formula, which refers to items in the revised call report, should not be distributed until that time.

Very truly yours,



Chester Morrill,  
Secretary.

Inclosures.

TO ALL FEDERAL RESERVE AGENTS.

Board of Governors  
of the Federal Reserve System  
Form B-15  
(Revised Dec. 1935)

COMPUTATION OF RESERVE TO BE CARRIED WITH THE FEDERAL RESERVE BANK

BY MEMBER BANKS

(For definitions of the terms gross demand deposits, deductions allowed in computing reserves, cash items in process of collection, net demand deposits and time deposits, see Regulation D of the Board of Governors of the Federal Reserve System)

1. GROSS DEMAND DEPOSITS, including U. S. Government deposits and demand balances of other banks . . . . . \$ \_\_\_\_\_

(See Schedule J of the quarterly condition report for items constituting demand deposits)

2. DEDUCTIONS ALLOWED IN COMPUTING RESERVES:

(a) Balances subject to immediate withdrawal due from other banks\* (except balances due from Federal Reserve banks, from foreign banks or branches thereof, from foreign branches of domestic banks, or from private banks) . . . . . \$ \_\_\_\_\_

(Corresponds to item 1 in Schedule I of the quarterly condition report)

(b) Cash items in process of collection, except to the extent included in item 2-a (including checks with Federal Reserve banks in process of collection and checks on hand which will be presented for payment or forwarded for collection on the following business day) . . . . . \_\_\_\_\_

(Corresponds to item 2 in Schedule I of the quarterly condition report)

3. NET DEMAND DEPOSITS (item 1 minus item 2) . . . . . \_\_\_\_\_

4. TIME DEPOSITS . . . . . \_\_\_\_\_

(See Schedule K of the quarterly condition report for items constituting time deposits)

5. RESERVE REQUIRED:

(a) On net demand deposits (item 3 above):  
Banks in central reserve cities, 13 percent;  
Banks in reserve cities, 10 percent;  
Banks located elsewhere, 7 percent . . . . . \_\_\_\_\_

(b) On time deposits (item 4 above): 3 percent . . . . . \_\_\_\_\_

(c) Total reserve to be maintained with Federal Reserve bank . . . . . \_\_\_\_\_

\*Including cash items forwarded to a correspondent bank for collection and credit and charged to item "Due from banks".

SCHEDULE I -- CASH, BALANCES WITH OTHER BANKS,  
EXCHANGES FOR CLEARING HOUSE, ETC.

(Page 4 of Form 105)

- 1. Demand balances with other banks in the United States  
(except private banks and American branches of  
foreign banks):
  - (a) Due from banks in New York City \$ \_\_\_\_\_
  - (b) Due from banks elsewhere in the United States \_\_\_\_\_
- 2. Cash items in process of collection, including  
exchanges for clearing house, except to the  
extent included in item 1 \_\_\_\_\_
- SUBTOTAL of items 1 and 2 (amount deductible from  
demand deposits in determining amount subject to  
reserve) \$ \_\_\_\_\_ (Amount not  
to be extended)
- 3. Time balances with other banks in the United States  
(except private banks and American branches of  
foreign banks) \_\_\_\_\_
- 4. Balances with private banks and American branches of  
foreign banks \_\_\_\_\_
- 5. Balances with banks in foreign countries (including  
balances with foreign branches of other American  
banks but excluding amounts due from own foreign  
branches) \_\_\_\_\_
- 6. Cash in vault \_\_\_\_\_
- TOTAL of items 1 to 6 (must agree with item 9 of "Assets") \_\_\_\_\_

SCHEDULE J -- DEMAND DEPOSITS (all deposits other than "time  
deposits" as defined in Regulation D of the  
Board of Governors of the Federal Reserve System)

- 1. Deposits of individuals, partnerships, and corporations  
(must agree with item 14 of "Liabilities") \$ \_\_\_\_\_
- 2. United States Government deposits \_\_\_\_\_
- 3. State, county, and municipal deposits \_\_\_\_\_
- 4. Deposits of other banks in the United States  
(except private banks and American branches  
of foreign banks) \_\_\_\_\_
- 5. Deposits of private banks and American branches  
of foreign banks \_\_\_\_\_
- 6. Deposits of banks in foreign countries  
(including balances of foreign branches of  
other American banks but excluding amounts  
due to own foreign branches) \_\_\_\_\_
- 7. Certified and officers' checks, letters of credit  
and travelers' checks sold for cash, and amounts  
due to Federal Reserve bank (transit account) \_\_\_\_\_
- TOTAL DEMAND DEPOSITS (items 1 to 7 of this schedule) \_\_\_\_\_

SCHEDULE K -- TIME DEPOSITS (as defined in Regulation D of  
the Board of Governors of the Federal Reserve  
System)

- 1. Deposits (except savings deposits), of individuals, partner-  
ships and corporations:
  - (a) Certificates of deposit (other than for  
money borrowed) \$ \_\_\_\_\_
  - (b) Open accounts \_\_\_\_\_
  - (c) Christmas savings and similar accounts \_\_\_\_\_
- 2. Deposits evidenced by savings pass books (No. of acc'ts \_\_\_\_\_)
- SUBTOTAL of items 1 and 2 (must agree with  
item 15 of "Liabilities") \$ \_\_\_\_\_ (Amount not to  
be extended)
- 3. Postal savings deposits \_\_\_\_\_
- 4. State, county, and municipal deposits \_\_\_\_\_
- 5. Deposits of other banks in the United States  
(except private banks and American branches  
of foreign banks) \_\_\_\_\_
- 6. Deposits of private banks and American branches  
of foreign banks \_\_\_\_\_
- 7. Deposits of banks in foreign countries  
(including balances of foreign branches of other  
American banks but excluding amounts due to own  
foreign branches) \_\_\_\_\_
- TOTAL TIME DEPOSITS (items 1 to 7 of this schedule) \_\_\_\_\_