



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-118 341

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 11, 1938

Dear Sir:

In the Board's letter of August 24, S-112, transmitting copies of the revised examination report form and advising that a few months' supply of the forms was being forwarded for use, it was said that advice as to the cost of the form would be forwarded later. This letter is to furnish that information and to explain the method of prorating the costs of the form among the various Reserve banks.

As you may know, the Board has installed multilith equipment and the report forms were printed on that equipment by the Board's employees.

The cost of the new form, including the trust form, is as follows:

Composition:

Printer's proofs (these were furnished by a firm of compositors and from the proofs the multi- lith plates were made)	\$353.20	
Multilith plates	195.00	
Printing covers for the report	<u>40.00</u>	
		\$588.20

Paper and miscellaneous supplies:

Paper	\$1,372.56	
Cover stock	105.90	
Binding tape	<u>50.50</u>	
		\$1,528.96

Total cost \$2,117.16

At the time we were not prepared to make the multilith plates and these were obtained from outside sources. Had we been prepared, as we now are, the cost for this item would have been materially less.

The following statement shows the distribution of the costs among the various Federal Reserve banks:

<u>Paper and supplies</u>			<u>Composition, etc.</u>	<u>Total</u>
<u>Percent</u>	<u>Amount</u>			
Boston	5	\$ 76.45	\$ 49.02	\$125.47
New York	20	305.78	49.00	354.78
Philadelphia	10	152.90	49.02	201.92
Cleveland	10	152.90	49.02	201.92
Richmond	5	76.45	49.02	125.47
Atlanta	5	76.45	49.02	125.47
Chicago	15	229.33	49.00	278.33
St. Louis	5	76.45	49.02	125.47
Minneapolis	5	76.45	49.02	125.47
Kansas City	5	76.45	49.02	125.47
Dallas	5	76.45	49.02	125.47
San Francisco	10	152.90	49.02	201.92
Totals	100	\$1,528.96	\$588.20	\$2,117.16

Every Federal reserve bank except the Federal Reserve Bank of Richmond should pay this assessment by transferring the amount shown in the last column of the statement through the Inter-district Settlement Fund to the Federal Reserve Bank of Richmond for credit to the account of the Board of Governors of the Federal Reserve System on the books of that bank, with telegraphic advice to Richmond of the purpose and amount of the credit, and the Federal Reserve Bank of Richmond should pay its assessment by crediting the amount thereof on its books to the Board of Governors of the Federal Reserve System.

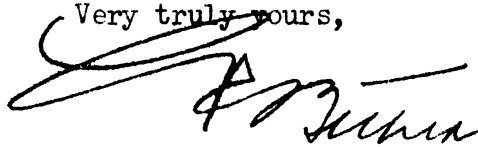
As will be noted, the costs of composition have been prorated equally among the Reserve banks, inasmuch as each bank would have had to incur composition costs if each bank had arranged for the printing of its own forms. The costs of the paper and supplies have been distributed on the basis of an estimate of the amount which will be used by each Federal reserve bank, the estimate being based on the number and size of the State member banks in the various districts.

An estimated year's supply of paper was purchased. Only a portion of the stock has been used and additional supplies from such stock will be furnished without further cost to the Reserve banks. Costs of future purchases of paper will be prorated among the various banks on the basis scheduled above and forms printed from such supplies will be furnished without additional costs, except that in the case of substantial revision of the form composition costs will be prorated.

The Board is interested in comparing the cost of the form prepared here with an estimate of what it would have cost the Reserve banks to prepare their own forms individually. It will be appreciated, therefore, if each Reserve bank will determine and advise the Board as to what the approximate cost would have been to the bank of preparing the new forms.

It is requested that this estimate be not only for the first printing, but to cover, say, a five-year period. The latter estimate would no doubt involve some cost of composition for reprints, whereas under the present procedure no such expense should be incurred except in connection with revisions.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'L. P. Bethea', written over the closing 'yours'.

L. P. Bethea,
Assistant Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS.