

Summary of Legitimate Interseries Differences

between the

Annual Report of Deposits and Reservable Liabilities  
(FR 2910a)

and the

Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices  
(FFIEC 031)

or

Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only  
(FFIEC 041)

**Commercial Banks**  
**State Chartered Cooperative Banks**  
**State Chartered Savings Banks**

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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 **Annual Report of Deposits and Reservable Liabilities (FR 2910a)** and the **Consolidated Reports of Condition and Income (FFIEC 031 and 041)**, hereafter referred to in this document as the Call Report.

Interseries edits are performed for each FFIEC 031 and 041 reporter (i.e., commercial banks, state chartered cooperative banks, and state chartered savings banks) that reports the FR 2910a. The edits are based on data from the FR 2910a and the Call Report on June 30<sup>th</sup> each year.

A table showing the interseries item comparisons that are calculated each year appears in the next section, followed by a table summarizing most of the legitimate differences that might arise in reconciling those comparisons. Next, the 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 FFIEC 031 and 041 Reporters

The following table shows the interseries item comparisons calculated for all FFIEC 031 and 041 reporters that file the FR 2910a report.

| <b>Detailed Interseries Item Comparisons<br/>for FFIEC 031 and 041 Reporters</b> |   |  |   |
|--|---|--|---|
| <b>FR 2910a</b>  |   | <b>FFIEC 031 and 041</b>                           |   |
| <b>Line</b>  | <b>Description</b>  | <b>Code</b>  | <b>Description</b>  |
| 1  | Total transaction accounts, savings deposits, and small time deposits | RCON2215<br>+ RCON2385<br>- RCONJ473<br>- RCONJ474 | RC-E, column A, line 7 (Total transaction accounts)<br>+ RC-E, column C, line 7 (Total nontransaction accounts)<br>- RC-E, memo 2.c (Time deposits of \$100,000 through \$250,000)<br>- RC-E, memo 2.d (Time deposits of more than \$250,000) |
| 2.a  | Net transaction accounts  | RCON2215<br>- RCON0081 <sup>1</sup><br>+ RCON0080  | RC-E, column A, line 7 (Total transaction accounts)<br>- RC, line 1.a (Noninterest bearing balances & currency and coin)<br>+ RC-A, line 1.b (Currency and coin)  |

<sup>1</sup> For FFIEC 031 reporters, use RCFD0081

| <b>Summary of Legitimate Differences<br/>for FFIEC 031 and 041 Reporters</b> |   |
|--|---|
| <b>FR 2910a less than Call Report</b>  | <b>FR 2910a greater than Call Report</b>  |
| <i>Total Transaction Accounts, Savings Deposits, and Small Time Deposits</i> |   |
| <ul style="list-style-type: none"> <li>• None.</li> </ul>                    | <ul style="list-style-type: none"> <li>• FR 2910a item includes primary obligations while the Call Report item <i>does not</i> include primary obligations.</li> </ul>  |
| <i>Net Transaction Accounts</i>  |   |
| <ul style="list-style-type: none"> <li>• None.</li> </ul>                    | <ul style="list-style-type: none"> <li>• FR 2910a item includes primary obligations with original maturities of less than seven days, while the Call Report item <i>does not</i> include primary obligations.</li> <li>• In calculating net transaction accounts, the FR 2910a netting items include only demand balances due from depository institutions in the U.S. and CIPC. In addition to these amounts, the Call Report netting item <i>also includes</i>: <ul style="list-style-type: none"> <li>○ Demand balances due from foreign depository institutions.</li> <li>○ Balances which may not be subject to immediate withdrawal.</li> <li>○ Balances due from Federal Reserve Banks.</li> <li>○ Cash items payable immediately upon presentation to a depository institution in Puerto Rico or the U.S. territories or possessions.</li> <li>○ Noninterest bearing balances and currency and coin at foreign offices (FFIEC 031 reporters only).</li> <li>○ Currency and coin (only for FFIEC 041 reporters that do not file Schedule RC-A).</li> </ul> </li> </ul> |

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

## **General Legitimate Differences**

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

### Definition of United States

A legitimate difference may arise between the FR 2910a and the Call Report relating to the definition of “United States.” The FR 2910a defines “United States” to include the 50 states, the District of Columbia, and U.S. military facilities, wherever located. The Call Report defines the United States to also include offices in Puerto Rico and the U.S. territories and possessions. (See the Call Report glossary entry “Banks, U.S. and Foreign” for additional details.)

### Primary Obligations

Deposit balances on the FR 2910a 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. Except for a special class of due bills, similar liabilities issued to exempt entities (e.g., depository institutions) are not considered primary obligations. Primary obligations are reported as deposits on the FR 2910a because they are subject to reserve requirements and 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 and a complete listing of exempt and nonexempt entities, see the FR 2910a instructions under “B. General Definitions.”

### Interpretive Differences

Some items may be classified on the Call Report as either deposits or accounts payable and other liabilities. On the FR 2910a, 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 2910a 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.

### Fair Value

Deposit liabilities reported on the FR 2910a 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 2910a.

## Specific Legitimate Differences

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

### 1. Total Transaction Accounts, Savings Deposits, and Small Time Deposits

| FR 2910a |   | FFIEC 031 and 041                                  |   |
|----------|---|--|---|
| Line     | Description   | Code   | Description   |
| 1        | Total transaction accounts, savings deposits, and small time deposits | RCON2215<br>+ RCON2385<br>- RCONJ473<br>- RCONJ474 | RC-E, column A, line 7 (Total transaction accounts)<br>+ RC-E, column C, line 7 (Total nontransaction accounts)<br>- RC-E, memo 2.c (Time deposits of \$100,000 through \$250,000)<br>- RC-E, memo 2.d (Time deposits of more than \$250,000) |

*Legitimate Difference:*

Primary Obligations: FR 2910a balance may be greater than Call Report balance because primary obligations must be included in the FR 2910a item, while the Call Report item *does not* include primary obligations.

### 2. Net Transaction Accounts

| FR 2910a |                          | FFIEC 031 and 041                                 |  |
|----------|--------------------------|---|--|
| Line     | Description              | Code  | Description  |
| 2.a      | Net transaction accounts | RCON2215<br>- RCON0081 <sup>1</sup><br>+ RCON0080 | RC-E, column A, line 7 (Total transaction accounts)<br>- RC, line 1.a (Noninterest bearing balances & currency and coin)<br>+ RC-A, line 1.b (Currency and coin) |

<sup>1</sup> For FFIEC 031 reporters, use RCFD0081

*Legitimate Differences:*

Primary Obligations: Total transaction accounts (FR 2910a Worksheet line 4) may be greater than total transaction accounts on the Call Report because primary obligations must be included in the FR 2910a item, while the Call Report item *does not* include primary obligations.

Netting Items:

On the FR 2910a, two items are netted (subtracted) from total transaction accounts in order to calculate net transaction accounts. These netting items are:

- Demand balances due from depository institutions in the U.S. (FR 2910a Worksheet line 5)
- Cash items in process of collection (FR 2910a Worksheet line 6).

The calculation of net transaction accounts based on the Call Report, however, involves netting the following additional balances. In each of the six cases listed below, the FR 2910a-based netting items are *lower* than the Call Report-based netting item. As a result, net transaction accounts are *greater* on the FR 2910a than on the Call Report.

Demand balances due from foreign depository institutions: The FR 2910a netting item (FR 2910a Worksheet line 5) includes only those demand balances that are due from U.S. depository institutions, while the Call Report netting item also includes demand balances that are due from foreign depository institutions.

Balances not subject to immediate withdrawal: The FR 2910a netting item (FR 2910a Worksheet line 5) includes only those balances that are subject to *immediate* withdrawal by the reporting institution (i.e., no notice period prior to withdrawal is associated with these deposits, regardless of whether a notice period is ever actually exercised). The Call Report netting item also includes balances which may not be subject to immediate withdrawal.

Balances due from Federal Reserve Banks: The FR 2910a netting item (FR 2910a Worksheet line 5) does not include balances due from Federal Reserve Banks, while the Call Report netting item includes these balances.

CIPC and the definition of the United States: The FR 2910a netting item (FR 2910a Worksheet line 6) includes only those cash items in process of collection that are payable immediately upon presentation in the United States. The Call Report netting item also includes cash items that are payable in Puerto Rico and the U.S. territories and possessions.

Foreign offices: The FR 2910a netting items (FR 2910a Worksheet lines 5 and 6) do not include balances at foreign offices, while, for FFIEC 031 reporters, the Call Report netting item includes balances at foreign offices.

Currency and coin: The FR 2910a netting items (FR 2910a Worksheet lines 5 and 6) do not include currency and coin (i.e., vault cash). For FFIEC 041 reporters that are not required to file Schedule RC-A (i.e., those with less than \$300 million in total assets), the Call Report netting item includes currency and coin.