

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



R-589
ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 6, 1940

Dear Sir:

For your information there is enclosed a copy of a letter which is being sent today to one of the Federal Reserve banks regarding the allocation of the time of messengers to certain units in the functional expense report, Form E.

Very truly yours,

A handwritten signature in cursive script, appearing to read "E. L. Smead".

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

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS
EXCEPT CHICAGO

C O P Y

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

January 6, 1940

Mr. _____, Vice President,
Federal Reserve Bank of _____,
_____, _____.

Dear Mr. _____:

Reference is made to your letter of January 2, 1940, regarding the allocation of the time of messengers to certain units in the functional expense report, Form E.

It is understood that the messengers referred to are assigned to the mail department; that they are used by several units of the Bank, including the city collections unit; that the time of the messengers is not fully occupied; and that since July 1935 you have allocated to the units making use of messenger service the same percentage of unused time as they were charged of used time.

The manual of instructions governing the preparation of functional expense reports indicates that "messenger service" is one of the operations of the mail and express unit, the city collections unit, the city checks (other than clearings) unit, etc. In no case, however, does the manual provide that unoccupied time of messengers should be absorbed in any particular unit, such as the mail and express unit mentioned in your letter.

In the circumstances, it appears that it would be preferable for you to continue to follow your present procedure in allocating the cost of messenger service.

Very truly yours,

(Signed) E. L. Smead

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