

Instructions for Preparation of the Annual Report of Total Deposits and Reservable Liabilities (FR 2910a)

Public reporting burden for this collection of information is estimated to average 0.5 hours per response, including the time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0175), Washington, D.C. 20503.

These instructions are organized into four sections: Section A presents general instructions; Section B presents definitions of terms that are applicable to the report as a whole; Section C presents detailed definitions and the classification of deposits; and Section D presents instructions for the items on the report. In addition, a separate worksheet is provided to assist you in calculating the items to be reported.

A. GENERAL INSTRUCTIONS

Who Must Report. This report is required from each of the following types of depository institutions with total reservable liabilities less than or equal to \$5.0 million (*the exemption amount*) and with total deposits of \$5.0 million or more but less than \$54.3 million (*the exempt deposit cutoff*), as determined annually by the Federal Reserve:¹

1. Federally-insured commercial or industrial banks (or any bank that is eligible to apply for FDIC insurance).
2. Mutual or stock savings banks.
3. Building, savings and loan, or homestead associations and cooperative banks that are insured depository institutions or are eligible to apply to become insured under the Federal Deposit Insurance Act.

¹ The exemption amount is the amount of a depository institution's total reservable liabilities that is subject to a zero-percent reserve requirement. Exempt institutions are those with total reservable liabilities less than or equal to the exemption amount. Each year the exemption amount and the exempt deposit cutoff are determined on the basis of June 30 data, to be effective for the following calendar year. The exemption amount and the exempt deposit cutoff for calendar year 2000, which are based on data as of June 30, 1999, are \$5 million and \$54.3 million, respectively.

The specific procedures and periods used by the Federal Reserve to determine the reporting panel for the FR 2910a, as well as for other deposit reports, are described in the Supplementary Information to Federal Reserve Regulation D-Reserve Requirements of Depository Institutions and in the chapter titled "Reporting Requirements" of the *Reserve Maintenance Manual* issued by the Federal Reserve (available upon request from your local Federal Reserve Bank).

4. Credit unions that are insured by the NCUA Board (or any credit union that is eligible to apply for such insurance).

In addition, depository institutions for which no data are available, and therefore whose deposit size is unknown, are required to submit a special filing of the FR 2910a for determination of their appropriate deposits reporting category.

Frequency of Report. The report shall be submitted once each year, as of a single day in June. The as-of date is the Monday following the third Tuesday in June. For 2000, the as-of date is June 26.

How to Report. The report shall reflect amounts outstanding as of the close of business on the report date. If the institution was closed that day, the closing balances of the preceding day should be reported. *Amounts reported should be rounded to the nearest thousand U.S. dollars.*

Negative or overdrawn balances in any account should be regarded as zero when computing deposits totals. Overdrawn deposit accounts of customers should be regarded as loans made by the reporting institution and should not be reported as negative deposits.

Respondents shall prepare and file a report that consolidates the head office and all branches (and operations subsidiaries and service corporations, if applicable) located in the 50 states of the United States or the District of Columbia.

Foreign (non-U.S.) Currency-denominated Transactions. Transactions denominated in non-U.S. currency must be valued in U.S. dollars either by using the exchange rate prevailing on the third Tuesday in June (six days before the report date) or by using the exchange rate prevailing on the Monday report date.

Regardless of which of the above two options is elected, the exchange rates to be used for this conversion are either the 10:00 a.m. rates quoted for major currencies by the Federal Reserve Bank of New York, or the noon buying rates certified by the Federal Reserve Bank of New York for customs purposes, or some other consistent series of exchange rate quotations. (If deposits are issued in European Currency Unit (ECU) or some other currency basket, consistent series of exchange rate quotations either for the basket unit or for the corresponding individual exchange rates may be used.)

NOTE: Foreign currency-denominated deposits held at U.S. offices of a depository institution must be converted to U.S. dollars under the procedures stipulated above and included as appropriate in Items 1 and 2 of the FR 2910a.

B. GENERAL DEFINITIONS

Deposits. The term “deposits” has a special meaning in Regulation D and in this report. Consequently, the deposit balances on this report may differ from amounts in corresponding lines reported on your quarterly condition report or on other reports. For purposes of this report, deposits include funds received by the depository institution for which credit has been or is obligated to be given to a transaction account, savings deposit account, or time deposit account maintained by the institution and, in addition, certain other liabilities of the institution. Such other liabilities arise from “*primary obligations*” that are issued or undertaken by the depository institution as a means of obtaining funds, and consist of the following obligations:

1. Promissory notes (including commercial paper, credit union certificates of indebtedness, and mortgage-backed bonds), acknowledgements of advance, bankers acceptances, and other similar obligations that are issued to “nonexempt entities” (as defined below).
2. Purchases of federal funds from “nonexempt entities.”
3. Repurchase agreements entered into with “nonexempt entities” on any asset *other than* either (a) obligations of, or fully guaranteed as to principal and interest by, the U.S. government or a federal agency, or (b) the shares of a money market mutual fund whose portfolio consists wholly of obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. government or a federal agency.
4. Due bills, regardless of to whom issued, that have not been collateralized by a similar security within three business days from the date of issuance.
5. Proceeds from outstanding sales to “nonexempt entities” of short-term loans made under long-term lending commitments (sometimes referred to as “loan strips”).
6. Funds raised through the issuance and sale of mortgage securities (backed by a pool of conventional, nonfederally-insured mortgages) to “nonexempt entities” *if* the originating reporting institution is obligated to incur more than the *first* 10 percent of any loss associated with that pool of mortgages.²

Except for due bills described above, primary obligations undertaken with “exempt entities” (as defined below) are *not* deposits under Regulation D. Note, however, that those liabilities which your institution books as deposits (or

shares) are always deposits, regardless of the status of the depositor.

For purposes of this report, *exclude* the following obligations from deposits and primary obligations:

1. Treasury Tax and Loan Account Note Balances (but *not* Treasury Tax and Loan Demand Deposits).
2. Subordinated notes and debentures.
3. Repurchase agreements involving obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. government or a federal agency, regardless of whether transacted with “exempt entities” or “nonexempt entities.”
4. Repurchase agreements involving the shares of a money market mutual fund whose portfolio consists wholly of obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. government or a federal agency, regardless of whether transacted with “exempt entities” or “nonexempt entities.”
5. Borrowings from a Federal Reserve Bank or a Federal Home Loan Bank.
6. Borrowings from the National Credit Union Administration (NCUA) Central Liquidity Facility or the National Credit Union Share Insurance Fund, or shares held by the NCUA or the NCUA Central Liquidity Facility under a statutorily authorized assistance program.
7. Trust funds (including escrow funds held in the reporting institution’s own trust department as part of the trust department’s fiduciary activities) received or held by the reporting institution that it keeps properly segregated as trust funds and apart from its general assets, or which it deposits in another institution to the credit of itself as trustee or other fiduciary.

Other Reservable Obligations. In addition to the deposits and primary obligations described in these instructions, obligations that are reservable under Regulation D also include funds obtained by a depository institution through the following means:

1. The use of ineligible acceptances (including finance bills).
2. Issuance of certain obligations by nondepository affiliates.
3. Borrowings from sources outside the United States.
4. Certain transactions with or by the respondent’s foreign branches or its International Banking Facility (IBF). These instructions do not address the treatment of these obligations. If your institution has obtained funds in one or more of these ways, please check the box that appears on the front of the FR 2910a reporting form; you will be contacted by your Federal Reserve Bank for additional information.

² This treatment, however, does not apply to normal mortgage loan participation transactions where the buyer and seller of a participation in a mortgage loan or pool of mortgages share all the risk of loss on a *pro rata* basis. In such instances, any funds raised through the sale of such participations are *not* considered “primary obligations.”

Exempt/Nonexempt Entities. Please note that the terms “exempt entities” and “nonexempt entities” used in these instructions apply to the classification of “primary obligations” as described earlier and do not apply to the reporting status of your institution or to the exemption of a depository institution from federal reserve requirements. The term “exempt entities” that is used in these instructions with respect to “primary obligations” refers to U.S. offices of the following institutions:

1. U.S. commercial banks and trust companies and their operations subsidiaries.
2. U.S. branches or agencies of a bank organized under foreign (non-U.S.) law.
3. Edge and Agreement corporations.
4. Mutual and stock savings banks.
5. Building, savings and loan, and homestead associations.
6. Cooperative banks.
7. Industrial banks.
8. Credit unions (including corporate central credit unions).
9. The U.S. government and its agencies and instrumentalities, such as the Federal Reserve Banks, Office of Thrift Supervision, Resolution Trust Corporation, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, Banks for Cooperatives, Federal Home Loan Mortgage Corporation, Federal Deposit Insurance Corporation, Federal National Mortgage Association, Federal Financing Bank, Student Loan Marketing Association, National Credit Union Share Insurance Fund, and NCUA Central Liquidity Facility.
10. Export-Import Bank of the U.S.
11. Government Development Bank of Puerto Rico.
12. Minbanc Capital Corporation.
13. Securities dealers, but only when the borrowing has a maturity of one day, is in immediately available funds, and is in connection with the clearance of securities.
14. The U.S. Treasury (Treasury Tax and Loan Account Note Balances).
15. New York State investment companies (chartered under Article XII of the New York State Banking Code) that perform a banking business and are majority-owned by one or more non-U.S. banks.
16. An investment company or trust whose entire beneficial interest is held exclusively by one or more depository institutions.

The term “nonexempt entities” refers to any institution *other than* those listed above under “exempt entities.”

“Nonexempt entities” include, but are not limited to, individuals, partnerships, and corporations; state and local governments; and brokers and nonbank dealers in securities other than those described in item 13 of the definition of “exempt entities.”

Month. The instructions in Section C address the number of withdrawals or transfers that are permitted each “month” from certain types of deposit accounts. When used in this context, the term “month” is defined as a calendar month or statement cycle (or similar period) of at least four weeks.

U.S./Non-U.S. For purposes of this report, the term “United States” (or “U.S.”) is defined as the 50 states of the United States and the District of Columbia. The terms “non-U.S.” and “foreign” are defined as Puerto Rico, territories and possessions of the United States, and all countries other than the United States.

C. CLASSIFICATION OF DEPOSITS

For purposes of this report, all “deposits” (including “primary obligations” described above) are classified as transaction accounts, savings deposits, or time deposits as defined below.

1. Transaction Accounts. With exceptions noted below, transaction accounts are defined as deposits or accounts from which the depositor or account holder is permitted to make transfers or withdrawals by negotiable or transferable instruments, payment orders of withdrawal, telephone transfers, or other similar devices for the purpose of making payments or transfers to third persons or others or from which the depositor may make third-party payments at an ATM or a RSU, or other electronic device, including by debit card.

NOTE: Excluded from transaction accounts are savings deposits (including MMDAs), as defined below, even though such deposits permit some third-party transfers. However, as noted in the definition of savings deposits, any account that otherwise meets the definition of a savings deposit but that authorizes or permits the depositor to exceed the withdrawal or transfer limitations for that account shall be regarded as a transaction account.

Transaction accounts consist of the following types of deposits, as defined below:

- A. Demand deposits.
- B. NOW accounts.
- C. Share draft accounts.
- D. ATS accounts.
- E. Telephone and preauthorized transfer accounts.

Also included in transaction accounts is interest (or dividends) paid by crediting transaction accounts.

A. Demand deposits are deposits that are payable immediately on demand, or that are issued with an

original maturity or required notice period of less than seven days, or that represent funds for which the depository institution *does not* reserve the right to require at least seven days' *written* notice of an intended withdrawal.

For purposes of this report, demand deposits include the accounts listed below:

1. Checking accounts, NINOW accounts, and POW accounts (but not NOW accounts, share draft accounts, ATS accounts, or MMDAs).
2. With the exception noted below, all outstanding certified, cashier's, teller's³ and officer's checks or any other instruments *drawn by the reporting institution* for any purpose (including payment for services, dividends, or purchases). These include the following checks or instruments:
 - a. Those *drawn by the reporting institution on itself and not payable at or through another depository institution*.
 - b. Those *drawn by the reporting institution and drawn on, or payable at or through, another depository institution* on a zero-balance account or an account that is *not* routinely maintained with sufficient balances to cover checks drawn in the normal course of business (including accounts where funds are remitted by the reporting institution only when it has been advised that the checks or drafts have been presented).
 - c. Those checks drawn by the reporting institution on, or payable at or through, a Federal Reserve Bank or a Federal Home Loan Bank.
3. Traveler's checks and money orders sold (but not drawn) by the reporting institution, until the proceeds of the sale are remitted to another party,

and other such checks used (but not drawn) by the reporting institution, until the amount of the checks is remitted to another party.

4. Funds received or held in connection with letters of credit sold to customers.
5. Unposted credits to demand deposits.
6. Taxes, insurance premiums or other funds withheld from the salaries of employees of the reporting institution.
7. Funds received or held in escrow or trust accounts that may be withdrawn on demand or within six days from the date of deposit.
8. Matured time deposits or matured credit union share certificates (unless the deposit agreement specifically provides for automatic renewal at maturity or for transfer of the funds to a savings or share account).
9. Credit balances that meet the definition of demand deposits.
10. Treasury Tax and Loan Demand Deposits (but not Treasury Tax and Loan Note Balances), as well as demand deposits of U.S. government agencies and instrumentalities and of state and local governments.

Demand deposits also *include* liabilities referred to as "primary obligations" that are described earlier in Section B under the definition of "deposits," and that are issued in original maturities of less than seven days or payable with less than seven days' notice.

- B. NOW accounts** are interest-bearing deposits (1) on which the depository institution has reserved the right to require at least seven days' written notice prior to withdrawal or transfer of any funds in the account *and* (2) that can be withdrawn or transferred to third parties by issuance of a negotiable or transferable instrument. NOW accounts are authorized by federal law and are limited to accounts in which the entire beneficial interest is held by individuals, sole proprietorships, certain nonprofit organizations, and all governmental units in the United States, Puerto Rico, and U.S. territories and possessions.
- C. Share draft accounts** are accounts at credit unions from which the holder is authorized to withdraw shares or to transfer shares to third parties by means of a negotiable or transferable instrument or other order such as a share draft. Share draft accounts may be withdrawable upon demand, or the credit union may reserve the right to require up to 60 days' notice prior to an intended withdrawal. For eligibility to hold a share draft account, see Section 205(f)(2) of the Federal Credit Union Act (12 U.S.C. Section 1785(f)(2)).

³ A teller's check is a check or draft drawn by a depository institution on another depository institution, a Federal Reserve Bank, or a Federal Home Loan Bank, or payable at or through a depository institution, Federal Reserve Bank, or a Federal Home Loan Bank. Teller's checks do not include checks or drafts sold by a bank acting in an agency capacity where that capacity is clearly stated on the face of the check or checks or drafts drawn without recourse where permitted by state law.

D. ATS accounts are deposits of individuals or sole proprietorships on which the depository institution has reserved the right to require at least seven days' written notice prior to withdrawal or transfer of any funds in the account *and* from which, pursuant to written agreement arranged in advance between the reporting institution and the depositor, withdrawals may be made automatically through payment to the depository institution itself or through transfer of credit to a demand deposit or other account in order to cover checks or drafts drawn upon the institution or to maintain a specified balance in, or to make periodic transfers to, such other accounts.

E. Telephone and preauthorized transfer accounts are deposits, other than savings deposits,

1. In which the entire beneficial interest is held by a party eligible to hold a share draft account (applicable to accounts at credit unions) or a NOW account (applicable to accounts at all other types of depository institutions),
2. On which the reporting institution has reserved the right to require at least seven days' written notice prior to withdrawal or transfer of any funds in the account, and
3. Under the terms of which, or by practice of the reporting institution, the depositor is permitted or authorized to make *more than six* withdrawals per "month" for purposes of transferring funds to another account of the depositor at the same institution (including a transaction account) or for making payment to a third party by means of preauthorized transfer, or telephonic (including data transmission) agreement, order or instruction.

NOTE: An account that permits or authorizes *more than six* such withdrawals in a "month" is a transaction account whether or not more than six such withdrawals actually are made in the "month."

A "preauthorized transfer" includes any arrangement by the reporting institution to pay a third party from the account of a depositor (1) upon written or oral instruction (including an order received through an automated clearing house (ACH)), or (2) at a predetermined time or on a fixed schedule.

Telephone and preauthorized transfer accounts also *include* the balances of deposits or accounts that otherwise meet the definition of savings deposits or time deposits, but from which payments may be made to *third parties* by means of a debit card, an ATM, a RSU, or other electronic device, regardless of the number of payments made.

2. Savings Deposits. A savings deposit is a deposit (including primary obligations described in Section B) with

respect to which the depositor is not required by the deposit contract but may at any time be required by the depository institution to give written notice of an intended withdrawal not less than seven days before withdrawal is made, and that is not payable on a specified date or at the expiration of a specified time after the date of deposit.

Savings deposit also means a deposit or account, such as an account commonly known as a passbook savings account, a statement savings account, or a money market deposit account (MMDA), that otherwise meets the requirements of the preceding paragraph and from which, under the terms of the deposit contract or by practice of the depository institution, the depositor is permitted or authorized to make *no more than six transfers and withdrawals*, or a combination of such transfers and withdrawals, per calendar month or statement cycle (or similar period) of at least four weeks, to another account (including a transaction account) of the depositor at the same institution or to a third party by means of a preauthorized or automatic transfer, or telephonic (including data transmission) agreement, order or instruction, and no more than three of the six such transfers may be made by check, draft, debit card, or similar order made by the depositor and payable to third parties. (See Regulation D for procedures to be followed for ensuring that the permissible number of transfers is not exceeded.) Transfers from savings deposits for purposes of covering overdrafts (overdraft protection plans) are included under the withdrawal limits specified for savings deposits.

Any depository institution may place restrictions and requirements on savings deposits in addition to those stipulated above and in Regulation D. In the case of such further restrictions, the account would still be reported as a savings deposit. On the other hand, an account that otherwise meets the definition of a savings deposit but that authorizes or permits the depositor to exceed the six-transfer/withdrawal rule or three-draft rule described above is a transaction account. (Contact your Federal Reserve Bank for further information.)

NOTE: Multiple savings accounts where the depository institution suggests, or otherwise promotes, multiple accounts to permit transfers in excess of the limits applicable to individual savings accounts also are transaction accounts and reported as above.

Include the following accounts in savings deposits:

- A. Credit union regular share accounts (but not share draft accounts).
- B. Escrow accounts, trust accounts, club accounts, and credit balances that meet the definition of savings deposits.
- C. Interest or dividends paid by crediting savings deposit accounts.
- D. Individual Retirement Accounts (IRA) or Keogh Plan Accounts held in the form of savings deposits.

- E. Matured time deposits if the contract calls for conversion to a savings deposit upon maturity.

Exclude the following accounts from savings deposits:

- A. All transaction accounts.
- B. Any accounts that are savings deposits in form but that the Federal Reserve Board has determined, by rule or order, to be transaction accounts.
- C. Special passbook or statement accounts, such as “ninety-day notice accounts,” “golden passbook accounts,” or savings certificates that have a specified original maturity or required notice period of seven days or more.
- D. Interest *accrued* but not yet paid or credited to a savings deposit or share account (excluded from this report).

3. Time Deposits. Time deposits are defined as deposits (including “primary obligations” described in Section B) that the depositor does not have a right, and is not permitted, to make withdrawals from within six days after the date of deposit unless the deposit is subject to an early withdrawal penalty of at least seven days’ simple interest on amounts withdrawn within the first six days after deposit.⁴ A time deposit from which partial early withdrawals are permitted must impose additional early withdrawal penalties of at least seven days’ simple interest on amounts withdrawn within six days after each partial withdrawal. If such additional early withdrawal penalties are not imposed, the account ceases to be a time deposit. The account may become a savings deposit if it meets the requirements for a savings deposit; otherwise, it becomes a demand deposit. (Note: These prescribed penalties are the minimum required by Federal Reserve Regulation D. Institutions may choose to require penalties for early withdrawal in excess of the regulatory minimums.)

Include the following as time deposits:

- A. Funds that are payable on a specified date not less than seven days after the date of deposit or payable at the expiration of a specified time not less than seven days after the date of deposit, or payable only upon written

notice that is actually required to be given by the depositor not less than seven days prior to withdrawal.

- B. Time certificates of deposit or credit union share certificates and certificates of indebtedness (whether negotiable or nonnegotiable).
- C. Time deposit open accounts or credit union share certificate open accounts.
- D. Time deposit passbook accounts, savings certificates, and notice accounts.
- E. Escrow funds, trust accounts, club accounts, or credit balances that meet the definition of time deposits.
- F. Individual Retirement Accounts (IRA) and Keogh Plan Accounts held in the form of time deposits.
- G. Time deposits or share certificates maintained as compensating balances or pledged as collateral for loans.
- H. All interest or dividends paid by crediting time deposit accounts.

Exclude from time deposits the following categories of liabilities even if they have an original maturity of seven days or more:

- A. Any deposit or account that otherwise meets the definition of a time deposit but that allows withdrawals within the first six days after deposit and that does *not* require an early withdrawal penalty of at least seven days’ simple interest on amounts withdrawn within those first six days. Such deposits or accounts that meet the definition of a savings deposit (or credit union share account) shall be regarded as savings deposits; otherwise, they shall be regarded as demand deposits and thus included in transaction accounts.
- B. The remaining balance of a time deposit *if* a partial early withdrawal is made *and* the remaining balance is *not* subject to additional early withdrawal penalties of at least seven days’ simple interest on amounts withdrawn within six days after each partial early withdrawal. Such deposits that meet the definition of a savings deposit (or credit union share account) shall be regarded as savings deposits; otherwise, they shall be regarded as demand deposits and thus included in transaction accounts.
- C. Any accounts that are time deposits in form but that the Federal Reserve Board has determined, by rule or order, to be transaction accounts.
- D. Matured time deposits that are not automatically renewed (reported as transaction accounts or savings deposits, as appropriate).
- E. Interest or dividends accrued but not yet paid or credited to a time deposit or share certificate account (excluded from this report).

⁴ Accounts existing on March 31, 1986, may satisfy the early withdrawal penalties specified by Federal Reserve Regulation D by meeting the Depository Institutions Deregulation Committee’s early withdrawal penalties in existence on March 31, 1986. Accounts that otherwise meet the requirements for time deposits but that lack such penalties due to a lack of regulatory requirement for such penalty, as in the case of Federally-chartered credit unions, may continue to be classified as time deposits; however, the penalty should be included in time deposits opened, renewed, or to which additional deposits are made on or after January 1, 1987.

For exceptions to the imposition of early withdrawal penalties, please refer to Regulation D.

D. ITEM-BY-ITEM INSTRUCTIONS

Item 1. Total Deposits. Report in this item the balance of all “deposits” (including “primary obligations”) as defined in Section B above. This item includes total transaction accounts (gross), total savings deposits, and total time deposits, regardless of maturity, all as defined in Section C above.

NOTE: If the amount reported in Item 1, Total Deposits, is less than \$5.0 million, Item 2, Reservable Liabilities, need not be completed.

Item 2. Reservable Liabilities. Reservable liabilities consist of the sum of (A) total net transaction accounts + (B) nonpersonal savings deposits + (C) nonpersonal time deposits (regardless of maturity).⁵ These components are defined below.

A. Total net transaction accounts: total transaction accounts included in Item 1 above *less* (1) demand balances due from depository institutions in the United States and (2) cash items in process of collection, both as defined below. (Note: If negative, set to zero.)

1. Demand balances due from depository institutions in the United States. *Include* all balances of deposits subject to immediate withdrawal by the reporting institution that are due from U.S. offices of the following institutions located in the United States:

- a. Commercial or industrial banks and trust companies conducting a commercial banking business.
- b. All depository institutions that are bankers' banks as defined in 12 CFR §204.121.
- c. Edge and Agreement corporations.
- d. U.S. branches and agencies of foreign (non-U.S.) banks.
- e. Mutual or stock savings banks.
- f. Credit unions (including corporate central credit unions).
- g. Building, savings and loan, and homestead associations, or cooperative banks.

Exclude from demand balances due from depository institutions in the United States the following items:

- a. All balances due from Federal Reserve Banks, including your institution's clearing balances maintained at a Federal Reserve Bank.
- b. Balances due from other depository institutions that are pledged by your institution.
- c. Time and savings deposit balances held at other depository institutions.
- d. Trust funds deposited in other depository institutions by your institution's trust department.
- e. Federal funds sold to other depository institutions.
- f. All balances due from any non-U.S. office of a U.S. depository institution; any non-U.S. office of a foreign bank; trust companies that do not conduct a commercial banking business; New York State investment companies (chartered under Article XII of the New York State Banking Code) that perform a banking business and that are majority-owned by one or more non-U.S. banks; private banks; Federal Home Loan Banks; and NCUA Central Liquidity Facility.
- g. Demand deposit balances due from a smaller depository institution in circumstances where the reporting (and larger) depository institution has moved funds to the smaller depository institution to take advantage of the lower reserve requirements imposed on smaller depository institutions (i.e., to make use of the low reserve tranche) and has received the funds back in a reserve-free transaction.

2. Cash items in process of collection. *Include* the items listed below:

- a. Checks or drafts in the process of collection, drawn on a bank or other depository institution, that are payable immediately upon presentation in the United States, including checks or drafts forwarded to a Federal Reserve Bank in process of collection and checks or drafts on hand that will be presented for payment or forwarded for collection on the following business day.
- b. Government checks drawn on the Treasury of the United States that are in the process of collection.
- c. Such other items in the process of collection that are payable immediately upon presentation in the United States and that are customarily cleared or collected by depository institutions as cash items, including:

⁵ Nonpersonal savings deposits and nonpersonal time deposits are reservable liabilities even though they are currently subject to a zero-percent reserve requirement.

- (1) Matured bonds and coupons.
- (2) Postal and other money orders, and traveler's checks.
- (3) NOW or NINOW account drafts.
- (4) Credit union share drafts.
- (5) Payable-through drafts that have been received by the reporting institution and that will be forwarded to another depository institution.
- (6) Broker security drafts.
- (7) Amounts credited to deposit accounts in connection with automated payment arrangements where such credits are made one business day prior to the scheduled payment date to ensure that funds are available on the payment date.
- (8) Returned items and unposted debits.
- (9) Food coupons and certificates.

Exclude any items handled as noncash collections, items for which the reporting institution already has received credit, credit card sales slips and drafts, and debit slips.

B. Nonpersonal savings deposits: that portion of total savings deposits included in Item 1 that is nonpersonal, as defined below.

C. Nonpersonal time deposits: that portion of total time deposits included in Item 1 that is nonpersonal, as defined below, regardless of maturity.

Nonpersonal savings and time deposits are deposits in which any beneficial interest is held by a depositor other than a natural person, or any deposit issued on or after October 1, 1980, that does not specifically state that the deposit is nontransferable. A *natural* person is an individual or a sole proprietorship. A depositor other than a natural person includes any partnership, governmental unit, or corporation, even if owned solely by an individual.

NOTE: The following deposits in the form of savings deposits or time deposits are considered personal, *not* nonpersonal (as long as they are *not* transferable), and, therefore, should be *excluded* from total reservable liabilities:

1. Individual Retirement Accounts (IRA), Keogh Plan Accounts and accounts held by an employer as part of an unfunded deferred compensation plan established pursuant to Subtitle D of the Revenue Act of 1978 (Pub. L. No. 95-600; 92 Stat. 2763).
2. Escrow accounts, such as funds held for tax or insurance payments, if the depositor is a natural person.
3. Trust funds held in the name of a trustee or other fiduciary, whether or not a natural person, if the entire beneficial interest is held by natural persons.