



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 21, 1937

Dear Sir:

There is inclosed a copy of the Board's functional expense exhibit for the first half, 1937, which has been compiled from the semi-annual functional expense reports (Form E) received from all Federal Reserve banks and branches. Additional copies of the exhibit are being forwarded to your bank under separate cover.

In our letter of March 27, 1937, the Federal Reserve banks were asked for their comments with respect to the suggestion that the functional expense exhibit prepared by the Board show approximately the same detail for each function and expense unit as is contained in the functional expense reports. While a majority of the banks indicated that the exhibit would be more helpful to them if it were prepared in greater detail, the thought was expressed that if the exhibit were prepared in exactly the same detail as the reports, the extra work might not be justified by the results obtained. For the present it has been decided to show separately in the exhibit "salaries" and certain other principal items of expense, but not all items. It is hoped that the exhibit as thus revised and expanded will prove more helpful to the banks in making comparisons than did former exhibits.

Very truly yours,

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

Inclosure

TO THE PRESIDENTS OF ALL F. R. BANKS