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## Summary of Legitimate Interseries Differences

between the

**Report of Deposits and Vault Cash (FR 2900)**

and the

**Statement of Financial Condition (NCUA 5300)**

Credit Unions



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## Background

“Interseries editing” compares data reported as of similar dates for analogous items from two different reports. Interseries editing enhances data quality by reconciling reporting discrepancies. Such discrepancies may be the result of a reporting error or may instead reflect legitimate differences between item definitions associated with the two reports. This document describes legitimate differences between the **Report of Deposits and Vault Cash (FR 2900)** and the **Statement of Financial Condition (NCUA 5300)**, hereafter referred to in this document as the credit union Call Report.

Interseries edits are performed each quarter for each credit union that files the FR 2900. Interseries edits are based on a single day’s data from the two reports on the Call Report date.

A table showing all of the interseries item comparisons that are calculated each quarter is shown in the next section, followed by a table summarizing most of the legitimate differences that might arise in reconciling those comparisons. Next, two types of legitimate differences are discussed in detail: *general legitimate differences* that are valid for any item comparison, and *specific legitimate differences* that are valid only for the particular items being compared.

## Interseries Edits for Credit Unions

The following table shows the interseries item comparisons calculated each quarter for all credit unions that file the FR 2900 report.

### Detailed Interseries Item Comparisons for Credit Unions

FR 2900		NCUA 5300	
Line	Description	Code	Description
A.1 + A.2	Demand deposits due to the public and Other liquid deposits	902 + 657 + 911 + 630	Schedule D, Section 2, column C, line 1 (Share drafts) + Schedule D, Section 2, column C, line 2 (Regular shares) + Schedule D, Section 2, column C, line 3 (Money market shares) + Schedule D, Section 2, column C, line 6 (All other shares)
B.1	Cash items in process of collection	AS0005	Assets, line 1.b (Cash Items in Process of Collection)
C.1	Small time deposits	908C + 906C - 638 - 639	Schedule D, Section 2, column C, line 4 (Share certificates) + Schedule D, Section 2, column C, line 5 (IRA/Keogh) - Schedule D, Section 2, line 13 (Share certificates $\geq$ \$100,000) - Schedule D, Section 2, line 14 (IRA/Keogh $\geq$ \$100,000)
D.1	Vault cash	AS0004	Assets, line 1.a (Coin and Currency)
A.1 + A.2 + C.1	Gross M2 deposits	SH0018 - 638 - 639	Schedule D, Section 2, column C, line 9 (Total Shares and Deposits) - Schedule D, Section 2, line 13 (Share certificates $\geq$ \$100,000) - Schedule D, Section 2, line 14 (IRA/Keogh $\geq$ \$100,000)

**Summary of Legitimate Differences for Credit Unions**

FR 2900 <i>less than</i> Call Report	FR 2900 <i>greater than</i> Call Report
<b>Demand deposits due to the public and Other liquid deposits</b>	
<ul style="list-style-type: none"> <li>FR 2900 excludes balances at non-U.S. branches of the reporting institution.</li> </ul>	<ul style="list-style-type: none"> <li>FR 2900 includes non-member deposits.</li> <li>FR 2900 item includes primary obligations in the form of share drafts and savings deposits (share accounts), while the Call Report items do not include primary obligations.</li> <li>FR 2900 item includes IRA and Keogh balances in the form of share drafts and savings deposits (share accounts), while the Call Report items do not include any IRA and Keogh accounts.</li> </ul>
<b>Cash Items in Process of Collection</b>	
<ul style="list-style-type: none"> <li>None.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>
<b>Small Time Deposits</b>	
<ul style="list-style-type: none"> <li>FR 2900 item includes only IRA and Keogh balances in the form of time deposits with balances less than \$100,000 (share certificates with balances less than \$100,000), while the Call Report item includes <i>all</i> IRA and Keogh balances.</li> <li>FR 2900 excludes balances at non-U.S. branches of the reporting institution.</li> </ul>	<ul style="list-style-type: none"> <li>FR 2900 item includes primary obligations with original maturities of seven days or more and balances less than \$100,000, while the Call Report items do not include primary obligations.</li> <li>FR 2900 includes non-member deposits.</li> </ul>
<b>Vault Cash</b>	
<ul style="list-style-type: none"> <li>FR 2900 item excludes vault cash in the form of <i>foreign</i> currency, while the Call Report item does not.</li> <li>FR 2900 excludes balances at non-U.S. branches of the reporting institution.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>

FR 2900 <i>less than</i> Call Report	FR 2900 <i>greater than</i> Call Report
<b>Gross M2 deposits</b>	
<ul style="list-style-type: none"> <li>FR 2900 excludes balances at non-U.S. branches of the reporting institution.</li> </ul>	<ul style="list-style-type: none"> <li>FR 2900 total includes primary obligations in the form of share drafts, savings deposits, and small time deposits, while the Call Report items do not include primary obligations.</li> </ul>

Note: This table excludes late adjustments and interpretive differences because these legitimate differences are circumstance specific.



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## General Legitimate Differences

The following legitimate differences may apply to any interseries item comparison.

### Consolidation

The FR 2900 report consolidates the head office and all branches (and operation subsidiaries and service corporations, if applicable) located in the 50 states of the United States, the District of Columbia, or on U.S. military facilities, wherever located. The Call Report also consolidates branches of the reporting institution that are located outside the U.S.

### Late Adjustments

Differences between FR 2900 and Call Report items frequently result from timing differences in the preparation of the two reports.

The FR 2900 is usually prepared a day or two after the report as-of date, while the Call Report is typically prepared weeks after its as-of date. As a result, Call Report items correctly include “late adjustment” amounts. The inclusion of late adjustments in Call Report values may make the FR 2900 item larger or smaller than corresponding Call Report item, depending on the type of late adjustments that were made and the items being compared.

The FR 2900 report should be revised to reflect late adjustments that are material. Single-day FR 2900 data for the Call Report date should not automatically be revised merely to match the Call Report.

### Primary Obligations

Deposit balances on the FR 2900 may include primary obligations while deposit balances on the Call Report do not.

Certain liabilities of the reporting institution issued to nonexempt entities (e.g., nondepositories, such as individuals or businesses) are considered primary obligations. Primary obligations are reported as deposits on the FR 2900 because they are considered part of the monetary aggregates. On the Call Report, however, primary obligations are not reported as deposits. For more information on primary obligations, see the FR 2900 General Instructions, “Deposits as Defined Under Regulation D.”

### Interpretive Differences

Some items may be classified on the Call Report as either deposits or accounts payable and other liabilities. On the FR 2900, these items are generally reported as deposits. When reported as accounts payable and other liabilities on the Call Report, these items are omitted from the Call Report items used in interseries edit comparisons, making FR 2900 balances higher than Call Report balances when these items are present.

Examples of items that may be classified in this manner are: undistributed payments, advance payments of taxes and insurance, undistributed payroll deductions (withheld payroll taxes), and funds received in the course of servicing loans for others.

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## Fair Value

Deposit liabilities reported on the FR 2900 must be based on the reporting institution's contractual liability to its counterparty, which includes any accrued interest. Institutions may elect to report their deposit liabilities at fair value on the Call Report. The balance reported at fair value on the Call Report may be greater than or less than the original value of the contractual liability reported on the FR 2900.

## Specific Legitimate Differences

The most common explanations given for valid legitimate differences are discussed in turn below.

### 1. Demand deposits due to the public and Other liquid deposits

FR 2900		NCUA 5300	
Line	Description	Code	Description
A.1 + A.2	Demand deposits due to the public and Other liquid deposits	902 + 657 + 911 + 630	Schedule D, Section 2, column C, line 1 (Share drafts) + Schedule D, Section 2, column C, line 2 (Regular shares) + Schedule D, Section 2, column C, line 3 (Money market shares) + Schedule D, Section 2, column C, line 6 (All other shares)

#### Legitimate Difference

##### Non-U.S. Branches

FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

##### IRA and Keogh Deposits

FR 2900 balance may be greater than Call Report balance. The FR 2900 item includes IRA and Keogh balances in the form of share drafts, and savings or MMDA deposits, while the Call Report item does not include *any* IRA and Keogh accounts.

##### Non-Member Deposits

FR 2900 balance may be greater than Call Report balance. Non-member deposits in the form of ATS accounts, NOW accounts, telephone and preauthorized transfers, and savings or MMDA deposits are included in the FR 2900 item, but are excluded from the Call Report item.

##### Primary Obligations

FR 2900 balance may be greater than Call Report balance because primary obligations in the form of share drafts and savings deposits must be included in the FR 2900 item, while the Call Report items *do not* include primary obligations.

### 2. Cash Items in Process of Collection (CIPC)

FR 2900		NCUA 5300	
Line	Description	Code	Description
B.1	Cash Items in Process of Collection	AS0005	Assets, line 1.b (Cash Items in Process of Collection)

### Legitimate Differences

There are no legitimate differences documented for this item.

### 3. Small Time Deposits

FR 2900		NCUA 5300	
Line	Description	Code	Description
C.1	Small time deposits	908C + 906C – 638 – 639	Schedule D, Section 2, column C, line 4 (Share certificates) + Schedule D, Section 2, column C, line 5 (IRA/Keogh) – Schedule D, Section 2, line 13 (Share certificates $\geq$ \$100,000) – Schedule D, Section 2, line 14 (IRA/Keogh $\geq$ \$100,000)

### Legitimate Differences

#### IRA and Keogh Deposits

FR 2900 balance may be less than Call Report balance. The FR 2900 item only includes IRA and Keogh balances in the form of time deposits with balances less than \$100,000 (share certificates with balances less than \$100,000)—it does not include IRA and Keogh balances in the form of share drafts or share (savings) accounts—while the Call Report item includes *all* IRA and Keogh balances, regardless of the account type.

#### Non-U.S. Branches

FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

#### Primary Obligations

FR 2900 balance may be greater than Call Report balance because primary obligations with original maturities of seven days or more and with balances less than \$100,000 must be included in the FR 2900 item, while the Call Report items *do not* include primary obligations.

#### Non-Member Deposits

FR 2900 balance may be greater than Call Report balance. Non-member deposits in the small time deposits (those with balances less than \$100,000) are included in the FR 2900 item, but are excluded from the Call Report item.

### 4. Vault Cash

FR 2900		NCUA 5300	
Line	Description	Code	Description
D.1	Vault cash	AS0004	Assets, line 1.a (Coin and Currency)

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## Legitimate Difference

### Foreign Currency

FR 2900 balance will be less than Call Report balance by the amount of foreign currency held as vault cash. The FR 2900 item excludes foreign currency in the vault of the reporting institution, while the Call Report item includes it.

### Non-U.S. Branches

FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

## 5. Gross M2 deposits

FR 2900		NCUA 5300	
Line	Description	Code	Description
A.1	Gross M2 deposits	SH0018	Schedule D, Section 2, column C,
+ A.2		- 638	line 9 (Total Shares and Deposits)
+ C.1		- 639	- Schedule D, Section 2, line 13 (Share certificates $\geq$ \$100,000) - Schedule D, Section 2, line 14 (IRA/Keogh $\geq$ \$100,000)

## Legitimate Difference

### Non-U.S. Branches

FR 2900 balance may be less than Call Report balance. The FR 2900 excludes balances at non-U.S. branches of the reporting institution, while the Call Report includes such balances.

### Primary Obligations

FR 2900 balance may be greater than Call Report balance because primary obligations in the form of share drafts, savings deposits, and small time deposits must be included in the FR 2900 item, while the Call Report items *do not* include primary obligations.