

FR 2900 Reporting Seminar

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Agenda

- Purpose and General Instructions
- FR 2900 changes for September 2003
- Deposits vs. Borrowings
- Transaction Accts/Deductions from Transaction Accts
- Nontransaction Accounts/Vault Cash
- Schedule AA and Other FR 2900 Reporting Issues
- ReserveCalc
- Electronic submission

Purpose and General Instructions

Brian Osterhus



What is the FR 2900?

- The FR 2900 is a weekly/quarterly report reflecting daily data (Tuesday through Monday) on which Depository Institutions (DIs) report “sources of funds”.
- Amounts reported on the FR 2900 include:
 - Deposits held by the DI
 - Other funds (borrowings obtained from non-exempt entities)

The Purpose of the FR 2900

- The FR 2900 has two primary purposes:
 - a) The calculation of money stock
 - b) The calculation of reserve requirements

What is Money Stock (or Money Supply)?

- Money supply is the total amount of money in the economy
- Three basic measures of money



What is Money Stock (or Money Supply)?

M1 - \$1.2 trillion

Narrowest and most liquid measure of money, comprised of:

- Currency
- Travelers checks
- Demand deposits
- Other deposits (ATS, NOW accounts)

What is Money Stock (or Money Supply)?

M2 - \$5.9 trillion

- A broader measure. Includes, in addition to M1:
 - Small denomination time deposits (less than \$100,000)
 - Savings deposits, including MMDAs and non-institutional money market mutual funds (MMMMFs)

What is Money Stock (or Money Supply)?

M3 - \$8.6 trillion

- The broadest of the three measures.
Includes, in addition to M2:
 - Large time deposits (\$100,000 or more)
 - Institutional money market mutual funds (MMMMFs)

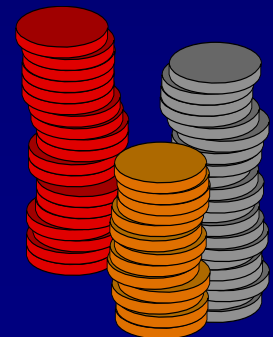
What is Money Stock (or Money Supply)?

M3 - \$8.6 trillion

- Overnight and term repurchase agreements, \$100,000 or more
- Overnight and term Eurodollars

What is Money Stock (or Money Supply)?

- The FR 2900 is the primary source of this information reported on the FR 2900, and is used to construct money stock weekly
- The aggregate data are released each Thursday afternoon to the public in the Board's H.6 release



What are Reserve Requirements?

- Reserve requirements are a percentage of a depository institution's (DI) deposits (or fractional reserves) that must be held either as cash in the “vault” of the DI, on deposit at the Federal Reserve Bank, or at a correspondent bank.
- Reserve requirements are one of the tools used by the Federal Reserve as a means to conduct monetary policy.

What are Reserve Requirements?

- Reserves can be added to or removed from the banking system by changing the reserve ratio applied to reservable liabilities.
- Other Monetary Policy tools
 - System Open Market Operations
 - Discount Window Lending

Who Must Report?

- U. S. branches and agencies of foreign banks, and banking Edge and Agreement corporations, regardless of size, must report the FR 2900 and FR 2950/FR 2951 weekly
- The FR 2950/FR 2951 should be submitted until an institution surrenders its license

Who Must Report?

- U. S. branches and agencies of a foreign bank located in the same state and within the same Federal Reserve District are required to submit a consolidated report of deposits to the Federal Reserve Bank in the District in which they operate (excluding any balances of the IBF)

Reporting of Edge and Agreement Corporations

- When preparing the FR 2900, deposits of offices of a banking Edge or Agreement corporation should not be aggregated with related U.S. branches and agencies of foreign banks or commercial banks
- They are required to file separate FR 2900 and FR 2950 reports, regardless of size.

Who Must Report?

- Effective with the September 22, 2003 report, the criteria for determining whether certain depository institutions will file the FR 2900 weekly or quarterly will be modified

2003 Deposit Reporting Requirements

Exempt		Nonexempt	
Net transaction accounts \leq \$6.0 million		Net transaction accounts $>$ \$6.0 million, OR Total deposits \geq \$1.0 billion reduced reporting limit	
Nonreporters	Annual Reporters	Quarterly Reporters	Weekly Reporters
Total deposits \leq \$6.0 million	Total deposits $>$ \$6.0 million	Total deposits $<$ \$150.0 million	Total deposits \geq \$150.0 million

Who Must Report?

- The Federal Reserve will continue to screen institutions, and inform each institution eligible for reduced reporting

Who Must Report?

- FR 2900 weekly: commercial banks, savings banks, savings and loan associations and credit unions
 - Total deposits above the “nonexempt deposit cutoff” and “net transaction accounts” above the indexed level, or
 - Total deposits above the “reduced reporting limit”, regardless of the level of “net transaction accounts”

Who Must Report?

- FR 2900 quarterly: commercial banks, savings banks, savings and loan associations and credit unions
 - Total deposits below the “nonexempt deposit cutoff”, and “net transaction accounts” above the indexed level

Who Must Report?

- FR 2910a: commercial banks, savings banks, savings and loan associations and credit unions
 - Total deposits between the “exemption amount” and below the “reduced reporting limit”, and “net transaction accounts” below the indexed level

FR 2900 vs. FFIEC 002

Definitional Differences

- Consolidation of branches and agencies of the same foreign (direct) parent bank

FR 2900

- U.S. branches and agencies in the same Federal Reserve District and state must submit a consolidated FR 2900 report

FR 2900 vs. FFIEC 002

Definitional Differences

- Consolidation of branches and agencies of the same foreign (direct) parent bank

FFIEC 002

- U.S. branches and agencies in the same Federal Reserve District and state are not required to consolidate, but may submit a consolidated FFIEC 002 provided:
 - The offices are located in the same city and, insured and uninsured branches are not combined

FR 2900 vs. FFIEC 031/041

Definitional Differences

- Consolidation of domestic branches and subsidiaries

FR 2900

- Head office and all branches in the 50 states plus District of Columbia
- Subsidiary depository institutions

FR 2900 vs. FFIEC 031/041

Definitional Differences

- Consolidation of domestic branches and subsidiaries

FFIEC 031/041

- Head office and all branches in the 50 states plus District of Columbia
- Majority owned, significant subsidiaries, including domestic commercial banks, savings banks, savings and loan associations
- Branches on military facilities, wherever located

FR 2900 vs. FFIEC 002/031/041

Definitional Differences

- “U.S.”

FR 2900

- 50 states plus District of Columbia

FFIEC 002/031/041

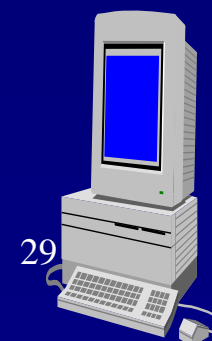
- 50 states plus District of Columbia
- Puerto Rico and U.S. territories and possessions
- See glossary “Banks, U.S. and foreign”

Where and When to Submit?

- The reporting week is a seven day period that begins Tuesday and ends the following Monday.
- The reports are due to the Federal Reserve by the Wednesday following the Monday as-of date via electronic submission, or signed hard copy sent by messenger or fax. (Please do not submit the same report by more than one of these methods).

Where and When to Submit?

- Electronic submissions of these reports is available via the Internet via the IESUB application



Close of Business

- The term “close of business” refers to the cut-off time for posting transactions to the General Ledger (GL) for that day.
- The time should be reasonable and applied consistently.



Close of Business

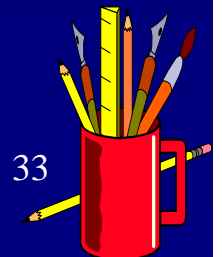
- Selective posting is prohibited
 - A debit or credit cannot be made without the offsetting transaction being posted; and
 - All transactions occurring during the period of time the books are open must be posted

Back-valuing vs. Misposting

- The FR 2900 should reflect only the GL balance as of the “close of business” each day
- Balances should be reflected on the FR 2900 based on:
 - When an institution has received or sent funds and
 - Has a liability to make payment to a customer/third party

Back-valuing vs. Misposting

- Balances should be reported as of “close of business”, regardless of when the transaction should have occurred.



Back-valuing vs. Misposting

- The only time when an institution is allowed to back-value is in the case of a clerical bookkeeping error.
- The FR 2900 may be adjusted to more accurately reflect the transaction as it should have been recorded.

Back-valuing vs. Misposting Examples

Question 1

On day 1, Bank R received \$10 million demand deposit for the credit of Corporation A. However, due to a misposting error, Corporation A was credited \$1 million. On day 2, the error was discovered.

How should this be reported ?

Back-valuing vs. Misposting Examples

Answer

When the error is discovered on day 2, Bank R should revise the \$1 million misposted on day 1 to reflect the \$10 million deposit from Corporation A received on day 1. Thus, \$10 million should be reported in Line A.1.c on both days.

Back-valuing vs. Misposting Examples

Question 2

On day 1, Bank R borrows \$5 million from an unrelated Bank S. However, Bank S erroneously sends \$15 million.

How should these funds be reported ?

Back-valuing vs. Misposting Examples

Answer

On day 1, Bank R does not report the \$5 million borrowing it receives, on the FR 2900. The \$10 million that Bank R receives in error should be reported in Line A.1.a as “Due to banks”.

Back-valuing vs. Misposting Examples

Answer (continued)

Bank R should remove the \$10 million sent in error from Line A.1.a when those funds are returned to Bank S.

Valuation of Deposits in Foreign Currencies

- Transactions denominated in non-U.S. currency must be valued in U.S. dollars each reporting week by using one of the following methods:
 - The exchange rate prevailing on the Tuesday that begins the 7-day reporting week; or
 - The exchange rate prevailing on each corresponding day of the reporting week.

Reporting of Deposits in Foreign Currency

- Once a depository institution chooses to value foreign currency transactions by using either the weekly method or daily method, it must use that method consistently over time for all Federal Reserve reports.

Reporting of Deposits in Foreign Currency

- If the depository institution chooses to change its valuation procedure from one of these two methods to the other, the change must be applied to all Federal Reserve reports and then used consistently thereafter.
- The Federal Reserve Bank of New York should be notified of any such change.

Quarterly Report of Foreign (Non-U.S.) Currency Deposits (FR 2915)

- In addition, FR 2900 respondents offering foreign currency denominated deposits must file the Report of Foreign (Non-U.S.) Currency Deposits (FR 2915)
- This report is filed on a quarterly basis, and includes weekly averages for selected items from the FR 2900

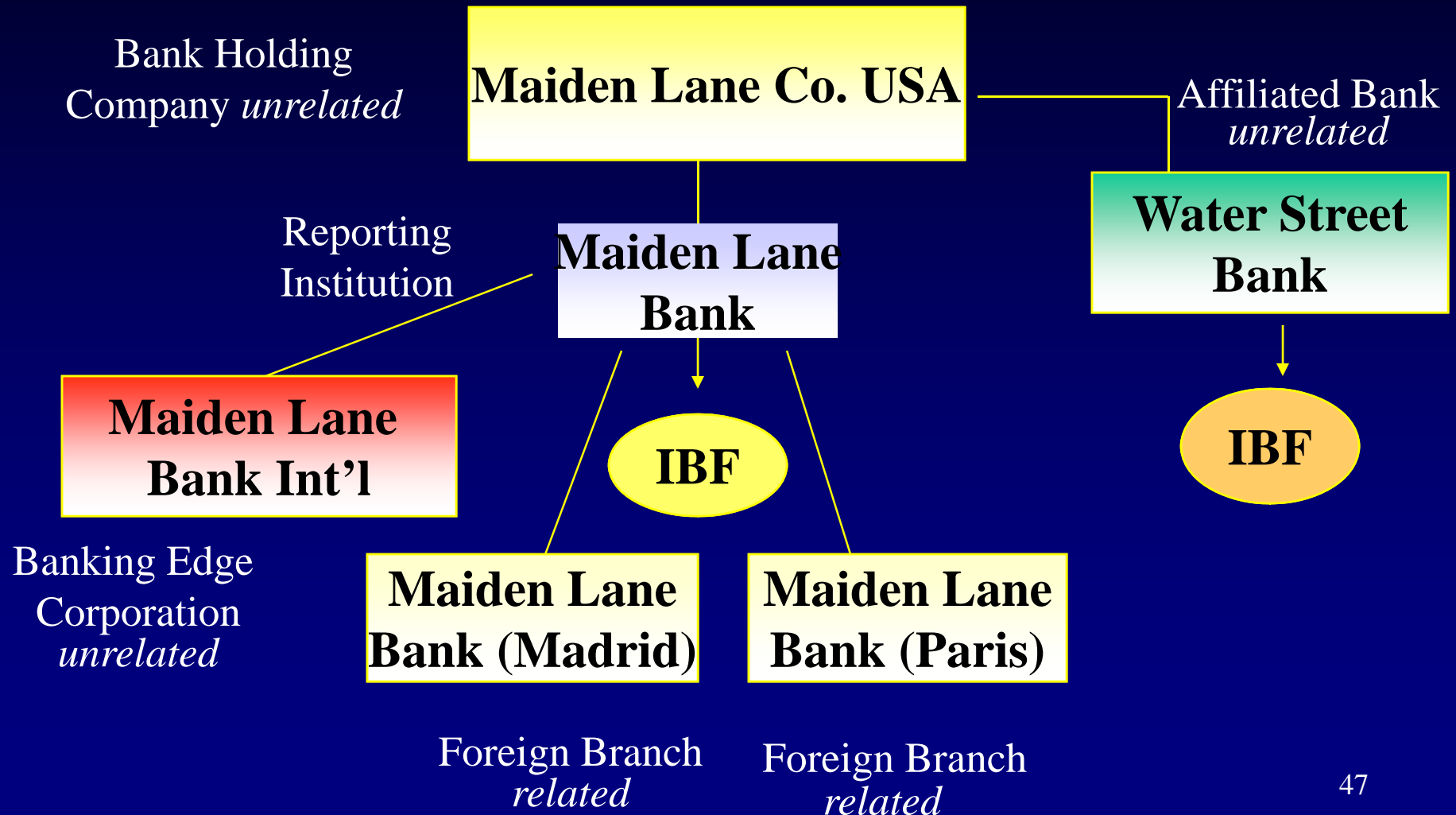
Related Institutions

- On the FR 2900 and the FR 2951 related institutions are defined as:
 - The foreign (direct) parent bank
 - Offices of the same foreign (direct) parent bank

Reporting of Related Institutions

- Deposits due to or due from U.S. branches and agencies of the same (direct) parent bank should be excluded from the FR 2900
- Deposits due to or due from non-U.S. branches and agencies of the same foreign (direct) parent bank should be reported on the FR 2951

Bank Holding Company Organization Chart



Affiliates and Subsidiaries

- Affiliates and subsidiaries of the same (direct) parent bank should be treated as unrelated for the purposes of Regulation D
- Deposits from these entities should be classified on the FR 2900 according to the type of entity (e.g., banking or nonbanking) and maturity

FR 2900 vs. FFIEC 002

Definitional Difference

FR 2900

Deposits of U.S. and non-U.S. subsidiaries are included on the FR 2900 (according to entity and maturity)

FFIEC 002

Deposits of U.S. and non-U.S. banking subsidiaries are excluded from Schedule E and included on Schedule M

Non-banking (majority owned) subsidiaries are included in both Schedules E and M, Part III

Summary

- Purpose of the FR 2900
- FR 2900 Filing Requirements
 - Who must File?
 - Revised requirements as of September '03
 - Consolidation
- Reporting Issues
 - Back valuing vs. misposting
 - Foreign currency valuation
 - Related vs. non-related institutions
 - Reporting differences between the FR 2900 and Call Reports

FR 2900 Form Changes - September 2003



Nonpersonal Time Deposits

- Reduced reporting frequency of nonpersonal time deposits
 - Items F.2 and AA.2 will be reported only one day each year
 - For weekly reporters: June 30
 - For quarterly reporters: as-of the Monday in the quarterly reporting week

Net Eurocurrency Liabilities

- Effective May 2004, the FR 2950/51 will be discontinued
- Net Eurocurrency Liabilities will be reported one day each year
 - For weekly reporters: June 30
 - For quarterly reporters: as-of the Monday in the quarterly reporting week

Net Eurocurrency Liabilities

- For FR 2950 filers:
 - $((\text{Item 2} - \text{Item 3}) + \text{Item 4} + \text{Item 5})^* + \text{Item 1}$
 - * if negative, enter 0

Net Eurocurrency Liabilities

- For FR 2951 filers:
 - $((\text{Item 2} - \text{Item 3}) + \text{Item 5}) + 0.8x(\text{Item 4})^* + \text{Item 1}$
 - * if negative, enter 0

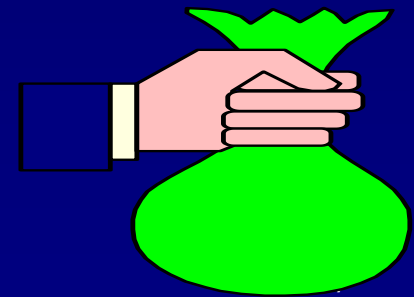
Deposits vs. Borrowings

Patricia Maone



Objectives

- Primary obligations reportable on the FR 2900
- Exempt and non-exempt entities
- Examples of primary obligations
- Cash equivalents
- Precious metals deposits



Deposits vs. Borrowings

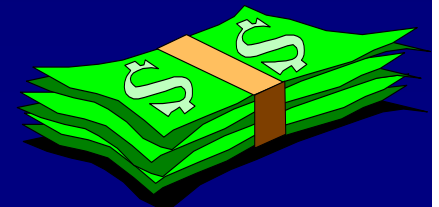
- A deposit is defined by Regulation D as the unpaid balance of money or its equivalent received or held by a depository institution in the usual course of business.
- In economic terms, deposits and borrowings are similar. However, they are different transactions from a legal and regulatory perspective.

Deposits vs. Borrowings

- If a transaction is called a deposit it must be treated as a deposit, regardless of the counterparty and the terms of the transaction

Deposits vs. Borrowings

- Whether a transaction is considered a borrowing depends on the terms of the transaction. If the document does not specifically refer to the transaction as a borrowing, it should be recorded on the general ledger as a deposit.



Primary Obligations

- Primary obligations are borrowings that should be reported as either:
 - Transaction accounts
 - Savings deposits
 - Time deposits



Primary Obligations

- There are two factors to consider when determining if a transaction or instrument is a “primary obligation”. These are:
 - The type of entity with which the transaction is entered into; and
 - The nature of the transaction or instrument

Primary Obligations Exempt and Non-Exempt Entities

- The concept of exempt and non-exempt entity applies only to primary obligations.
- A “deposit” is reservable regardless of the counterparty.

Primary Obligations Exempt and Non-Exempt Entities

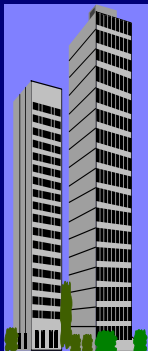
- Generally, an exempt entity is an institution required to maintain reserves; therefore, a primary obligation due to an exempt entity is not reservable.
- A non-exempt entity is an institution not required to hold reserves under U.S. banking laws; therefore, the primary obligation due to this entity is reservable.

Include as Exempt Entities

- The following are exempt entities:
 - U.S. commercial banks and trust depository companies and their subsidiaries
 - A U.S. branches or agencies of a foreign bank organized under Foreign (non-U.S.) law
 - Banking Edge and Agreement corporations
 - Industrial banks
 - Savings and loan associations and credit unions

Include as Exempt Entities

- Also include as exempt entities:
 - Federal Reserve Banks;
 - U.S. Government and its agencies; and
 - U.S. Treasury



Include as Non-Exempt Entities

- The following are non-exempt entities:
 - Individuals, partnerships, and corporations (wherever located)
 - Securities brokers and dealers, wherever located. (Except when the borrowing has a maturity of one day, is in immediately available funds, and is in connection with securities clearance)
 - State and local governments in the U.S. and their political subdivisions

Include as Non-Exempt Entities

- The following are non-exempt entities:
 - A bank's holding company
 - A bank's non-bank subsidiaries
 - International Institutions (IBRD, IMF, etc.)
 - Non-U.S. banks (related or unrelated)

Examples of Primary Obligations

- The following are examples of primary obligations to be included on the FR 2900 or the FR 2950/51 *if entered into with a non-exempt entity*
 - Repurchase agreements collateralized with assets other than U.S. government or federal agency securities
 - Purchases of federal funds (immediately available borrowings)

Examples of Primary Obligations

- The following are examples of primary obligations to be included on the FR 2900 or the FR 2950/51 *if entered into with a non-exempt entity*:
 - Promissory notes/commercial paper
 - Due bills
 - Borrowing of securities whose principal and interest payments are not fully guaranteed by the U.S. government or federal agencies

Repurchase Agreements

- A repurchase agreement is an arrangement involving the sale of a security or other asset under a prearranged agreement to buy back that asset at a fixed price
- If repurchase agreements with non-exempt entities are not collateralized by U.S. government or federal agency securities, they are to be reported on the FR 2900

FR 2900 vs. FFIEC 002/031/041 Definitional Differences

FR 2900

Repurchase agreements, collateralized with assets other than U.S.

Government or Federal Agency securities, are reported as deposits on the FR 2900

FFIEC 002/031/041

Repurchase agreements, collateralized with assets other than securities and with a maturity greater than one business day, are reported as borrowings

Federal Funds Purchased

- Federal funds are unsecured borrowings of immediately available funds
- Immediately available means funds that can be used or disposed of on the same business day that the funds become available
- Fed funds purchased from a non-exempt institutions are reportable on the FR 2900

Promissory Notes/Commercial Paper

- A promissory note is a negotiable instrument which is evidence of a liability of a depository institution for funds that have been received.
- If the promissory note is issued to a non-exempt entity it should be reported on the FR 2900 or FR 2950/51.

Promissory Notes/Commercial Paper

- Commercial paper is an unsecured promissory note and should be reported on the FR 2900.



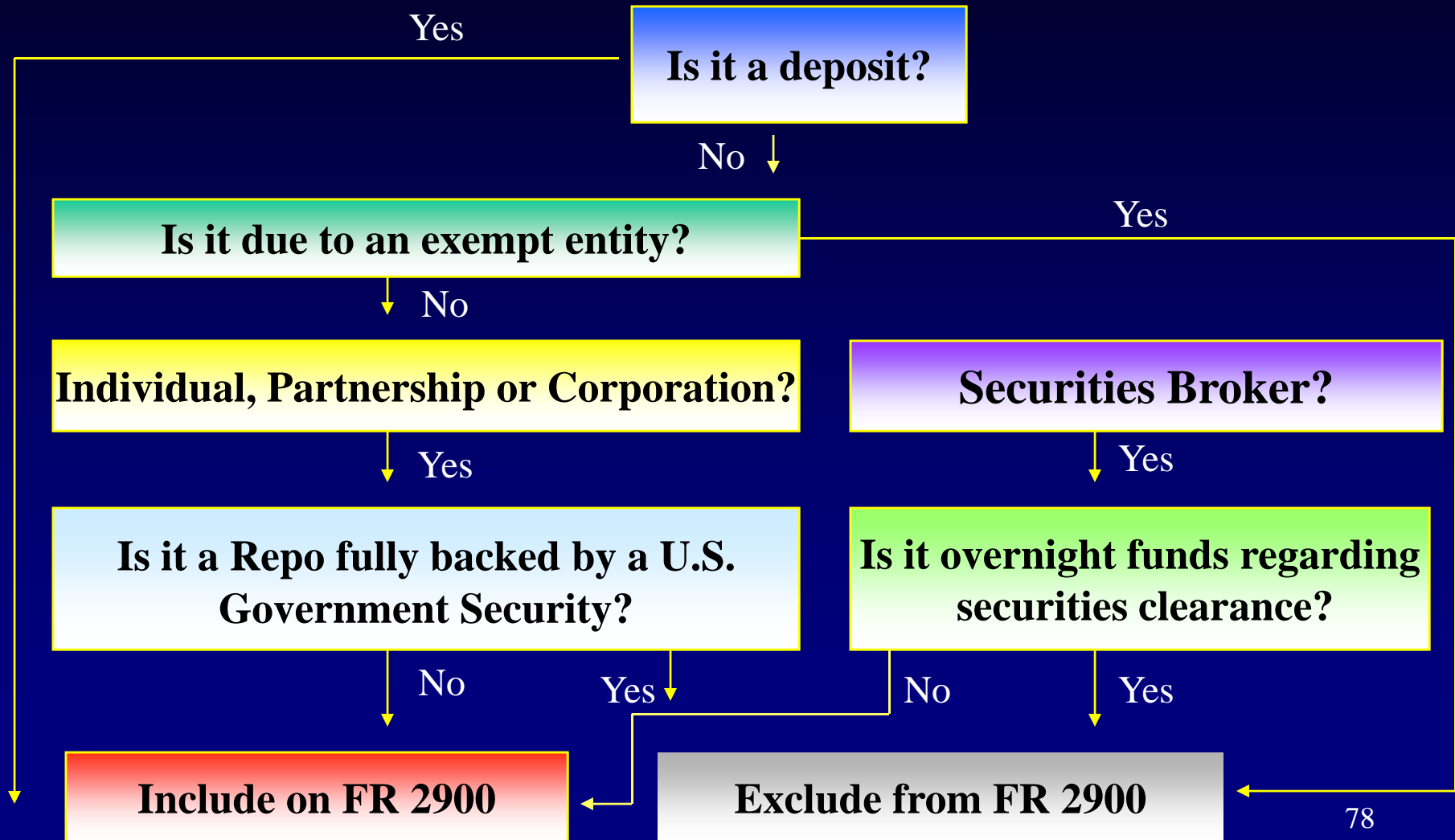
Due Bills

- A due bill is an instrument evidencing the obligation of a seller to deliver securities at some future date.
- If the due bill is not collateralized within 3 business days, it becomes reservable on the fourth business day regardless of the purpose of the due bill and to whom it was issued.

Reporting of Primary Obligations

- Any primary obligation of the reporting institution due to a non-exempt entity must be reported unless all of the following conditions are met:
 - Is not insured by a federal agency
 - Is subordinated to the claims of the depositors
 - Has a weighted average maturity of five years or more
 - Is issued by a DEPOSITORY INSTITUTION with the approval of, or under the rules and regulations of, its primary federal supervisor

Guidelines for Reporting Primary Obligations



Borrowings of “Cash Equivalents”

- For purpose of Regulation D the term deposit is defined as the unpaid balance of money or its “equivalent”.

Borrowings of “Cash Equivalents”

- Borrowings of U.S. Government or Agency security from non-exempt entities are reservable, if uncollateralized
 - If securities borrowings are collateralized with **cash**, the transaction is treated as a resale agreement, not a deposit

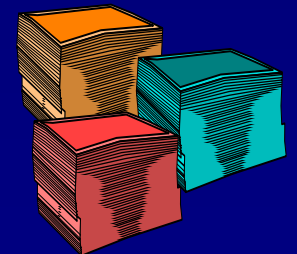
Assets Held Other Than Currency (Gold Deposits)

- Borrowings of precious metals or other equivalents of money are to be reported on the FR 2900 or FR 2950/51 in the same manner as other currency (e.g., U.S. dollars)
 - These are reported based on the counterparty and maturity



Assets Held Other Than Currency (Gold Deposits)

- For example, deposits and borrowings of gold are considered reservable liabilities.
 - These are reported on either the FR 2900 or FR 2950/51, depending on the depositor or lender and the maturity.



Review

True or False

False

Repurchase agreements collateralized by U.S. Treasury securities where the counterparty is a non-exempt institution are reportable on the FR 2900

Review

True or False

False

Commercial paper issued would not be reported on the FR 2900

Review

True or False

False

Borrowing of gold bullion from a U.S. corporation would not be reported on the FR 2900

Review

Federal funds purchased from which of the following institutions are reported on the FR 2900?

- a) Bank of Spain, NY branch
- b) Finance Corp.
- c) ABC Bank, N.A.
- d) World Bank

Summary

- Deposit is defined as unpaid balance of money or its equivalent...
- Primary obligations are reportable on the FR 2900
- Exempt vs. non-exempt entities
- Deposits of precious metals are considered cash equivalents and therefore reportable on the FR 2900

Transaction Accounts

Evelyn Castillo



Transaction Accounts

- In general, there are two types of transaction accounts:
 - Demand deposits
 - “Other” transaction accounts (ATS, NOW, telephone and pre-authorized transfer accounts)

Demand Deposits

- Demand deposits are defined as:
 - Deposits payable immediately on demand, or issued with an original maturity of less than seven days; or
 - Deposits for which the depository institution does not reserve the right to require seven days written notice before an intended withdrawal

Demand Deposits

- In addition, under the requirements of Regulation Q, interest cannot be paid on demand deposits
 - ↖ Section 217.3
 - ↖ Section 217.2 (d)



Demand Deposits

- Demand deposits include:
 - Checking accounts
 - Outstanding certified, cashiers', tellers' and official checks and drafts
 - Outstanding travelers' checks and money orders (unremitted)
 - Suspense accounts

Demand Deposits

- Demand deposits include (continued):
 - Funds received in connection with letters of credit sold to customers, including cash collateral accounts
 - Escrow accounts that meet the definition of a demand deposit
 - “Primary obligations” with original maturities of less than 7 days entered into with non-exempt entities

Demand Deposits Due to Depository Institutions (Line A.1.a)

- Include deposits in the form of demand deposits due to:
 - U.S. commercial banks
 - Non-U.S. depository institutions (including banking affiliates and subsidiaries)
 - U.S. branches and agencies of other foreign (non-U.S.) banks, including branches and agencies of foreign official banking institutions

Demand Deposits Due to Depository Institutions (Line A.1.a)

- Include deposits in the form of demand deposits due to (continued):
 - U.S. and non-U.S. offices of other U.S. banks and Edge and agreement corporations
 - Mutual savings banks
 - Savings and loan associations
 - Credit unions



Demand Deposits Due to U.S. Government (Line A.1.b)

- Include in this item deposit accounts in the form of demand deposits that are designated as federal public funds, including U.S. Treasury Tax and Loan accounts
- Include only deposits held for the credit of the U.S. government

Demand Deposits Due to U.S. Government (Line A.1.b)

- Interest-bearing U.S. Treasury Tax and Loan Account Note Balances are exempt from reserve requirements and should not be reported as deposits.

TT&L

- TT&L depository institutions have two options:
 - Remittance option
 - Note option

TT&L

- Remittance option
 - By the end of next business day, TT&L deposits must be remitted to the FRB.

TT&L

- Note option
 - By the end of next business day, TT&L deposits must be converted to open-ended interest-bearing notes
 - These note balances are primary obligations to the U.S. Government but not reported on the FR 2900

Other Demand Deposits (Line A.1.c)

- Include in this item all other deposits in the form of demand deposits, including:
 - Demand deposits held for:
 - Individuals, partnerships, and corporations
 - State and local governments and their subdivisions
 - Foreign governments (including foreign official banking institutions), and international institutions
 - U.S. government agencies

Cashiers' and Certified Checks

- Cashiers' checks are those checks drawn by the reporting institution on itself
- Certified checks are any business or personal checks stamped with the paying bank's certification that:
 - The customer's signature is genuine, and
 - There are sufficient funds in the account to cover the check.

Tellers' Checks

- Tellers' checks are those checks drawn by the reporting institution on, or payable at or through, another depository institution, a Federal Reserve Bank, or a Federal Home Loan Bank.

Tellers' Checks

- Those checks drawn on, or payable at or through, another depository institution, on a zero-balance account or an account not routinely maintained with sufficient balances to cover checks or drafts drawn in the normal course of business should be reported in Line A.1.c.

Tellers' Checks

- However, those checks drawn on an account in which the reporting institution routinely maintains sufficient balances should be:
 - Excluded from Line A.1.c.
 - The amount of the check should be deducted from the balances reported in Line B.1.

Suspense Accounts

- Unidentified funds received and held in suspense are considered deposits and are to be reported on the FR 2900.
- These funds should be reported as “Other demand deposits” in Line A.1.c

FR 2900 vs. FFIEC 002/031/041

Definitional Differences

- Suspense accounts

FR 2900

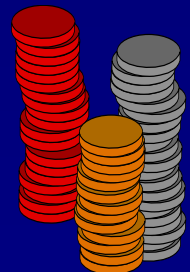
Items held in suspense are reported in other demand.

FFIEC 002/031/041

Entries to the General Ledger (GL) in the period subsequent to the close of business on the report date are reported as if they had actually been posted to the GL at or before the cutoff time.

Reporting of Overdrafts

- Overdrafts in deposit (due to) accounts:
 - When a deposit account is overdrawn, the balance in the account should be raised to zero and not included as an offset to other demand deposit accounts
 - Instead the overdrawn amount should be regarded as a loan made by the reporting institution and excluded from this report



Reporting of Overdrafts

- Overdrafts in deposit (due to) accounts:
 - The amount of the overdraft should not be netted against positive balances in the depositors' other accounts unless a bona fide cash management function is served

Reporting Overdrafts

- Overdrafts in an account maintained at another depository institution (due from):
 - When a due from account becomes overdrawn, the balance should also be raised to zero
 - If the account is routinely maintained with sufficient funds, the overdrawn amount is considered a borrowing and excluded from this report

Reporting Overdrafts

- Overdrafts in an account maintained at another depository institution (due from):
 - If the due from account is not routinely maintained with sufficient funds (e.g., zero balance account) the overdrawn amount is considered a demand deposit and must be reported in other demand in Line A.1.c

Review

Bank ABC maintains the following demand deposits.

<u>DDA Account</u>	<u>Amount</u>
Corp. A	\$10,000
Corp. B	\$15,000
Corp. C	(\$5,000)
Corp. D	\$20,000

What should be reported on line A.1.c? **\$45,000**

Bona Fide Cash Management

- A bona fide cash management plan exists when a depository institution:
 - Allows a depositor to use the balance in one deposit account to offset overdrafts in another deposit account
 - Some genuine cash management purpose is served.

Guidelines for Bona Fide Cash Management Agreements

- Although a written agreement does not have to be in place to be “bona fide”, the cash management agreement must have some indication the institution intends to use two or more checking accounts to control receipts and disbursements.

Guidelines for Bona Fide Cash Management Agreements

Example 1

Establishing one account for receipts and another for disbursements would be considered bona fide.

Example 2

Establishing one account for payroll and another account for receipts and disbursements would not be considered bona fide.

Guidelines for Bona Fide Cash Management Agreements

Positive balances in one type of deposit account cannot be used to offset balances in another type of deposit account.

Example 3

An overdraft in a demand deposit account cannot be covered by positive balances in an MMDA account.

Escrow Accounts

- An escrow agreement is a written agreement authorizing funds to be held by a third party
- The funds are placed with the depository institution until the agreement has been met, at which time the escrow funds are sent to the proper party
- Escrow accounts are reported on the FR 2900 according to the terms of the escrow agreement

Escrow Accounts

- If the funds may be withdrawn on demand or are to be disbursed within 7 days, the escrow account is a transaction account.



“Other” Transaction Accounts



“Other” Transaction Accounts

- “Other” transaction accounts are:
 - Deposit accounts (other than savings) where the depository institution reserves the right to require seven days written notice prior to withdrawal or transfer of funds in the account
 - Subject to unlimited withdrawal by check, draft, negotiable order of withdrawal, electronic transfer, or other similar items
 - Provided the depositor is eligible to hold a NOW account

Difference Between Demand Deposits and Other Transaction Accounts

- Demand deposits differ from “other” transaction accounts in that:
 - The depository institution does not reserve the right to require seven days written notice before an intended withdrawal
 - There are no eligibility restrictions on who can hold a demand deposit account
 - Interest may not be paid on a demand deposit account

Negotiable Order of Withdrawal (NOW) Accounts (Line A.2)

- NOW accounts are deposits:
 - Where the depository institution reserves the right to require seven days written notice prior to withdrawal or transfer of any funds in the account
 - That can be withdrawn or transferred to third parties by a negotiable or transferable instrument (more than six times per month)

NOW Account Eligibility

- Eligibility limited to accounts for which the entire beneficial interest is held by:
 - Individuals or sole proprietorships
 - U.S. governmental units, including the federal government and its agencies and instrumentalities
 - Non-profit organizations, such as churches, professional, and trade associations

Sweeps

- Legal
 - One account with two legally separate sub-accounts:
 - ↖ Transaction sub-account
 - ↖ Non-transaction sub-account
 - Disclosure

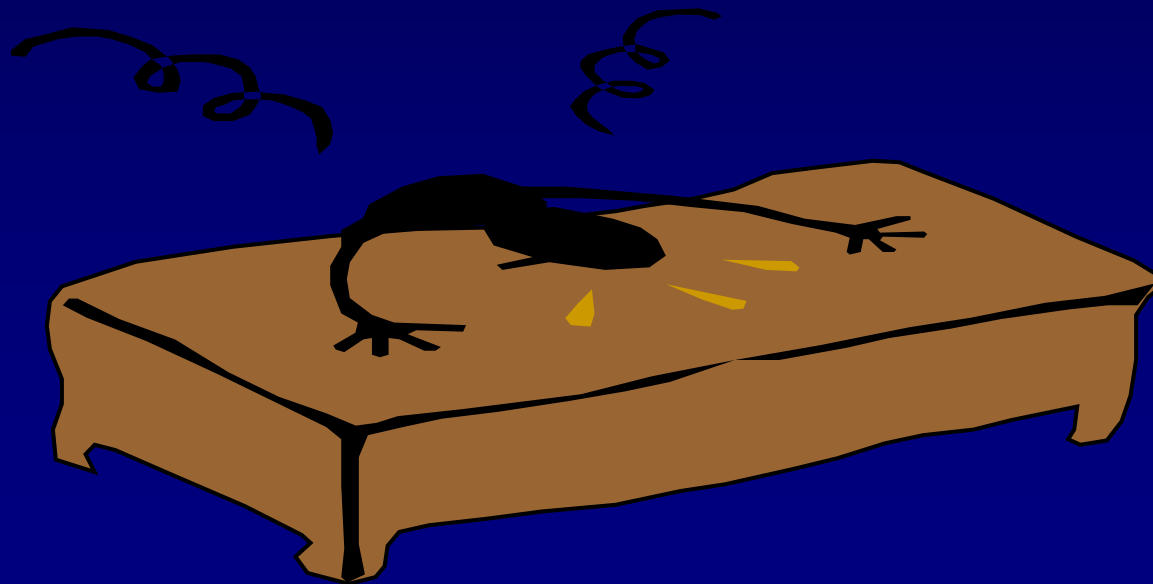
Sweeps

- Mechanics
 - At the first of month or beginning of statement cycle, balances above threshold are swept to the non-transaction sub-account (e.g., from NOW to MMDA)
 - When funds are needed in the transaction sub-account, funds are transferred to restore the transaction sub-account to its threshold amount (e.g., from MMDA to NOW)
 - Sixth transfer from the non-transaction sub-account transfers all funds back to the transaction sub-account until beginning of next month or statement cycle (e.g., MMDA to NOW)

Sweeps

- Line Items Affected by Sweeps:
 - **A1C:** Other Demand
 - **A2:** ATS/NOW
 - **C1:** Total Savings
 - **F2:** Non-Personal Savings and Time

Deductions From Transaction Accounts

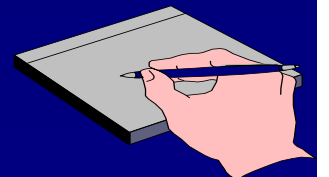


Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Consists of all balances subject to immediate withdrawal due from U.S. offices of depository institutions
- For purposes of the FR 2900 reporting, immediately available funds are:
 - Funds that the reporting institution has full ownership of and can invest or dispose of on the same day the funds are received

Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Balances to be reported should be the amount reflected on the reporting institution's books rather than the amount on the books of the other depository institution.



Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- However, the use of your correspondent books is permissible if:
 - The transaction occurred on the previous day and the balances on the books of your correspondent are accurate
 - Both credit and debit entries are reported and there is no “selective” booking

Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- The transaction is segregated from transactions occurring the following day
- The reporting treatment is consistent for all regulatory reports

Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Include balances due from:
 - U.S. offices of
 - Commercial banks
 - Banker's banks
 - Edge and agreement corporations
 - U.S. branches and agencies of foreign (non-U.S.) banks
- The reporting institution may report reciprocal demand balances with the above institutions on a net or gross-by-institution basis, whichever method proving less burdensome

Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Also include balances due from:
 - Savings banks
 - Cooperative banks
 - Credit unions
 - Savings and loan associations

However, demand balances with these institutions must be reported on a gross basis.

Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Exclude balances due from:
 - Federal Reserve Banks (FRB) including
 - The reporting institution's reserve balances held directly with the FRB
 - The reporting institution's reserve balances passed through to the FRB by a correspondent (e.g., FHLB)
 - The reporting institution's clearing balance maintained at a FRB

Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Also exclude:
 - Balances due from other U.S. branches and agencies of the same foreign parent bank
 - Any “clearing house” or “next day funds”
 - Balances due from any non-U.S. office of any U.S. depository institution or foreign (non-U.S.) bank

Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Also exclude:
 - Balances due from FHLB
 - Demand deposit balances due from other depository institutions pledged by the reporting institution and are not immediately available for withdrawal
 - National Credit Union Administration Central Liquidity Facility

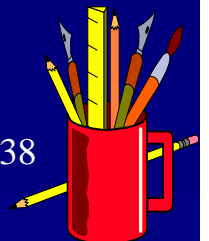
Demand Balances Due From Depository Institutions in the U.S. (Line B.1)

- Also exclude:
 - Cash items in the process of collection

However, cash items in process of collection for which the reporting institution's correspondent provides immediate credit should be reported in this item

Reciprocal Balances

- Reciprocal balances arise when two banks maintain deposit accounts with each other (i.e., each bank has a “due to” and “due from” balance with the other bank).



Reciprocal Balances

Gross Method

“Due to” banks “Due from” banks

Bank A	\$3M	\$5M
Bank B	10M	2M
Bank C	<u>6M</u>	<u>9M</u>
Total	<u>\$19M</u>	<u>\$16M</u>

Reciprocal Balances

Net Method

	<u>“Due to” banks</u>	<u>“Due from” banks</u>
Bank A	\$0M	\$2M
Bank B	8M	0M
Bank C	<u>0M</u>	<u>3M</u>
Total	<u>\$8M</u>	<u>\$5M</u>

FR 2900 vs. FFIEC 002/031/041

Definitional Differences

Due from depository institutions (Line B.1)

- Overdrafts in due from accounts

FR 2900

Reported as demand deposits in other demand (Line A.1.c) if they are not routine

FFIEC 002/031/041

Reported as borrowings regardless of whether routine or not routine

FR 2900 vs. FFIEC 002/031/041

Definitional Differences

Due from depository institutions (Line B.1)

- Pass through reserve balances

FR 2900

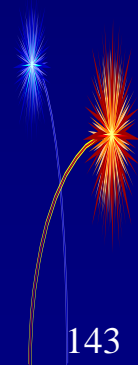
Excluded from the FR 2900 if passed through FRB by a correspondent

FFIEC 002/031/041

Included in Schedule A/RC-A even if passed through to FRB by a correspondent

Cash Items in the Process of Collection (Line B.2)

- A cash item is defined as any instrument for payment of money immediately on demand
- Include as cash items:
 - Checks or drafts drawn on another depository institution, or drawn on the Treasury of the United States, that are in the process of collection with:
 - Other depository institutions
 - Federal Reserve Banks
 - Clearing houses



Cash Items in the Process of Collection (Line B.2)

- Include as cash items:
 - Other items that are customarily cleared or collected, such as:
 - Redeemed government bonds and coupons
 - Money orders and traveler's checks

Cash Items in the Process of Collection (Line B.2)

- Also include as cash items
 - Unposted debits: Cash items on the reporting institution that have been “paid” or credited by the institution and that have not been charged against deposits as of the close of business

Example

A check is presented to a bank for collection and the bank pays the check without debiting the customer’s account.

Cash Items in the Process of Collection (Line B.2)

- Exclude from cash items:
 - Checks or drafts drawn on foreign banks or foreign institutions
 - Funds not received as a result of failed transactions (e.g., funds, securities, and/or foreign currency fails)
 - Checks or drafts deposited with its correspondent for which the reporting institution is given immediate credit (reported in Line B.1)

FR 2900 vs. FFIEC 002/031/041

Definitional Differences

Cash Items in the Process of Collection (Line B.2)

FR 2900

Excludes checks drawn on a Federal Reserve Bank

Excludes checks drawn on a bank outside the U.S.

FFIEC 002/031/041

Includes checks drawn on a Federal Reserve Bank on Schedule A/RC-A, Item 1

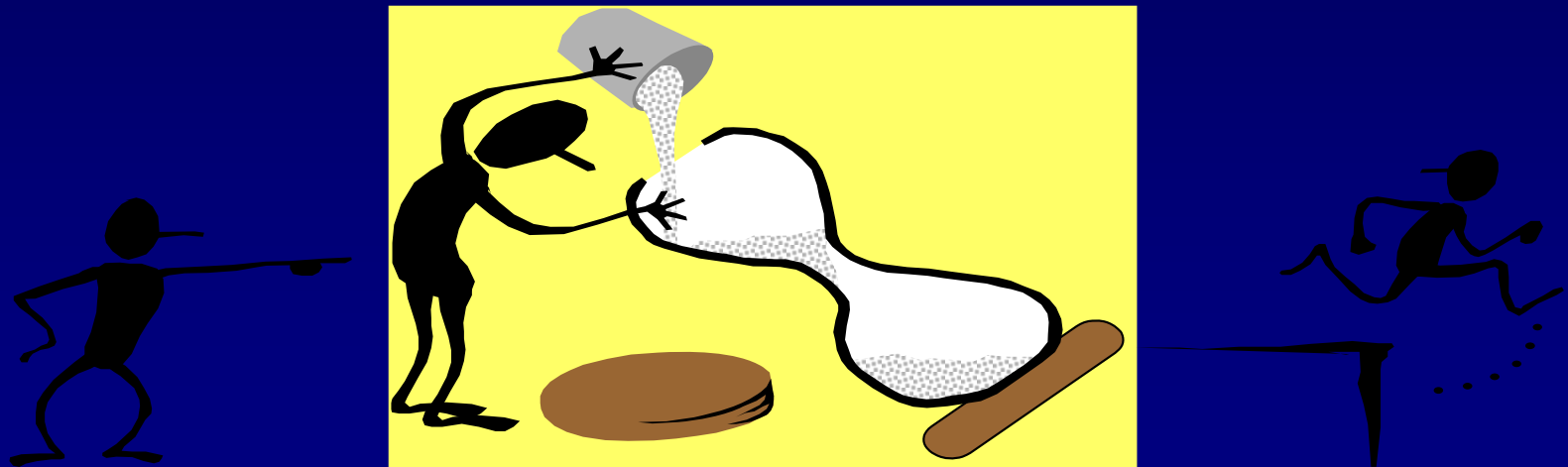
Includes all checks drawn on depository institutions, regardless of their location

Summary

- Transactions Accounts
 - Demand deposits
 - “Other” transaction accounts
- Deductions from Transaction Accounts
 - Due to Depository Institutions
 - Cash in Process of Collection

Savings Deposits

Marc Plotsker



Non-Transaction Accounts and Vault Cash

Objectives

- Total Savings Deposits
- Total Time Deposits
- Time Deposits \geq \$100 thousand
- Nonpersonal Savings and Time Deposits
- Brokered Deposits
- Guaranteed CDs
- Vault Cash

Include as Savings Deposits (Line C.1)

- The following should be included if they meet the definition of a savings deposit
 - Interest and non-interest bearing savings deposits
 - Compensating balances or funds pledged as collateral for loans
 - Escrow deposits
 - IRAs, Keogh, Club Accounts

Exclude From Savings Deposits (Line C.1)

- The following should be excluded from savings deposits
 - Transaction accounts
 - Interest accrued on savings deposits but not yet credited to the customer's account
 - Any account with a specified maturity date

Savings Deposits

- Savings Deposits
 - Unspecified date to maturity
 - Reserve the right to require seven days written notice for withdrawals
 - Six Transfer/Withdrawal Rule
 - Sweep Activity

Terms of a Savings Deposit (Line C.1)

- The depositor is authorized to make no more than six transfers and withdrawals, or a combination of such transfers and withdrawals per calendar month or statement cycle of at least four weeks to a third party
- No more than three of the six transfers or withdrawals can be made by:
 - Check/draft or Debit card
 - Similar order made by the depositor and payable to third parties

Types of Third Party Transfers (Line C.1)

- Third party transfer is a movement of funds using third party payment instrument from a depositor's account:
 - To another account of the same depositor at the same institution or,
 - To a third party at the same depository institution or,
 - To a third party at another depository institution by:
 - Pre-authorized or automatic transfer
 - Telephonic transfer, check or draft

Types of Third Party Transfers (Line C.1)

- A preauthorized transfer is an arrangement by the depository institution to pay a third party upon written or oral instruction by the depositor. This includes orders received:
 - Through an automated clearing house (ACH) or
 - Any arrangement by the reporting institution to pay at a predetermined time or on a fixed schedule

Types of Third Party Transfers (Line C.1)

- A telephonic transfer is when the depository institution receives an agreement, order, or, instruction to transfer funds in the depositor's account either by:
 - Telephone or
 - Fax

Third Party Transfers (Line C.1)

- Not considered third party transfers
 - Withdrawals for payment directly to the depositor when made by:
 - Mail
 - Messenger
 - ATM
 - In person

Terms of a Savings Deposit (Line C.1)

- How is the payment made?
 - Means considered convenient count toward the six transfer/withdrawal rule.
 - Means considered inconvenient do not count toward the six transfer/withdrawal rule.

Savings Deposits

Limited transfers

- Drafts
- Checks
- Debit Cards
- Automatic transfers
- Telephone transfers
- Preauthorized transfers

Unlimited transfers

- ATM
- In person
- Postal service/Mail
- Messenger delivery

Total Savings

Determine if the following transactions should be counted toward the six/transfer withdrawal rule

Date	Means of Transaction	Y/N
April 1	On the first of each month a pre-authorized transfer of \$500 is made to Mr. Miller's checking account.	Yes
April 6	Mr. Miller writes three checks from his MMDA for the mortgage, auto payment and auto insurance	Yes
April 14	Mr. Miller telephones the bank and requests a withdrawal of \$300 with the funds being mailed to his home	No
April 15	Mr. Miller makes a withdrawal of \$250 at local branch	No

Procedures For Ensuring Permissible Number of Transfers (Line C.1)

- To ensure that the permitted number of transfers or withdrawals do not exceed the limits a depository institution must either:
 - Prevent withdrawals or transfers of funds in this account that are in excess of the limits established by savings deposits; or

Procedures For Ensuring Permissible Number of Transfers (Line C.1)

- Adopt procedures to monitor those transfers on an ex-post basis and contact customers who exceed the limits established on more than an occasional basis for the particular account

Procedures For Ensuring Permissible Number of Transfers (Line C.1)

- For customers who violate these limits after being contacted, the depository institution must either:
 - Close the account and place the funds in another account that the depositor is eligible to maintain; or
 - Take away the account's transfer and draft capabilities

Procedures For Ensuring Permissible Number of Transfers (Line C.1)

- If a depository institution does not monitor third party transfers from a savings deposit, the institution may be required to reclassify the account as a transaction account for current and previous periods.

Summary

- Savings Deposits do not have a specified date to maturity.
- Depository institutions have the right to reserve seven days written notice prior to an intended savings withdrawal.
- Compliance with the six-transfer withdrawal rule and sweep regulations.

Time Deposits and Vault Cash



Include as Time Deposits (Line D.1)

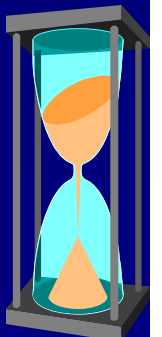
- A depository institution should include as time deposits personal and non-personal accounts deposited in the following forms:
 - Time open accounts (maturity greater than seven days)
 - Escrow accounts
 - Brokered deposits
 - IRA, Keogh Plans
 - Compensating balances for funds pledged as collateral for loans

Other Time Deposits

- The following items could also be considered time deposits;
 - Deposit notes
 - Bank notes
 - Medium term notes
 - Primary obligations, such as commercial paper issued to non-exempt entities

Include as Time Deposits (Line D.1)

- Also include as time deposits:
 - Liabilities arising from primary obligations that are issued in original maturities of seven days or more to non-exempt entities



Exclude as Time Deposits (Line D.1)

- A depository institution should exclude any deposit that does not meet the definition of a time deposit such as
 - Matured time deposits even if interest is paid after maturity, unless the deposit provides for automatic renewal at maturity
 - Transaction accounts
 - Interest accrued on time deposits but not yet paid or credited to the customer's account

Total Time Deposits (Line D.1)

- The depositor does not have the right and is not permitted to make withdrawals on these deposits that:
 - Have a maturity date of at least seven days from the date of deposit
 - Are payable after a specified period of at least seven days after the date of deposit
 - Are payable at least seven days after written notice of an intended withdrawal has been given

Total Time Deposits (Line D.1)

- If a withdrawal is made less than seven days after a deposit, the depositor is:
 - Penalized at least seven days simple interest on amounts withdrawn within the first six days after deposit
 - If early withdrawal penalties are not in place then the account could be reclassified as a transaction account

FR 2900 vs. FFIEC 002/31/041

Definitional Differences

Time Deposits (Line D.1)

- Primary Obligations

FR 2900

Primary obligations with non-exempt entities and an original maturity of greater than seven days are reported as time deposits.

FFIEC 002/031/041

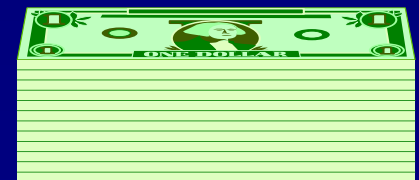
Primary obligations are classified and reported as borrowings.

Summary of Line D.1

- Seven days or greater
- Penalties for early withdrawal
- Interest bearing or Non-Interest bearing
- Interest accrued and credited
- Primary obligations issued to non-exempt entities

Large Time Deposits (Line F.1)

A depository institution should report in this item all time deposit accounts with balances \geq \$100 thousand.



Include as Large Time Deposits (Line F.1)

- A depository institution should include in large time any deposit already reported as total time with balances of \$100,000 or more and:
 - Negotiable and nonnegotiable, certificates of deposits issued in denominations of \$100,000 or more; and
 - Time deposits originally issued in denominations of less than \$100,000 but because of interest credited or paid, or additional deposits, have balances of \$100,000 or more

Criteria For Determining Large Time Deposits (Line F.1)

- Time deposits issued on a discount basis should be reported initially on the amount of funds received by the reporting institution.

Example

Depository institution receives \$96,000 in exchange for a CD issued at face value of \$100,000. This CD should be regarded as having a denomination < \$100,000 and excluded from Line F.1.

Criteria for Large Time Deposits (Line F.1)

- If the value of foreign currency denominated deposits falls below \$100,000 (because of a change in exchange rates) the deposit must still be reported as a large time deposit based on the original value.

Exclude from Large Time Deposits (Line F.1)

- Time deposits that do not meet the definition of a large time should be excluded such as
 - Matured large time deposits
 - Time deposits less than \$100,000
 - Combined deposits totaling \$100,000 that are represented by separate certificates or accounts, even if held by the same customer.



Time Deposits

- XYZ Bank owns and operates a mid-size office building in midtown Manhattan.
- Security deposits received by XYZ Bank from a commercial tenant for sublease of several floors, represents funds that are payable at the expiration of a specified time not less than seven days after the date of deposit.

Time Deposits

- Therefore, such security deposits with a maturity greater than or equal to seven days meet the definition of time deposits and should be reported in line items D.1
- If the security (time) deposit is $> \$100,000$, it should also be reported in line F.1

Time Deposits

- True or False
 - A depositor has several time deposits issued in denominations of \$30,000; \$50,000; and \$20,000. Since the total equals \$100,000, this activity should be reported in lines D.1 and F.1

Time Deposits

- False

This activity should only be reported in line D.1, Total time. Line F.1 should not reflect this activity since these individual deposits are not equal to or greater than \$100,000.

Summary of Line F.1

- Must be greater than or equal to \$100 ,000
- Must be held for a minimum of seven days
- May be issued to personal and non-personal counter-parties
- Interest accrued and credited to the customer's account.

Non-Personal Savings and Time Deposits (Line F.2)

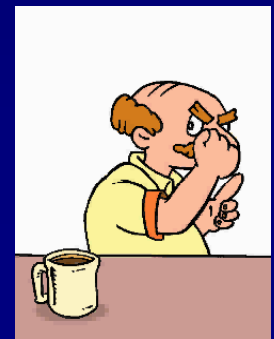
- Non-personal savings and time deposits represent funds in which the beneficial interest is not held by a natural person
- Natural person means an individual or a sole proprietorship (does not include a corporation owned by an individual, a partnership or other association)

Include as Non-Personal Savings and Time Deposits (Line F.2)

- Include as non-personal savings and time deposits:
 - Funds deposited to the credit of or in which the beneficial interest is held by a depositor that is not a natural person
 - Brokered deposits if the beneficial interest is held by a non-natural person
 - Funds that are transferable whether or not the entire beneficial interest is held by a natural person

Exclude from Non-Personal Savings and Time Deposits (Line F.2)

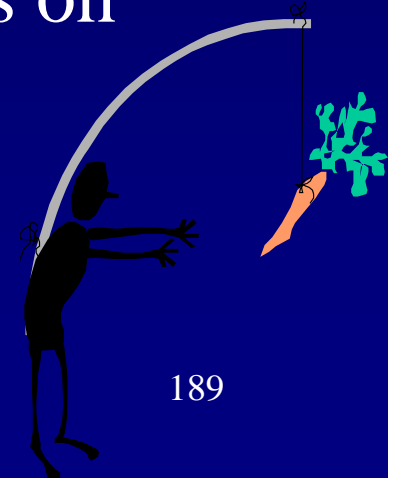
- Funds which are not transferable and that the entire beneficial interest is held by a depositor who is a natural person



Treatment of Brokered Deposits

- What is a brokered deposit?

Funds in the form of deposits that a depository institution receives from brokers or dealers on behalf of individual depositors.



Treatment of Brokered Deposits

- For purposes of the FR 2900, in addition to D.1, brokered deposits are usually reported as
 - Large time deposits with balances \geq \$100 thousand (Line F.1)
 - Total non-personal savings and time deposits (Line F.2) unless any of the following are true:

Treatment of Brokered Deposits

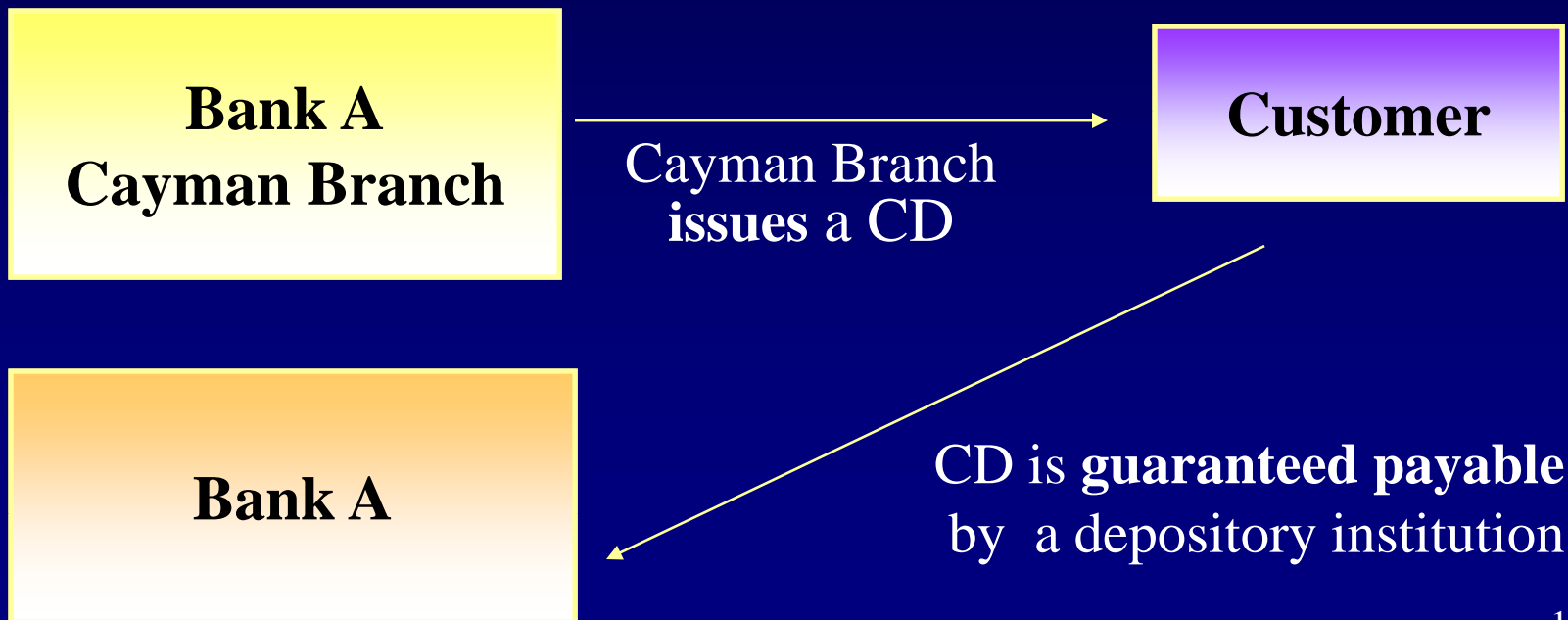
- The deposit and beneficial interest is held by a natural person; or
- The depository institution has the following agreement with the deposit broker:
 - The broker maintains records of the owners of all brokered deposits, and these records are available to the depository institution;

Treatment of Brokered Deposits

- These records will provide the depository institution with the amounts of the deposits owned by natural and non-natural persons
- A breakout of large time deposits
- The depository institution must have access to these records
- The broker must commit to provide any other data needed by Federal or state regulators.

Guaranteed CDs

Guaranteed CDs are CDs issued by non-U.S. offices of a foreign bank, and **guaranteed payable** in the U.S. by a depository institution.



Guaranteed CDs

- Payment of a deposit in a non-U.S. branch of a depository institution that is guaranteed by a promise of payment at an office in the U.S. is subject to Regulation D requirements and therefore is included on the FR 2900
- Since the payment is guaranteed at an office in the U.S., the customer no longer assumes country risk but enjoys the same rights as if the deposit had been made in the U.S.

Guaranteed CDs

- These deposits usually have a maturity of seven days or greater and are over \$100,000. Therefore these are usually reported in Lines D.1 and F.1.



Commercial Paper

- A U.S. branch and agency that guarantees payment of commercial paper issued by a U.S. non-banking subsidiary are reportable on the FR 2900 only when the funds are channeled to the U.S. branch and agency.

Vault Cash



Vault Cash (Line E.1)

- Vault cash consists of U.S. coin and currency owned and held by the reporting institution that may be used at any time to satisfy depositors' claims.

Vault Cash (Line E.1)

- The following are items that should be included as vault cash:
 - U.S. coin and currency in transit to a Federal Reserve Bank or correspondent bank for which the reporting institution has not yet received credit
 - U.S. coin and currency in transit from a Federal Reserve Bank or correspondent bank for which the reporting institution has already been charged

Vault Cash (Line E.1)

- Also included, is vault cash placed on the premises of another institution provided:
 - The reporting institutions has full rights of ownership to obtain the coin and currency immediately in order to satisfy customer demands
 - The institution from which the vault is rented does not include that coin and currency as its own vault cash

Vault Cash (Line E.1)

- Exclude the following items from vault cash:
 - Foreign coin and currency
 - Silver or gold coin (bullion) and other currency where its nominal value exceeds its face value
 - Coins and collections held in safekeeping for customers
 - Any currency and coin that the reporting institution does not have the full and unrestricted right to use to satisfy depositor's claims.

FR 2900 vs. FFIEC 002/031/041

Definitional Differences

Vault Cash

FR 2900

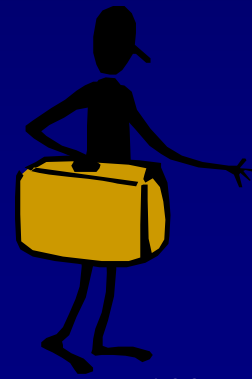
Vault cash includes only U.S. coin and currency

FFIEC 002/031/041

Vault cash includes both U.S. and non-U.S. currency (converted to U.S. dollars)

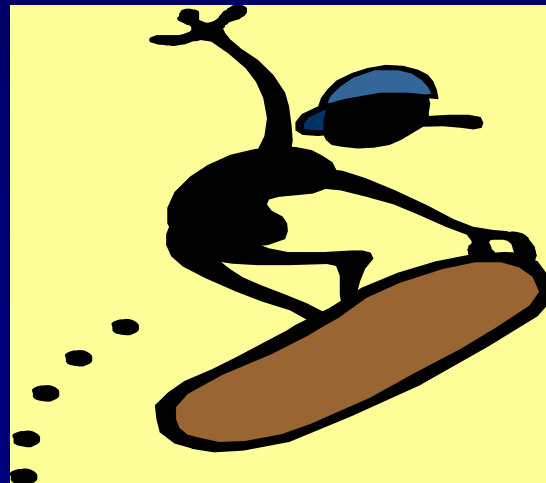
Summary

- Savings Deposits
 - The six-transfer/withdrawal rule
- Time Deposits
 - Minimum maturity of seven days
 - Early withdrawal penalty must be in place
 - Large time deposits
- Brokered Deposits, Guaranteed CDs
- Vault cash



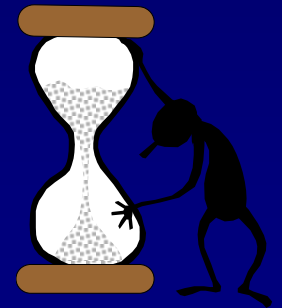
Banker's Acceptances and Other Obligations Reported on Schedule AA

Brian Goodwin



Schedule AA

- This schedule includes a breakdown, by maturity, of amounts outstanding of:
 - Ineligible banker's acceptances
 - Funds received through the issuance of obligations by nondepository affiliates

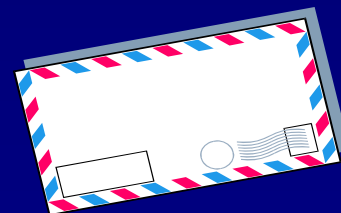


Banker's Acceptances

- A banker's acceptance (BA) is a draft or a bill of exchange for which the reporting institution assumes an obligation to make a payment at maturity, as specified in the acceptance.
- The acceptance represents an unconditional promise to pay the amount of the acceptance at maturity, substituting the bank's own credit on behalf of its customer.

Banker's Acceptances

- Report in Schedule AA only BAs that are ineligible for discount by the Federal Reserve.



Banker's Acceptances

- A BA is not eligible to be discounted at a Federal Reserve Bank if:
 - It is not secured at the time of acceptance by a warehouse receipt or other such document conveying or securing title covering (collateralized) readily marketable goods, or
 - It has an original maturity of greater than 180 days

Note: An acceptance not eligible for discount at the Federal Reserve Bank is an ineligible acceptance.

Banker's Acceptances

- Issuing - Once issued, the acceptance becomes an obligation of the reporting institution. Therefore, it should be included on Schedule AA if ineligible.
 - Report the **dollar amount** of funds received (for those outstanding ineligible acceptances that resulted in funds being obtained).

Banker's Acceptances

- Discounting - Ineligible acceptances are not reservable if the issuing bank later holds them in its own portfolio.
- Rediscounting - An ineligible acceptance is only reservable (outstanding) when sold to a non-exempt entity.

Banker's Acceptances

- Maturing - When a bankers acceptance matures, the holder (bearer) of the BA is paid the face value by the issuing bank and therefore, is excluded from Schedule AA.

Banker's Acceptances

- Report in Line AA1 ineligible acceptances with original maturities of **less than seven days**
- Report in Line AA2 ineligible acceptances with original maturities of **seven days or more**

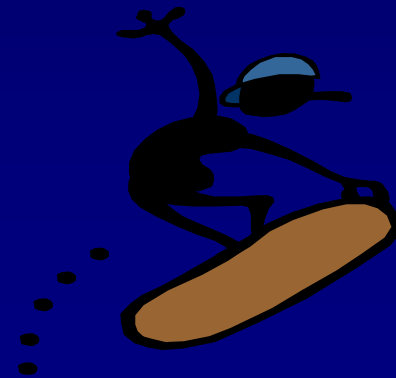
Other Obligations Reported on Schedule AA

- Report the amount of funds obtained by the reporting institution when its nondepository affiliates use the proceeds of the obligations that they issue to supply funds to the reporting institution.



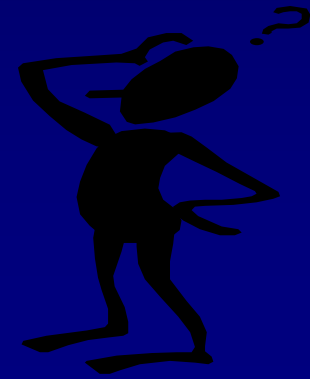
Other Obligations Reported on Schedule AA

- Such obligations may be in the form of promissory notes (including commercial paper), acknowledgments of advance, or due bills



Other Obligations Reported on Schedule AA

- Such obligations should be reported only to the extent that they would have constituted deposits had they been issued by the reporting institution



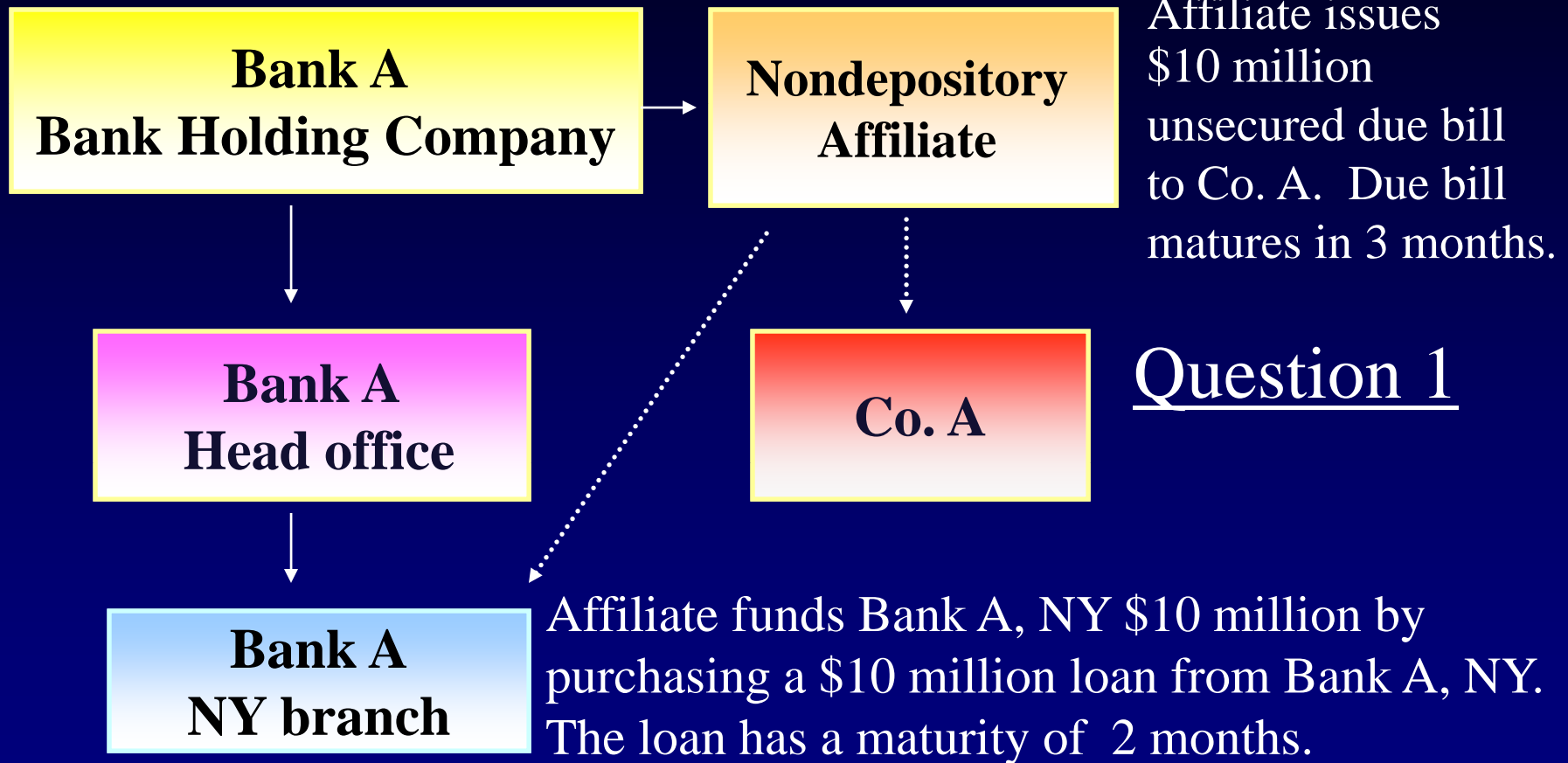
Other Obligations Reported on Schedule AA

Question 1

- Nondepository affiliate issues an unsecured due bill to Co. A for \$10 million with a maturity of three months. An affiliate funds Bank A, NY \$10 million by purchasing a \$10 million loan. The loan has a maturity of two months.

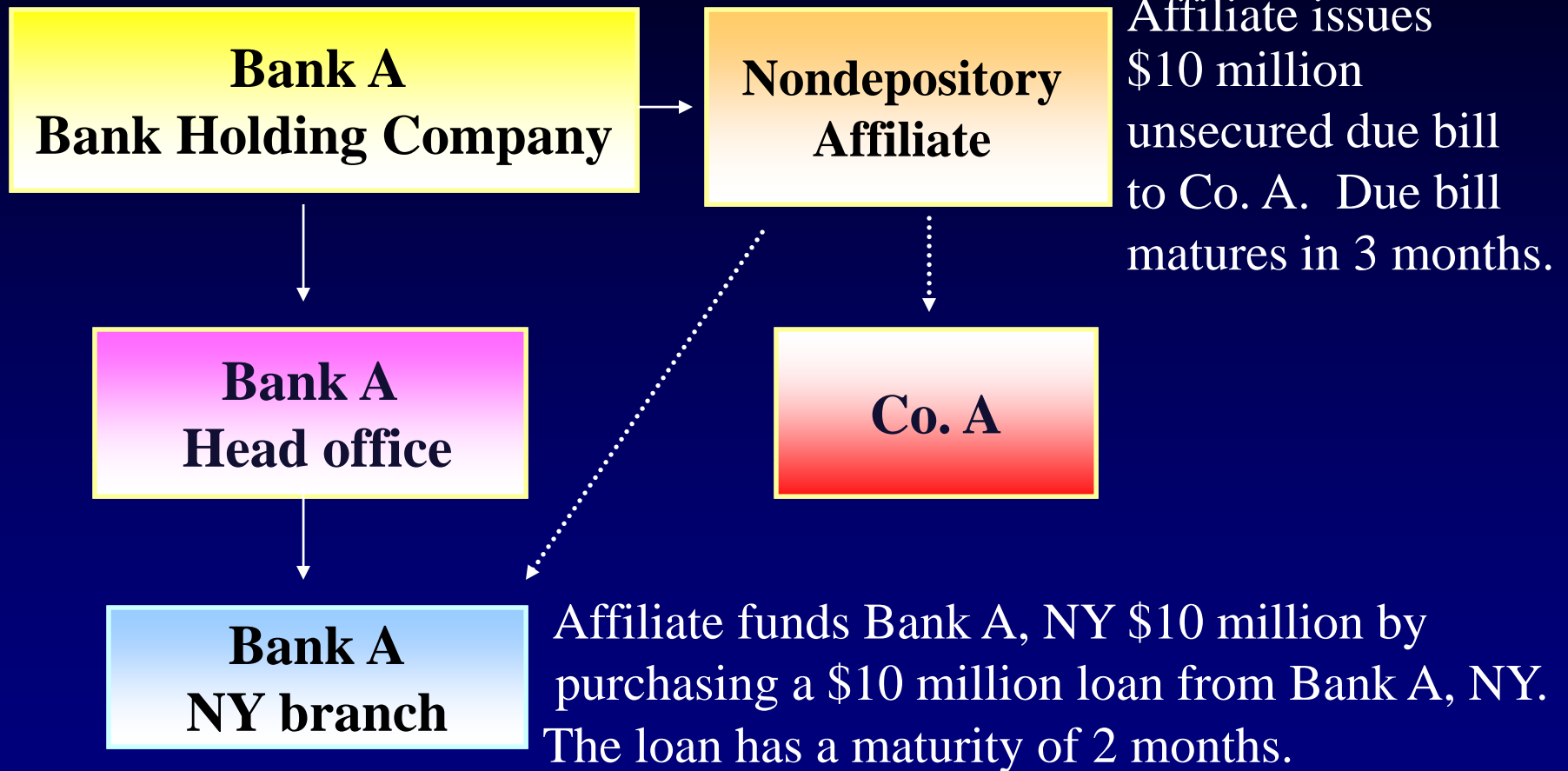
How should Bank A, NY reported the \$10 million on the FR 2900?

Other Obligations Reported on Schedule AA



How should Bank A, NY report the \$10 million?

Other Obligations Reported on Schedule AA



Answer 1: Bank A, NY would report \$10 million in Line 2 of Schedule AA on the FR 2900.

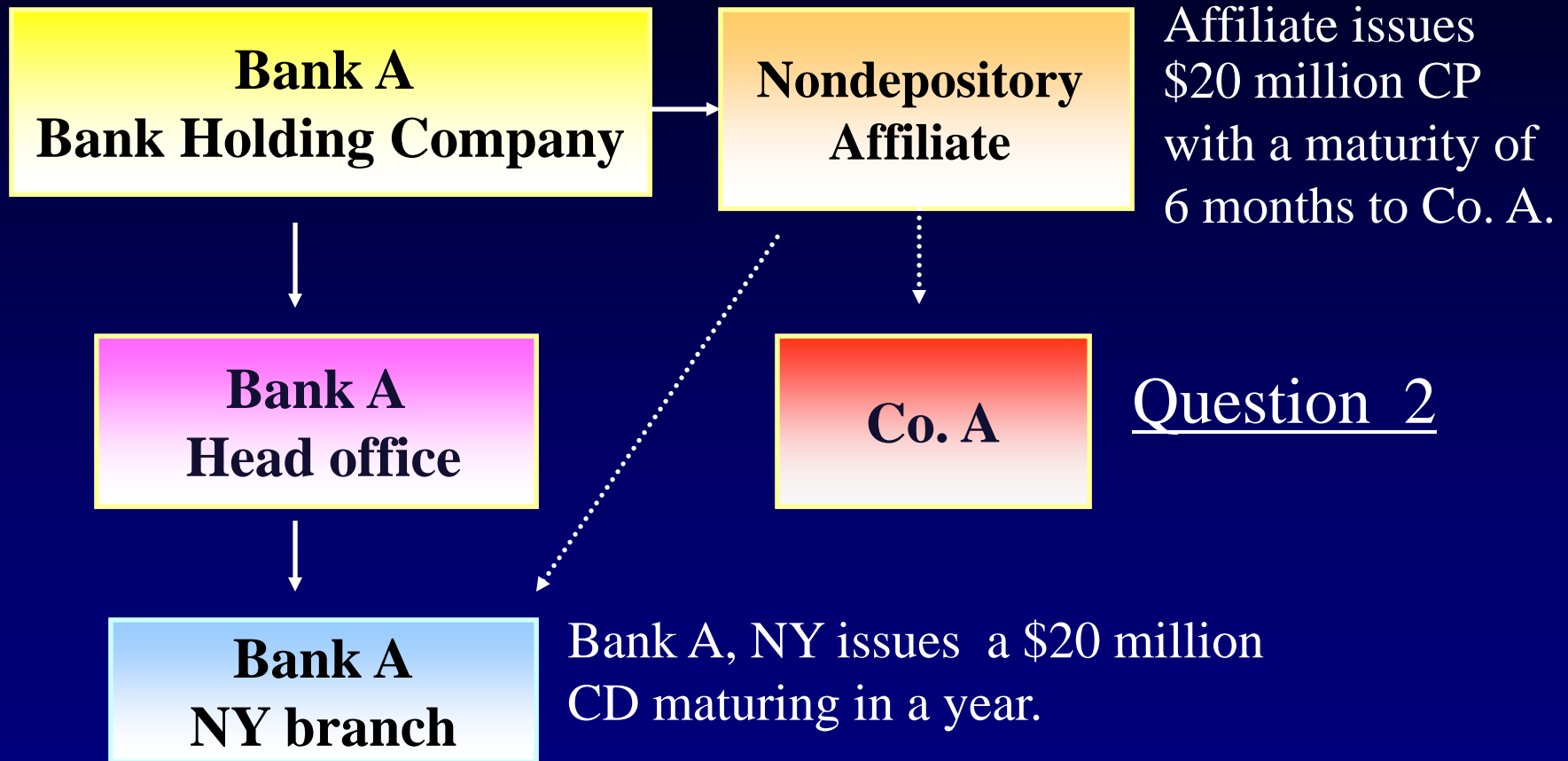
Other Obligations Reported on Schedule AA

Question 2

- Nondepository affiliate issues a \$20 million commercial paper (CP) to Co. A with a maturity of six months. Bank A, NY is funded the \$20 million by issuing a \$20 million CD to its affiliate. CD has a maturity of one year.

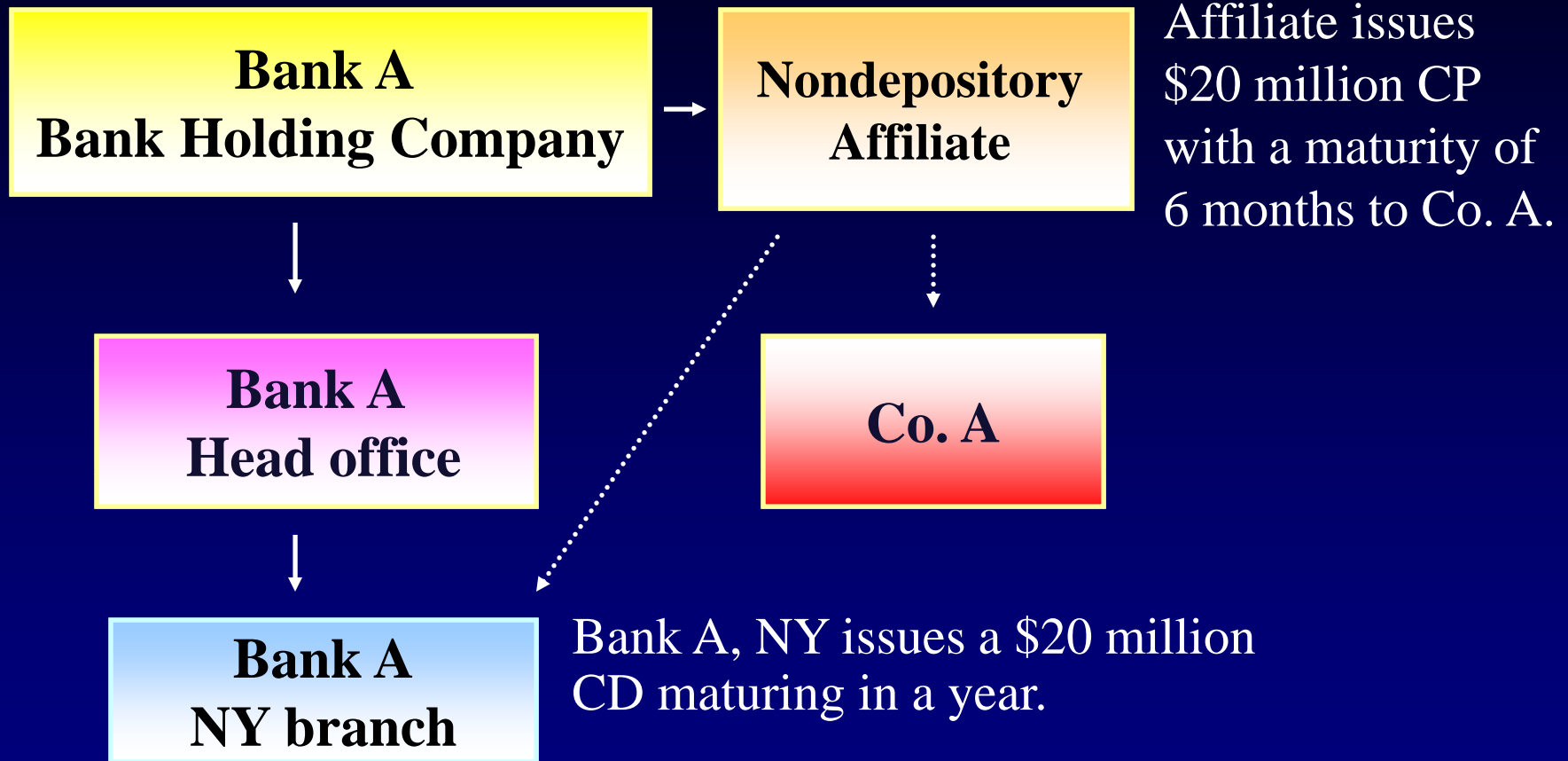
How should this transaction be reported on the FR 2900?

Other Obligations Reported on Schedule AA



How should Bank A, NY report \$20 million?

Other Obligations Reported on Schedule AA



Answer: Bank A, NY would report \$20 million as a six month nonpersonal CD in Lines D.1, F.1, and F.2.

Schedule AA

In summary, report in Schedule AA:

- Ineligible banker's acceptances
- Funds received through the issuance of obligations by affiliates

Obligations with maturities of less than seven days in Line 1, Schedule AA.

Obligations with maturities equal to or greater than seven days and if the counter party is nonpersonal, in Line 2, Schedule AA.

Other FR 2900 Reporting Issues



Guidelines for Reporting Payment Errors on the FR 2900 and/or FR 2950/51 Reports

- Regardless of which party is responsible for the payment error, the holder of the funds incurs a reservable liability that should be reflected on the FR 2900 and/or FR 2950/51
- This treatment ensures reserve requirements and money stock on an aggregate level are unaffected by payment errors

Guidelines for Reporting Payment Errors on the FR 2900 and/or FR 2950/51 Reports

- This treatment is applied regardless of the application of as-of adjustments or the payment of compensation from the other depository institution



Types of Payment Errors

Four types of payment errors:

1. Duplicate payment

- Occurs when the sending institution transfers funds more than once
- The receiving institution reports these funds as a demand deposit until the duplicate payment is returned
- The sending institution should not report the duplicate payment either as a due from bank or a CIPC

Types of Payment Errors

2. Misdirected payment

- Occurs when the sending institution transfers funds to the wrong bank
- The receiving institution reports these funds as a demand deposit until the funds are returned
- The sending institution should not report these funds either as a due from bank or a CIPC
- The institution that did not receive the expected funds does not report these funds as a due from or CIPC

Types of Payment Errors

3. Failed payment

- Occurs when an institution fails to make payment requested by a customer because of system problems, clerical errors, or other problems
- The institution that retained the funds must report them as a demand deposit until the funds are disbursed
- The institution that did not receive the expected funds does not report these funds either as a due from bank or a CIPC

Types of Payment Errors

4. Improper payment

- Occurs when a third party payment is made through Fedwire usually between the hours of 6:00 PM and 6:30 PM (known as the settlement period) when only “settlement transfers” are allowed
- The receiving bank reports these funds as a demand deposit
- The sending bank does not report these funds either as a due from bank or a CIPC

Payment System Problems

Question 1

- Bank R is expecting a \$10 million funds transfer from Bank S.
- Bank S wires the \$10 million to Bank R at 12:00 PM.
At 12:30 PM Bank S wires another \$10 million without realizing that the 12:00 PM transfer was sent.

How should each institution report this transaction?

Payment System Problems

Answer

- Bank R reports the \$10 million received in error in addition to the \$10 million it received as a demand deposit in Line A.1.c
- Bank S does not report the \$10 million sent in error as either a due from Bank R (Line B.1) or a CIPC (Line B.2)

Payment System Problems

Question 2

- Bank S was requested to make a payment of \$20 million to Bank R. But before the transfer is made, Bank S experiences a power failure and the funds could not be transferred until the next day. (On day 2 the funds were transferred to Bank R).

How should each institution report this transaction?

Payment System Problems

Answer

- Bank S reports the \$20 million as a demand deposit on Line A.1.c
- Bank R does not report these funds as either a due from Bank S (Line B.1) or a CIPC (Line B.2)

Payment System Problems

Question 3

- Bank S transfers \$15 million on behalf of a corporate customer to Bank R at 6:15 PM.

How should each institution report this transaction?

Payment System Problems

Answer

- Bank R reports the \$15 million as a demand deposit in Line A.1.c
- Bank S does not report these funds as either a due from Bank R (Line B.1) or as a CIPC (Line B.2)

Payment System Problems

Question 4

- Bank S is instructed to send a \$50 million funds transfer to Bank R. However, due to an error the funds were accidentally sent to Bank A.

How should each institution report this transaction?

Payment System Problems

Answer

- Bank A reports the \$50 million as a demand deposit in Line A.1.c
- Neither Bank S nor Bank R should report these funds as a due from bank (Line B.1) or as a CIPC (Line B.2)

Deposits from U.S. Residents Payable at an Office Located Outside the U.S.

Regulation D defines “United States resident” as:

- Any individual residing in the U.S. (at the time of the deposit)
- Any corporation, partnership, association or other entity organized in the U.S. (domestic corporation)
- Any branch or office located in the U.S. of any entity not organized in the U.S.

Deposits from U.S. Residents Payable at an Office Located Outside the U.S.

- Regulation D exempts from reserve requirements “any deposit payable solely at an office located outside the U.S.”
- “Any deposit payable only outside the U.S.” means:
 - The depositor is entitled, under the agreement with the institution, to demand payment only outside the U.S., and
 - If the depositor is a U.S. resident, the deposit must be in a denomination of \$100,000 or more

**U.S. Resident Deposits Less than
\$100,000 Payable at an Office
Located Outside the U.S.**

- Regulation D does not exempt any deposit of a U.S. resident in denominations of **less than \$100,000**, payable at an office outside the U.S. Therefore, these deposits must be reported on the FR 2900 if your institution:

**U.S. Resident Deposits Less than
\$100,000 Payable at an Office
Located Outside the U.S.**

- Solicits these deposits from U.S. residents and the ultimate liability of these deposits is with the parent or any other office of the parent located outside of the U.S.

**U.S. Resident Deposits Less than
\$100,000 Payable at an Office
Located Outside the U.S.**

Question 1

Bank A, NY branch receives \$80,000 from ABC Co.
In the U.S. Bank A. NY branch transfers the \$80,000
to Bank A, Tokyo branch for the credit of ABC Corp.

How should this transaction be reported?

**Answer: The transaction should be reported as a deposit
on the FR 2900.**

**U.S. Resident Deposits Less than
\$100,000 Payable at an Office
Located Outside the U.S.**

Question 2

Bank A, NY branch solicits \$120,000 from ABC Co. in the U.S. Bank A, NY branch transfers the \$120,000 to Bank A, Tokyo branch for the credit of ABC Corp.

How should this transaction be reported?

Answer: The transaction is **not** reported on either the FR 2900, or the FR 2950/51.

Summary

- Ineligible BAs
- Other obligations
- Payment System Problems
 - Duplicate
 - Misdirected
 - Failed
 - Improper
- Deposits from U.S. residents < \$100,000 payable outside the U.S.

ReserveCalc

Eartha Collins



ReserveCalc

Reserve Maintenance Information

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History
- Useful links

ReserveCalc

If your institution has a direct account at the Federal Reserve, from which position is calculated, you'll start with the **Balance Calculator.**

The Balance Calculator

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Maintenance Period Status: [Preliminary](#) Correspondent: No
Merger Survivor: No

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11 Days)	58,225	(+ 11)	5,293
User Estimated Balances (0 Days)	0		
FRB Actual As-ofs	-308	(+ 14)	-22
User Estimated As-ofs	0		
Total Balance Held (includes Estimates)	57,917		
Additional amount to be held for remaining 3 days	13,147	(÷ 3)	4,382
A ZERO POSITION CAN BE ACHIEVED ANYWHERE BETWEEN:			
Lowest Balance (Carryover to next period = -317)	8,360	(+ 3)	2,787
Highest Useful Balance (Carryover to next period = 317)	17,936	(+ 3)	5,979

Balance Calculator

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/25/2002 12:45 PM ET

The Balance Calculator

Reserves - Netscape

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ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Maintenance Period Status: [Preliminary](#) Correspondent: No
Merger Survivor: No

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11 Days)	58,225	(+ 11)	5,293
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Balance Calculator

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/25/2002 12:45 PM ET

Document: Done

The Balance Calculator

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Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
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- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Maintenance Period Status: [Preliminary](#) Correspondent: No
Merger Survivor: No

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11 Days)	58,225	(+ 11)	5,293
User Estimated Balances (0 Days)	0		
FRB Actual As-ofs	-308	(+ 14)	-22
User Estimated As-ofs	0		
Total Balance Held (includes Estimates)	57,917		
Additional amount to be held for remaining 3 days	13,147	(+ 3)	4,382
A ZERO POSITION CAN BE ACHIEVED ANYWHERE BETWEEN:			
Lowest Balance (Carryover to next period = -317)	8,360	(+ 3)	2,787
Highest Useful Balance (Carryover to next period = 317)	17,936	(+ 3)	5,979

Balance Calculator

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/25/2002 12:45 PM ET

Document: Done

The Balance Calculator

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Select Date and Reserve Report

11/27/2002

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- Reservable Liabilities
- Position History

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- AMi Account Mgt.

BALANCE CALCULATOR MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION ABA 123456789 RSSD 987654

Maintenance Period Status: [Preliminary](#) Correspondent: No Merger Survivor: No

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11 Days)	58,225	(+ 11)	5,293
User Estimated Balances (0 Days)	0		
FRB Actual As-ofs	-308	(+ 14)	-22
User Estimated As-ofs	0		
Total Balance Held (includes Estimates)	57,917		
Additional amount to be held for remaining 3 days	13,147	(÷ 3)	4,382

A ZERO POSITION CAN BE ACHIEVED ANYWHERE BETWEEN:

Lowest Balance (Carryover to next period = -308)			2,787
Highest Useful Balance (Carryover to next period = 317)	17,936	(+ 3)	5,979

Target Balance →

Balance Calculator

In Thousands of Dollars

Federal Reserve Bank of San Francisco

11/25/2002 12:45 PM ET

Document: Done

The Balance Calculator

Reserves - Netscape

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ReserveCalc

Select Date and Reserve Report

11/27/2002

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Useful Links

- Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Maintenance Period Status: **Preliminary** Correspondent: **No**
Merger Survivor: **No**

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11 Days)	58,225	(+ 11)	5,293
User Estimated Balances (0 Days)	0		
FRB Actual As-ofs	-308	(+ 14)	-22
User Estimated As-ofs	0		
Total Balance Held (includes Estimates)	57,917		
Additional amount to be held for remaining 3 days	13,147	(÷ 3)	4,382
A ZERO POSITION CAN BE ACHIEVED ANYWHERE BETWEEN:			
Lowest Balance (Carryover to next period = -317)	8,360	(+ 3)	2,787
Highest Useful Balance (Carryover to next period = 317)	17,936	(+ 3)	5,979

Balance Calculator

Range

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/27/2002 12:45 PM ET

The Balance Calculator

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ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
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Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 R.SSD 987654

Maintenance Period Status: Preliminary Correspondent: No
Merger Survivor: No

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11 Days)	58,225	(+ 11)	5,293
User Estimated Balances (0 Days)	0		
FRB Actual As-ofs	-308	(+ 14)	-22
User Estimated As-ofs	0		
Total Balance Held (includes Estimates)	57,917		
Additional amount to be held for remaining 3 days	13,147	(÷ 3)	4,382
A ZERO POSITION CAN BE ACHIEVED ANYWHERE BETWEEN:			
Lowest Balance (Carryover to next period = -317)	8,360	(+ 3)	2,787
Highest Useful Balance (Carryover to next period = 317)	17,936	(+ 3)	5,979

Balance Calculator

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/25/2002 12:45 PM ET

The Balance Calculator

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Select Date and Reserve Report

11/27/2002

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- AMi Account Mgt.

BALANCE CALCULATOR MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654


Maintenance Period Status: **Preliminary** Correspondent: No
Merger Survivor: No

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11 Days)	58,225	(+ 11)	5,293
User Estimated Balances (0 Days)	0		
FRB Actual As-ofs	-308	(+ 14)	-22
User Estimated As-ofs	0		
Total Balance Held (includes Estimates)	57,917		
Additional amount to be held for remaining 3 days	13,147	(÷ 3)	4,382
A ZERO POSITION CAN BE ACHIEVED ANYWHERE BETWEEN:			
Lowest Balance (Carryover to next period = -317)	8,360	(+ 3)	2,787
Highest Useful Balance (Carryover to next period)	17,936	(+ 3)	5,979

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/25/2002 12:45 PM ET

Document: Done

Clicking here  Balance Calculator

The Balance Calculator

Reserves - Netscape

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ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
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Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR - DETAIL MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

[INSTRUCTIONS](#)  **Click here...**

ESTIMATE ACCOUNT BALANCES (in dollars) :

Thursday	11/14/2002	5,542,798.39	11/21/2002	5,294,612.86
Friday	11/15/2002	5,276,915.45	11/22/2002	5,244,331.17
Saturday	11/16/2002	5,276,915.45	11/23/2002	5,244,331.17
Sunday	11/17/2002	5,276,915.45	11/24/2002	5,244,331.17
Monday	11/18/2002	5,166,659.48	11/25/2002	<input type="text"/>
Tuesday	11/19/2002	5,431,572.36	11/26/2002	<input type="text"/>
Wednesday	11/20/2002	5,225,576.67	11/27/2002	<input type="text"/>

CURRENT FRB AS-OF ADJUSTMENTS (in thousands): [-308](#)

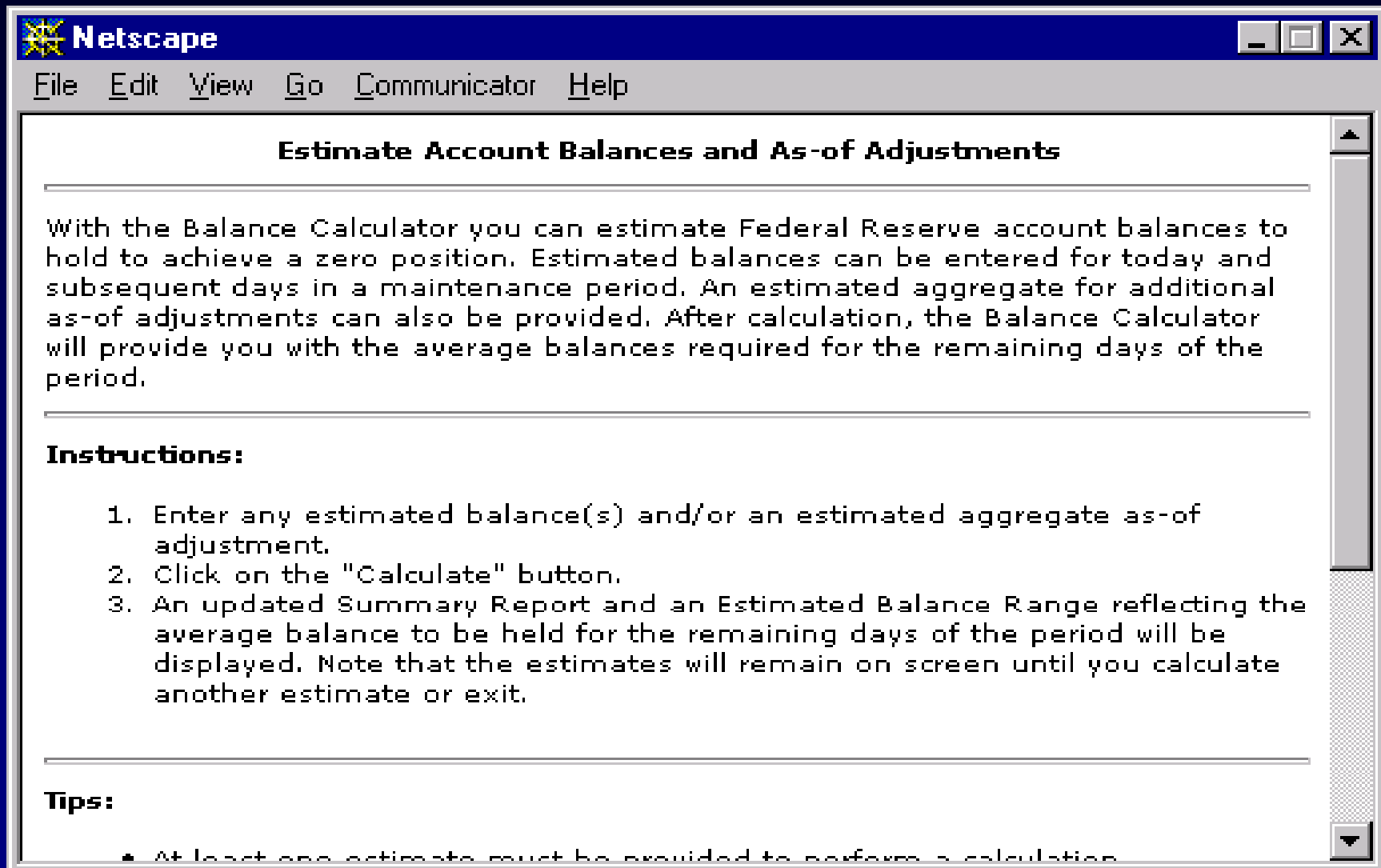
ESTIMATE ADDITIONAL AGGREGATE AS-OFS (in dollars):

Calculate

Federal Reserve Bank of San Francisco 11/25/2002 2:11 PM ET

https://www.federalreserve.org/reserves/reserves/rwi/asof_adjustments.jsp?090d0f555e5c595

...and instructions pop up.



Tips

- Enter estimated balances and estimated as-of adjustments in dollars and cents.
- For holidays, estimated balances entered by the user, should be identical to the balance for the previous day.
- ReserveCalc automatically uses Friday's estimated balance for the following Saturday and Sunday.

The Balance Calculator

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
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- Reservable Liabilities
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Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR - DETAIL MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

[INSTRUCTIONS](#)

ESTIMATE ACCOUNT BALANCES (in dollars) :

Thursday	11/14/2002	5,512,798.99	11/21/2002	5,291,612.86
Friday	11/15/2002	5,276,915.45	11/22/2002	5,244,331.17
Saturday	11/16/2002	5,276,915.45	11/23/2002	5,244,331.17
Sunday	11/17/2002		11/24/2002	5,244,331.17
Tuesday	11/19/2002	5,431,572.36	11/26/2002	<input type="text"/>
Wednesday	11/20/2002	5,225,576.67	11/27/2002	<input type="text"/>

CURRENT FRB AS-OF ADJUSTMENTS (in thousands): [-308](#)

ESTIMATE ADDITIONAL AGGREGATE AS-OFS (in dollars):

Entering the estimated balance →

And then clicking here →

Federal Reserve Bank of San Francisco 11/25/2002 2:11 PM ET

https://www.federalreserve.org/reserves/reserves/rwi/asof_adjustments.jsp?090d0f555e5c595

The Balance Calculator

Target Balance - Netscape

File Edit View Go Communicator Help

BALANCE CALCULATOR - YOUR ESTIMATES MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

	Aggregate		Average
Total Balance Requirement	72,086	(+ 14)	5,149
Carryover From Prior Period	1,022	(+ 14)	73
Total Balance To Be Held	71,064		
FRB Actual Balances (11/27/2002)	58,225	(+ 11)	5,293
User Estimated Balances (11/27/2002)	3,250		
FRB Actual As-ofs	-308	(+ 14)	-22
User Estimated As-ofs	0		
Total Balance Held (includes Estimates)	61,167		
Additional amount to be held for remaining 2 days	9,897	(÷ 2)	4,949
A ZERO POSITION CAN BE ACHIEVED ANYWHERE BETWEEN:			
Lowest Balance (Carryover to next period = -317)	14,686	(+ 2)	2,555
Highest Useful Balance (Carryover to next period = 317)		(+ 2)	7,343

Estimated balance → 3,250

New Target → 4,949

New Range → 2,555 - 7,343

In Thousands of Dollars
Federal Reserve Bank of San Francisco

Document: Done

11/27/2002 12:50 PM ET

The Balance Calculator

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

BALANCE CALCULATOR - DETAIL MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

[INSTRUCTIONS](#)

ESTIMATE ACCOUNT BALANCES (in dollars) :

Friday	11/15/2002	5,542,798.39	11/21/2002	5,294,612.86
Saturday	11/16/2002	5,276,915.45	11/22/2002	5,244,331.17
Sunday	11/17/2002	5,276,915.45	11/23/2002	5,244,331.17
Monday	11/18/2002	5,166,659.48	11/24/2002	5,244,331.17
Tuesday	11/19/2002	5,431,572.36	11/25/2002	<input type="text" value="3250000.00"/>
Wednesday	11/20/2002	5,225,576.67	11/26/2002	<input type="text"/>
			11/27/2002	<input type="text"/>

CURRENT FRB AS-OF ADJUSTMENTS (in thousands): [-308](#)

ESTIMATE ADDITIONAL AGGREGATE AS-OFs (in dollars):

Federal Reserve Bank of San Francisco 11/25/2002 2:11 PM ET

https://www.federalreserve.org/reserves/reserves/rwi/asof_adjustments.jsp?090d0f555e5c595

Clicking here

The Preliminary Position Report

Reserves - Netscape

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ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
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- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

DIRECT PRELIMINARY POSITION MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Maintenance Period End Dates	11/27/2002	11/13/2002	10/30/2002
Reserve Requirement	8,535	8,769	8,312
Clearing Balance Requirement	25	25	25
Total Requirement	8,560	8,794	8,337
Usable Vault Cash	3,411	2,960	3,190
Account Balances	5,293	5,933	5,267
As-of Adjustments	-22	-1	0
Total Maintained	8,682	8,892	8,457
Gross Position	122	98	120
Carry Over From Previous Period	0	0	0
Clearing Balance Band	25	25	25
Subtotal	97	73	95
Allowable Carryover	97	73	95
Offset in Next Period	97	0	0
Net Position	0	73	95

In Thousands of Dollars

Federal Reserve Bank of San Francisco

11/25/2002 12:51 PM ET

Document: Done

The Preliminary Position Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History
- Print Report**

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

DIRECT PRELIMINARY POSITION MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Maintenance Period End Dates	11/27/2002	11/13/2002	10/30/2002
Reserve Requirement	8,535	8,769	8,312
Clearing Balance Requirement	25	25	25
Total Requirement	8,560	8,794	8,337
Usable Vault Cash	3,411	2,960	3,190
Account Balances	5,293	5,933	5,267
As-of Adjustments	-22	-1	0
Total Maintained	8,682	8,892	8,457
Gr			120
Car			0
Cle			25
Subtotal	97	73	95
Allowable Carryover	97	73	95
Offset in Next Period	97	0	0
Net Position	0	73	95

In Thousands of Dollars

Federal Reserve Bank of San Francisco

11/25/2002 12:51 PM ET

Document: Done

Always click here to print a report!

The Preliminary Position Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

DIRECT PRELIMINARY POSITION MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

	11/27/2002	11/13/2002	10/30/2002
Requirement	8,535		8,12
Clearing Balance Requirement	25		25
Total Requirement	8,560		8,37
Usable Vault Cash	3,411	2,960	3,190
Account Balances	5,293	5,933	5,267
As-of Adjustments	-22	-1	0
Total Maintained	8,682	8,892	8,457
Gross Position	122	98	120
Carry Over From Previous Period	0	0	0
Clearing Balance Band	25	25	25
Subtotal	97	73	95
Allowable Carryover	97	73	95
Offset in Next Period	97	0	0
Net Position	0	73	95

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/25/2002 12:51 PM ET

Document: Done

Account Balances

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

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- AMi Account Mgt.

ACCOUNT BALANCES MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Average Account Balances (in thousands) 5,293
Total Account Balances 58,224,959.62

Thursday	11/14/2002	5,542,798.39	11/21/2002	5,294,612.86
Friday	11/15/2002	5,276,915.45	11/22/2002	5,244,331.17
Saturday	11/16/2002	5,276,915.45	11/23/2002	5,244,331.17
Sunday	11/17/2002	5,276,915.45	11/24/2002	5,244,331.17
Monday	11/18/2002	5,166,659.48	11/25/2002	0.00
Tuesday	11/19/2002	5,431,572.36	11/26/2002	0.00
Wednesday	11/20/2002	5,225,576.67	11/27/2002	0.00

Federal Reserve Bank of San Francisco 11/25/2002 12:52 PM ET

Document: Done

Account Balances

ReserveCalc

Select Date and Reserve Report
11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

ACCOUNT BALANCES MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Average Account Balances (in thousands) 5,293
Total Account Balances 58,224,959.62

Thursday	11/14/2002	5,542,798.39	11/21/2002	5,294,612.86
Friday	11/15/2002	5,276,915.45	11/22/2002	5,244,331.17
Saturday		5,276,915.45	11/23/2002	5,244,331.17
Sunday		5,276,915.45	11/24/2002	5,244,331.17
Monday		5,166,659.48	11/25/2002	0.00
Tuesday		5,431,572.36	11/26/2002	0.00
Wednesday	11/20/2002	5,225,576.67	11/27/2002	0.00

Federal Reserve Bank of San Francisco 11/25/2002 12:52 PM ET

Document: Done

As-of Adjustments Summary Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- RR Reporting & Reserves
- AMi Account Mgt.

AS-OF ADJUSTMENTS - SUMMARY **MAINTENANCE PERIOD 11/27/2002**

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Average As-of Adjustments (in thousands) -22
Total As-of Adjustments **-303,726.04**

Thursday	11/14/2002	0.00	11/21/2002	0.00
Friday	11/15/2002	0.00	11/22/2002	0.00
Saturday	11/16/2002	0.00	11/23/2002	0.00
Sunday	11/17/2002	0.00	11/24/2002	0.00
Monday	11/18/2002	0.00	11/25/2002	0.00
Tuesday	11/19/2002	0.00	11/26/2002	0.00
Wednesday	11/20/2002	0.00	11/27/2002	0.00

Applied on a Date Before this Maintenance Period Began **-303,726.04**
Applied on a Date After this Maintenance Period Ended **0.00**

Federal Reserve Bank of San Francisco 11/25/2002 12:54 PM ET

Document: Done

As-of Adjustments Summary Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

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- AMi Account Mgt.

AS-OF ADJUSTMENTS - SUMMARY MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654


Average As-of Adjustments (in thousands) -22
Total As-of Adjustments **-303,726.04**

Thursday	11/14/2002	0.00	11/21/2002	0.00
Friday	11/15/2002	0.00	11/22/2002	0.00
Saturday	11/16/2002	0.00	11/23/2002	0.00
Sunday	11/17/2002	0.00	11/24/2002	0.00
Monday	11/18/2002	0.00	11/25/2002	0.00
Tuesday	11/19/2002	0.00	11/26/2002	0.00
Wednesday	11/20/2002	0.00	11/27/2002	0.00

Applied on a Date Before this Maintenance Period Began **-303,726.04**
Applied on a Date After this Maintenance Period Ended **0.00**

Federal Reserve 11/25/2002 12:54 PM ET

Document: Done



For example, clicking here

As-of Adjustments Detail Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

AS-OF ADJUSTMENTS DETAIL - FUTURE MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Select Date and Reserve Report
11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

Entry Date	Approved Date	Apply Date	Entry Amount	Applied Amount
11/13/2002	11/13/2002	11/13/2002	-47,536.55	-47,536.55
11/13/2002	11/13/2002	11/13/2002	-256,189.49	-256,189.49

Federal Reserve Bank of San Francisco 11/25/2002 12:55 PM ET

Document: Done

As-of Adjustments Detail Report

ReserveCalc

Select Date and Reserve Report
11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- Reporting & Reserves
- AMi Account Mgt.

AS-OF ADJUSTMENTS DETAIL - FUTURE MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Entry Date	Approved Date	Apply Date	Entry Amount	Applied Amount
11/13/2002	11/13/2002	11/13/2002	-47,536.55	-47,536.55
11/13/2002	11/13/2002	11/13/2002	-256,189.49	-256,189.49

Federal Reserve Bank of San Francisco 11/25/2002 12:55 PM ET

Clicking here

The Requirement Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History


Print Report

Useful Links

- Reporting & Reserves
- AMi Account Mgt.

REQUIREMENT MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Deposit Data Status: [Final](#)  Click here...

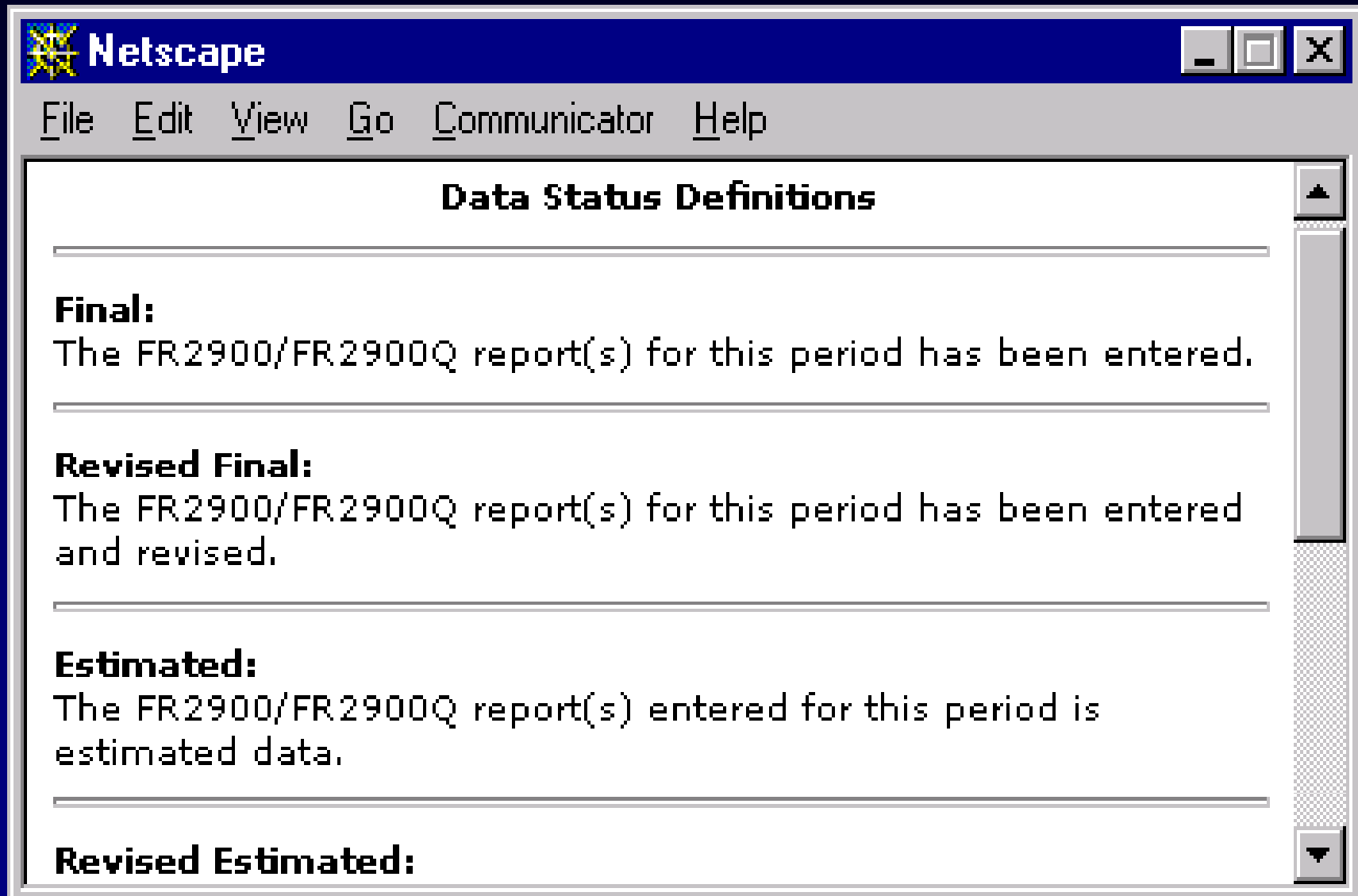
		Percent Applied	Daily Avg Required
Reservable Liabilities From: 10/15/2002 - 10/28/2002			
Net Transaction Accounts			
Exempt	5,700		
Up to (35.6)	35,600	3	1,068
Over (35.6)	74,669	10	7,467
Gross Reserve Requirement			8,535
Less Tranche Loss Adjustment			0
Net Total Reserve Requirement			8,535
Reported Vault Cash	3,411		
Less Usable Vault Cash			3,411
Reserves to be Maintained			5,124
Clearing Balance Requirement			25
Total Balance Required with FRB San Francisco			5,149

In Thousands of Dollars

Federal Reserve Bank of San Francisco 11/25/2002 12:56 PM ET

Document: Done

...and a glossary pops up .



The Requirement Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

REQUIREMENT MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Deposit Data Status: [Final](#)

	Daily Avg Deposits	Percent Applied	Daily Avg Required
Reservable Liabilities From: 11/25/2002 - 10/28/2002			
Net Transaction Accounts			
Exempt			
Up to (35.6)		3	1,068
Over (35.6)		10	7,467
Gross R			8,535
Net Tot			8,535
Reported Vault Cash	3,411		
Less Usable Vault Cash			3,411
Reserves to be Maintained			5,124
Clearing Balance Requirement			25
Total Balance Required with FRB San Francisco			5,149

In Thousands of Dollars

Federal Reserve Bank of San Francisco 11/25/2002 12:56 PM ET

Document: Done

Reservable Liabilities

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

11/27/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History


Print Report

Useful Links

- Reporting & Reserves
- AMi Account Mgt.

RESERVABLE LIABILITIES MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION ABA 123456789 RSSD 987654

[Report Item](#)  **Click here...**

For
od
28/2002

Deposits		
A1A	21	145
A1B	880	402
A1C	452,779	442,105
A2	426,515	423,465
B1	21,198	20,777
B2	43,041	37,737
E1	25,407	22,344
F2	280,782	289,229
AA1	0	0
AA2	0	0

Eurocurrency		
Foreign Borrowing	0	0
Liabilities To Own	0	0
Claims On Own	0	0
Total Assets	0	0
Assets Acquired	0	0
Credit Extended	0	0

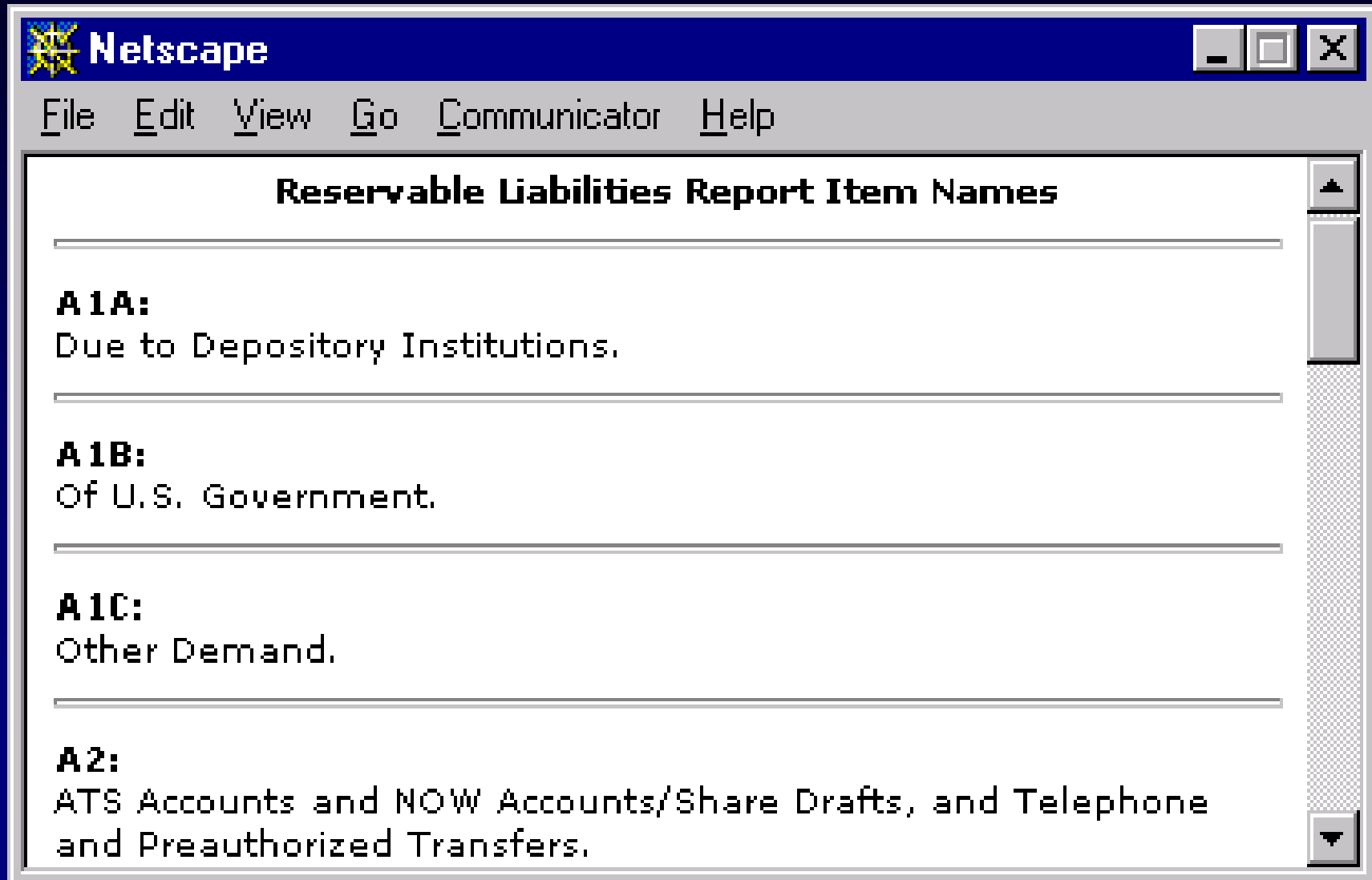
In Thousands of Dollars

Federal Reserve Bank of San Francisco

11/25/2002 4:22 PM ET

Document: Done

...and a glossary pops up.



The screenshot shows a Netscape browser window with a blue title bar and a menu bar. The main content area displays a glossary titled "Reservable Liabilities Report Item Names". The glossary lists four items: A1A, A1B, A1C, and A2, each with a description. A vertical scrollbar is visible on the right side of the content area.

Netscape

File Edit View Go Communicator Help

Reservable Liabilities Report Item Names

A1A:
Due to Depository Institutions.

A1B:
Of U.S. Government.

A1C:
Other Demand.

A2:
ATS Accounts and NOW Accounts/Share Drafts, and Telephone and Preauthorized Transfers.

Reservable Liabilities

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

RESERVABLE LIABILITIES MAINTENANCE PERIOD 11/27/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Select Date and Reserve Report
11/27/2002

Balance Calculator
Position
Account Balances
As-of Adjustments
Requirement
Reservable Liabilities
Position History
Print Report

Useful Links
R&R Reporting & Reserves
AMi Account Mgt.

Report Amounts For
Computation Period
10/28/2002

Deposits		
A1A	21	145
A1B	880	402
A1C	452,779	442,105
A2	426,515	423,465
B1	21,198	20,777
AA2	0	0

Eurocurrency		
Foreign Borrowing	0	0
Liabilities To Own	0	0
Claims On Own	0	0
Total Assets	0	0
Assets Acquired	0	0
Credit Extended	0	0

In Thousands of Dollars
Federal Reserve Bank of San Francisco 11/25/2002 4:22 PM ET

Document: Done

← Selecting 01/23/2002

← And then clicking "Position History"

The Position History

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

1/23/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

POSITION HISTORY MAINTENANCE PERIOD 01/23/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Maintenance Period End Date	Final Position (in thousands)	Clearing Charge	Reserve Charge	Total Charge	Charge Disposition	Charge Date
11/27/2002	0*	N/A	N/A	N/A		
11/13/2002	15*	N/A	N/A	N/A		
10/30/2002	31*	N/A	N/A	N/A		
10/16/2002	155	0.00	0.00	0.00		
10/02/2002	38	0.00	0.00	0.00		
09/18/2002	34	0.00	0.00	0.00		
09/04/2002	65	0.00	0.00	0.00		
08/21/2002	-413	0.00	0.00	0.00	Charged	10/09/2002
08/07/2002	0	0.00	0.00	0.00		
07/24/2002	114	0.00	0.00	0.00		
07/10/2002	244	0.00	0.00	0.00		
06/26/2002	90	0.00	0.00	0.00		
06/12/2002	217	0.00	0.00	0.00		
05/29/2002	34	0.00	0.00	0.00		
05/15/2002	74	0.00	0.00	0.00		
05/01/2002	31	0.00	0.00	0.00		
04/17/2002	169	0.00	0.00	0.00		
04/03/2002	89	0.00	0.00	0.00		
03/20/2002	63	0.00	0.00	0.00		
03/06/2002	36	0.00	0.00	0.00		
02/20/2002	7	0.00	0.00	0.00		
02/06/2002	132	0.00	0.00	0.00		
01/23/2002	37	0.00	0.00	0.00		

* Unfinalized Position Data

Federal Reserve Bank of San Francisco

11/25/2002 12:59 PM ET

Document: Done

11/25/2002 12:59 PM ET

The Final Position Report

Reserves - Netscape

File Edit View Go Communicator Help

ReserveCalc

Select Date and Reserve Report

1/23/2002

- Balance Calculator
- Position
- Account Balances
- As-of Adjustments
- Requirement
- Reservable Liabilities
- Position History

Print Report

Useful Links

- R&R Reporting & Reserves
- AMi Account Mgt.

DIRECT FINAL POSITION MAINTENANCE PERIOD 08/21/2002

DEPOSITORY INSTITUTION
ABA 123456789 RSSD 987654

Reserve Requirement	1,757
Clearing Balance Requirement	0
Total Requirement	1,757
Usable Vault Cash	1,159
Account Balances	85
As-of Adjustments	0
Total Maintained	1,244
Gross Position	-513
Carry Over From Previous Period	30
Clearing Balance Band	0
Subtotal	-483
Allowable Carryover	-70
Offset in Next Period	-70
Net Position	-413

Penalty Information
was charged on 10/09/2002:

Clearing Balance Deficiency Penalty	
Penalty Calculated At 2.0%	0
Penalty Calculated At 4.0%	0
Reserve Deficiency Penalty	
Penalty Calculated At 3.25%	514.84
Total Penalty	514.84

In Thousands of Dollars
Federal Reserve Bank of San Francisco

11/25/2002 12:59 PM ET

Document: Done

Internet Electronic Submission IESUB

Howard Brickman



IESUB - Features

- Data Submission (Initial and Revised)
 - Data Entry
 - Spreadsheet File Transfer
 - STAT File Transfer
- Data Validation
- Data Review
- Receipt
- Remarks
- Feedback

IESUB - Security

- Unique User-ID & Password
- 128- bit Encryption
- Server-side Certificate

IESUB - Comments from DIs

- User Friendly and Convenient
- Time Saver
- Eliminates Paper and Fax
- Able to Submit Reports for Multiple DIs to Multiple Reserve Banks
- Confirmation of Receipt
- Validity Checking

Report Forms Available

Data Entry/Spreadsheet File Transfer

FFIEC 009

FR 2069

FR 2915

FFIEC 009A

FR 2415W

FR 2950

FR 2004A

FR 2415Q

FR 2951

FR 2004B

FR 2415A

FR Y-8

FR 2004C

FR 2416

FR Y-9SP

FR 2004SD

FR 2644

FR Y-9ES

FR 2004SI

FR 2900

FR Y-12

FR 2004WI

FR 2900Q

Report Forms Available Stat File Transfer

FFIEC 002

FFIEC 002S

FR 2900

FR 2900Q

FR 2950

FR 2951

FR Y-8

FR Y-9C

FR Y-9CS

FR Y-9ES

FR Y-9LP

FR Y-9SP

FR Y-11I

FR Y-11Q

FR Y-12

TIC Report Forms Available Data Entry/Spreadsheet File Transfer

TIC BC	TIC BQ-1
TIC BC (SA)	TIC BQ-2
TIC BL-1	TIC BQ-3
TIC BL-1 (SA)	TIC S
TIC BL-2	TIC CQ-1
TIC BL-2 (SA)	TIC CQ-2

For More Information

**Visit
IESUB on the Reporting and Reserves
Web Site**

<http://www.reportingandreserves.org/iesub.html>

Q&A P

Thank You!

