

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1940

Dear Sir:

The Board's Manual of Instructions Governing the Preparation of Functional Expense Reports (Form E) contains the following provision on page 20:

"Charges for cash and security vault space (not book vault space) should be at the uniform rate of 12-1/2¢ per month per cubic foot of vault space occupied by compartments, chests, lock boxes or filing cabinets."

One of the Federal Reserve Banks has raised a question as to the interpretation of this provision in respect to overnight storage of busses or trucks containing fiscal agency securities, etc. used in current operations. At this Reserve Bank the vault space is divided into sections commonly termed "compartments", some of which contain safes, lockers or cabinets in which securities are stored under combination or lock control. The smallest of such compartments, which are without additional equipment, are used for the overnight storage of busses or trucks containing securities, etc. used in daily operations, and those so utilized for fiscal agency functions are assigned on a permanent basis under combination control and are not available for other purposes. This Bank has inquired whether the term "compartments" as used in the Manual is interpreted as applicable to such individual sections of the vault used exclusively for fiscal agency storage purposes and whether rental charges should be computed on the total space enclosed.

It will be appreciated if you will advise us whether your Bank makes a charge for such space and, if so, how the charge is determined; also, what changes you would recommend in the Manual to obtain uniformity in this regard.

Very truly yours,

A handwritten signature in dark ink, appearing to read "E. L. Smead", written in a cursive style.

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