

## FR 2900: Report of Deposits and Vault Cash

# The Facts Behind Your Figures



The Federal Reserve Bank of Philadelphia provides this information to depository institutions (DIs) that submit the FR 2900 and related reports to this Reserve Bank. Its purpose is to provide institutions with insight into the procedures and techniques used to analyze the data that they submit, thus facilitating the deposits reporting process. This document is only an informal guide and source of background information; it is not an official policy of the Federal Reserve Bank of Philadelphia or of the Board of Governors of the Federal Reserve System. Information and procedures described herein may be changed at any time, without notice. Federal Reserve Regulation D, "Reserve Requirements of DIs," (12 CFR 204) shall govern in all cases regarding deposit reporting by DIs.

Table of Contents

- Introduction to the FR 2900 Report ..... 3
  - FR 2900 Background..... 3
  - Purpose of the FR 2900 Report..... 4
    - Monetary Aggregates ..... 4
  - Regulation D ..... 4
    - Deposits..... 4
    - Primary Obligations ..... 5
- Report Instructions ..... 7
  - Institutions Required to Report ..... 7
  - Frequency of Report..... 7
  - Deadline for Report Submission ..... 7
  - How to Submit ..... 8
  - Retention Policy ..... 8
  - Fed Contacts..... 8
  - Links to Official Report Instructions..... 8
- Report Preparation ..... 9
  - General Concepts..... 9
    - Close of Business (COB) ..... 9
    - Consolidation ..... 9
    - Liabilities..... 9
    - Foreign (Non-U.S.) Currency-Denominated Transactions ..... 9
    - Pre-Posting..... 10
    - Overdrafts or Negative Balances..... 10
  - Account Definitions ..... 10
    - Transaction Accounts..... 10
    - Non-Transaction Accounts ..... 10
  - Line Item Overview ..... 11
    - Item A.1 – Demand Deposits Due to the Public..... 11
    - Item A.2 – Other Liquid Deposits ..... 13
      - Automatic Transfer Service (ATS) Accounts ..... 13
      - Negotiable Order of Withdrawal (NOW) Accounts..... 13

Telephone and Preauthorized Transfer Accounts.....	13
Savings Deposits.....	13
Item B.1 – Cash Items in the Process of Collection (CIPC).....	14
Item C.1 – Small Time Deposits.....	15
Item D.1 – Vault Cash.....	16
Annual Items.....	16
Data Analysis by the Federal Reserve.....	21
Explanations for Unusual Data Fluctuations.....	21
What makes a good explanation?.....	21
Advanced Notification of Events Impacting the FR 2900 Report.....	22
Related Item Comparisons.....	22
Related Report Comparisons.....	22
Revision Policy.....	23
Treatment of Escrow Funds.....	244
Treatment of Mergers.....	244
Treatment of Sweep Arrangements.....	24
Treatment of Trust Funds.....	25

## Introduction to the FR 2900 Report

This booklet was compiled by Reserve Bank analysts of the Deposits Unit at the Federal Reserve Bank of Philadelphia. It is intended to provide our district's depository institutions (DIs) with a broad overview of reporting concepts for the "Report of Deposits and Vault Cash" (FR2900). The data analysis section of the booklet is meant to provide your institution with an understanding of the internal Federal Reserve review process and what information is expected of your institution. For broader interpretation issues, we advise you to reference Regulation D, consult the Report Instructions, or seek assistance from your contact at the Reserve Bank.

### **FR 2900 Background**

The Federal Reserve has collected data on deposits, currency, and reserves since 1929. Several variations of reports have been collected throughout the years. In 1980, in conjunction with the "Depository Institutions Deregulation and Monetary Control Act", a new consolidated report titled the "Report of Transaction Accounts, Other Deposits and Vault Cash" (FR 2900) was established. DIs are required by law to file the FR 2900 report. Regulation D, which is directly applicable to the FR 2900, defines deposits, specifies reserves that must be maintained, and establishes reserve requirement computation methods. Section 19 of the Federal Reserve Act requires DIs to maintain reserves against its transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities. Based on the deposit levels that DIs report each reporting period, the Federal Reserve calculates the level of reserves that must be maintained. In March 2020, the Board of Governors of the Federal Reserve System adopted a final rule amending Regulation D to lower reserve requirement ratios on transaction accounts maintained at DIs to 0%. This action eliminated reserve requirements for all DIs and ended the need for the regulatory distinction between reservable "transaction accounts" and nonreservable "savings deposits". In April 2020, the Board ended the six-per-month transfer limit on savings deposits in Regulation D. In January 2021, The Report of Deposits and Vault Cash (FR 2900) was revised in order to reduce reporter burden by refocusing the items collected on the weekly collection of the FR 2900 to those that support the construction and analysis of the monetary aggregates. The revised FR 2900 report forms and instructions are effective for the report as-of-date April 12, 2021. For additional information on the recent changes to Regulation D and the report form, please consult the following resources:

[Federal Register: Announcement of Board Approval to Extend the Report of Deposits](#)

[Federal Reserve Board - Reserve Requirements](#)

[Federal Register: Regulation D: Reserve Requirements of DIs](#)

## **Purpose of the FR 2900 Report**

### ***Monetary Aggregates***

Data from the FR 2900 Report are used by the Federal Reserve System in monetary policy decisions and in the construction of the monetary aggregates. These figures are published in the H.6 “Money Stock Measures” statistical release. More information on this statistical release can be found at the following URL: [H.6: Money Stock Measures Statistical Release](#)

### **Regulation D**

*Reserve Requirements for DIs* (Reg D) is the Federal Reserve regulation that defines deposits and requires the collection of the FR 2900 report by the Federal Reserve. For the purposes of the FR 2900 report, there are two broad categories of liabilities: deposits and primary obligations.

### ***Deposits***

Deposits are funds received or held by the reporting institution for which credit has been given or is obligated to be given.

Include:

- Transaction accounts (demand deposit, telephone or preauthorized transfer, NOW account, ATS account, savings deposit account), time deposit accounts and interest to be credited to these accounts
- Funds received or held by departments other than the Trust Department. (*Note: Trust funds that are available for general lending and investing purposes may be reportable on the FR 2900*)
- All outstanding certified, cashier’s, teller’s and officer’s checks, and any instrument drawn by the institution
- Traveler’s checks and money orders sold by the institution
- Letters of credit
- Checks or drafts drawn by, or on behalf of, any non-U.S. branches of the institution
- Deposits at non-U.S. branches which are payable to a U.S. office
- Collection of third-party obligations when the depositor’s account has been charged and settlement of the check has not been made
- Credit balances
- Funds received by an affiliate in the form of a transaction account, savings deposit, or time deposit

DO NOT Include:

- Trust Funds segregated from an institution’s general assets and not available for general investment or lending purposes
- Obligations representing conditional, contingent, or endorser’s liabilities
- Obligations issued for the purpose of raising funds to purchase business assets
- Accounts payable

- Hypothecated deposits
- Dividends declared for the period between date of declaration and date paid
- Balances held at the Federal Reserve Bank (FRB) or Federal Home Loan Bank (FHLB)

### *Primary Obligations*

Primary obligations are liabilities typically in the form of a borrowing that is issued or undertaken by a DI or its affiliate as a means of obtaining its funds.

Not all primary obligations are reportable on the FR 2900. Generally, a primary obligation is reportable on the FR 2900 if:

1. The counterparty is a *non-exempt entity*, and
  2. The proceeds are used to supply or maintain the availability of funds.
- A *non-exempt entity* is any one of the following:
- Individuals, partnerships, and corporations, wherever located
  - Security dealers wherever located, when the borrowing (a) has a maturity longer than one day, (b) is not in immediately available funds, and (c) is not in connection with the clearance of securities
  - State and local governments in the U.S. and their political subdivisions
  - A DI's parent holding company if the holding company is not a bank
  - A DI's parent holding company's nonbanking subsidiaries
  - A DI's nonbanking subsidiaries
  - International institutions

There are some special conditions regarding the FR 2900 reportability of primary obligations such as:

1. Mortgage-backed bonds issued and sold are reportable only 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. Due bills issued to any customer are reportable on the 4<sup>th</sup> business day after the date of issuance if not collateralized within three business days
3. Any obligation that is transferable and can be transferred or sold without the knowledge of the reporting institution is reportable on the FR 2900 regardless if the obligation was issued to a non-exempt or exempt entity

Include (when the counterparty is non-exempt):

- Purchases of "Fed Funds", either overnight or for a specified term
- Repurchase agreements *not* collateralized by the U.S. government or federal agency securities
- Promissory notes/commercial paper, acknowledgements of advance, and similar obligations
- Proceeds from outstanding sales of short-term loans made under long-term lending commitments

- the borrowing of cash equivalents that qualify as deposits for Regulation D purposes (for example, precious metals)
- Liabilities of the institution's non-depository affiliate on promissory notes, acknowledgements of advance, due bill and similar obligations

DO NOT Include:

- Borrowings from non-U.S. branches of other DIs and from certain designated non-U.S. entities
- Primary obligations issued to exempt entities

# Report Instructions

## **Institutions Required to Report**

The FR 2900 report is required from:

1. All banking Edge Act and agreement corporations and their U.S. branches, regardless of size
2. All other DIs with gross liquid deposits and small-time deposits greater than or equal to the deposit reporting limit of \$1 billion as determined each July<sup>1</sup>

## **Frequency of Report**

Reporting institutions are required to report on a weekly basis. Additionally, for one week of the year, institutions are required report two additional items for the as-of date that includes June 30th.

## **Deadline for Report Submission**

The FR 2900 Report is due to this Reserve Bank by 5:00 P.M. on the Wednesday following the Monday as-of date. Your institution will be contacted shortly after this time if the report is not received. In the event of a Wednesday holiday, your report is due by 5:00 P.M. on Thursday.

We ask you to notify your Reserve Bank analyst by telephone or email if you anticipate any delay in the FR 2900 submission due to extenuating circumstances such as a system conversion.

To avoid processing delays, we strongly suggest that your institution adequately train two staff members to act as FR2900 preparers. Both individuals should have access to submit the report electronically. This prevents processing delays should one of the two staff members be absent. Their duties should encompass both compiling the report as well as addressing related questions. We also require that you notify your Reserve Bank analyst by phone or email if there will be contact changes due to holidays or any other events that may affect processing.

Periodically, times of report submission are reviewed to identify chronically late institutions. Further action will be taken for any such institution to ensure promptness.

---

<sup>1</sup> Annually in July, the Board will evaluate a year's worth of data (from the second quarter of the previous year to the first quarter of the current year) on total liquid deposits and small time deposits against the \$1 billion reporting threshold for each institution that files the FR 2900 or a quarterly condition report. Institutions will be alerted of the outcome and panel changes will occur in September of that year.



### **How to Submit**

Your institution **must** submit the FR 2900 data electronically via the Reporting Central website. Please visit [Reporting Central Index](#) or contact your Reserve Bank analyst for information on or assistance with electronic submission of your institution's data.

If your institution's data is prepared or submitted by a private vendor, your institution is responsible for the timeliness and accuracy of data to the same extent as if you had prepared and submitted the data yourself.

### **Retention Policy**

We recommend retaining the data reported on the FR 2900 or the underlying data to compile the FR 2900 for a minimum of 5 years. This is for revision purposes. We are awaiting further guidance from the Board of Governors, and we will update you as information becomes available to us.

### **Fed Contacts**

For contact information, we encourage you to bookmark the following Federal Reserve Bank website for you to visit as needed: [Financial and Regulatory Reporting Contacts \(philadelphiafed.org\)](http://philadelphiafed.org).

### **Links to Official Report Instructions**

Additional information regarding the FR 2900 report is publicly accessible through the following website: [The Fed: Report Forms \(federalreserve.gov\)](http://federalreserve.gov).

Using the link listed above, you can then navigate to the FR 2900 report instructions applicable for the following types of institutions:

[FR 2900 Branches & Agencies](#)

[FR 2900 Commercial Banks](#)

[FR 2900 Credit Unions](#)

[FR 2900 Savings & Loans](#)

## Report Preparation

This section provides basic concepts to aid in preparation of the FR 2900 Report and is intended only to supplement the detailed Report Instructions. The Report Instructions may be accessed through the Board of Governor's website referenced above.

### **General Concepts**

#### ***Close of Business (COB)***

The amount reported for each day on the FR 2900 report should reflect the amount outstanding on the general ledger (G/L) at the "close of business" for that day. Both credit and debit entries must be posted by the COB. The time designated as COB should be reasonable and applied consistently.

#### ***Consolidation***

Combine all comparable accounts of the individual entities to be consolidated on an account by account basis. This includes the principal office, any branch offices, and all majority-owned subsidiaries, apart from Banking Edge Act and agreement subsidiaries and non-U.S. branches, which should be excluded.

Eliminate all interoffice transactions that reflect the existence of debtor-creditor relationships among the entities and branches of such entities to be consolidated (including majority-owned subsidiaries).

Example #1: The "deposit" obligations of a majority-owned subsidiary should be included in the parent institution's FR 2900 deposit liabilities.

Example #2: Cash that is owed to the parent (head office) by a branch.

#### ***Liabilities***

Liabilities must be reported based on the reporting institution's contractual liability to its counterparty, including interest and regardless of whether it has elected to report the fair value of its liabilities on financial statements.

#### ***Foreign (Non-U.S.) Currency-Denominated Transactions***

Transactions involving foreign currency must be converted to U.S. dollars each reporting week either by using the exchange rate prevailing on the Tuesday that begins the seven-day reporting week or by using the exchange rate prevailing on each corresponding day of the report week. The institution must use one of these methods consistently for all Federal Reserve reports.

If your institution offers foreign (non-U.S.) currency-denominated deposits at your U.S. offices, you must file the Report of Foreign (non-U.S.) Currency Deposits (FR 2915).

### ***Pre-Posting***

Transactions should be reported on the day that the transaction is executed, regardless of whether the commitment was made at an earlier date.

One Exception:

When payment information has been sent to the reporting instruction (e.g. automated arrangements) prior to the effective payment date, the institution may credit its depositors' accounts one day before the effective payment date to ensure that the deposit will be available at the opening of business on the payment date.

### ***Overdrafts or Negative Balances***

All deposit accounts having a negative balance should be regarded as having a zero balance when computing deposit totals. Overdrawn deposit accounts of customers should be regarded as loans made by the reporting institution and should be reported as a zero balance. Do not net overdrawn balances against positive account balances. The credits should be offset by debit entries to item B.1, Cash Items in Process of Collection.

Once Exception:

Overdrawn accounts of a depositor who maintains more than one transaction account at the reporting institution may be offset by accounts with positive balances if a Bona Fide Cash Management arrangement exists.

## **Account Definitions**

### ***Transaction Accounts***

Transaction accounts are accounts from which the depositor or account holder is permitted transfers or withdrawals by a negotiable transfer instrument such as checks, ATM's, telephone transfers, and preauthorized transfers.

Include:

1. *Demand Deposit Accounts (DDAs)*
2. *Automatic Transfer Service (ATS) Accounts*
3. *NOW (Negotiable Order of Withdrawal) Accounts*
4. *Telephone or Preauthorized Transfer Accounts*
5. *Savings Deposit*

### ***Non-Transaction Accounts***

Non-transaction accounts are accounts that impose certain restrictions on transfers and withdrawals, whereas transaction accounts have no limitations on withdrawals or transfers. Generally, non-

transactions accounts only allow for six inconvenient transfers or withdrawals to be made per cycle. If this number is exceeded, the account must be reclassified as transaction account.

Include:

1. *Time Deposits*
2. *Share Certificates*

**Line Item Overview**

As seen on the FR 2900 Report Form:

Dollar Amounts in Thousands	For FRB Use Only
<b>Items</b>	
<b>A. Liquid Deposits</b>	
1. Demand deposits due to the public (exclude demand deposits due to depository institutions and demand deposits of the U.S. government) ...	2340
2. Other liquid deposits .....	MB60
<b>B. Deductions from Liquid Deposits</b>	
1. Cash items in process of collection .....	0020
<b>C. 1. Small Time Deposits (time deposits with balances less than \$100,000) .....</b>	2697
<b>D. 1. Vault Cash .....</b>	0080

**Report the following items in June only.** Please report balance as of close of business on June 30 each year.

If your institution had no foreign (non-U.S.) currency denominated deposits at any of your U.S. offices, please check this box. If you did not check this box, your institution is responsible for filing the quarterly FR 2915 Report of Foreign (non-U.S.) Currency Deposits. (H020)

---

E. 1. Reservable Liabilities .....

a. Net transaction accounts .....

***Item A.1 – Demand Deposits Due to the Public***

Demand Deposits are defined as:

- a. Deposits and primary obligations that are payable immediately on demand; or
- b. Are issued with an original maturity or required notice period of less than 7 days; or
- c. Represent funds where the reporting DI does not reserve the right to require at least 7 days written notice of intended withdrawal.

Report all *demand deposit accounts* held by the public. This includes demand deposits of:

- Individuals, partnerships, and corporations
- State and local governments and their political subdivisions
- U.S. government agencies and instrumentalities
- Nondepository and limited purpose trust companies
- Trust departments

- Nondepository affiliates of your institution
- Foreign governments
- Holding companies

This category also includes, with certain exceptions, the following:

- Withheld state and local government taxes, insurance premiums, and similar items (but not withheld federal income tax payments)
- All outstanding official, certified, cashier's, teller's, and officer's checks
- Money orders that are drawn on the reporting institution and are outstanding on the report
- Proceeds from the sale of traveler's checks and money orders
- Unposted credits and suspense accounts
- Funds deposited to the credit of your institution's own trust department
- Escrow accounts that may be withdrawn on demand or within 6 days from the date of deposit, unless held as savings deposits or time deposits
- Checking accounts, non-interest-bearing NOW accounts (NINOW), payment order of withdrawal (POW) accounts
- Any deposit or account that meets the definition of a time deposit but that allows withdrawals within the first six days after the date of 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 unless the account meets the definition of a savings deposit (report in item A.2)
- Due bills with original maturities of less than seven days which are not collateralized within three business days by similar securities

Please contact your Reserve Bank analyst with questions or help clarifying what demand deposits are reportable on the FR 2900.

#### Common reporting errors:

- Prior to the repeal of Reg Q, interest could not be paid on demand deposits. Now, interest may be paid on checking accounts; thus, interest-bearing checking accounts are reported in Item A.1.
- This item should include the remaining balance of a time deposit from which a partial early withdrawal has been made, unless subject to additional early withdrawal penalties.
- This item should include any matured time certificate of deposit unless the deposit agreement specifically provides for an automatic renewal, funds to be transferred to an account type other than a demand deposits, or is still in the grace period after maturity.
- This item should not include demand deposit accounts in the form of deposits that are designated as federal public funds, such as:
  - U.S. Treasury general accounts and special collection accounts
  - Postmaster's demand deposit accounts
  - Demand accounts of government-owned corporations or disbursing officers of the Department of Defense and Department of the Treasury
  - Demand accounts of other public funds that are subject to control/regulation by the U.S. government
- This item should not include demand deposits due to other DIs.

### ***Item A.2 – Other Liquid Deposits***

Report all *ATS accounts, NOW accounts, telephone and preauthorized transfer accounts, and all personal and nonpersonal savings deposits.* These all share the following characteristic:

- The reporting institution has reserved the right to require at least seven days' written notice prior to withdrawals or transfer of any funds in the account

*Automatic Transfer Service (ATS) Accounts* are defined as accounts in which, per a written agreement, automated withdrawals payable to other accounts of the same depositor at the same DI, or to maintain a specified balance in, or to make periodic transfers to, such other accounts are allowed.

*Eligibility* – The entire beneficial interest is held only by individuals or sole proprietorships.

*Negotiable Order of Withdrawal (NOW) Accounts* also known to Credit Unions as Share Draft Accounts, are defined as checking accounts that may be interest-bearing and which permit transfers to third parties or withdrawals by a negotiable or transferable instrument.

*Eligibility* – The entire beneficial interest is held by:

- Individuals or sole proprietorships
- U.S. governmental units, including federal, state, and local governments and their agencies
- Certain non-profit organizations that are organized for religious, charitable, educational, philanthropic, political, or other similar purposes
- Corporations are NOT eligible to maintain NOW accounts

*Telephone and Preauthorized Transfer Accounts* that are regarded as transaction accounts are defined as deposits or accounts, under the terms of which or by practice of the reporting institution, the depositor is authorized to make withdrawals for purposes of transferring funds to another account of the depositor at the same institution or making payment to a third party by means of a preauthorized transfer; a telephonic (including data transmission) agreement, order, or instruction; or a check, draft, debit card, or similar order made by the depositor and payable to third parties.

*Eligibility* – The entire beneficial interest is held by parties eligible to hold a NOW account.

*Savings Deposits* can be defined as deposits or primary obligations for which the depositor is permitted or authorized to make transfers and withdrawals to another account of the depositor at the same institution or to a third party, regardless of the number of such transfers and withdrawals or the manner in which such transfers and withdrawals are made.

Include:

- Passbook savings accounts
- Statement savings accounts
- Money market deposit accounts (MMDA)

- Escrow deposits
- Individual retirement accounts
- Club accounts that meet the definition of a savings account
- Any deposit or account that otherwise meets the definition of a time deposit but that allows withdrawals within the first six days after the date of 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 but that is subject to the minimum notice requirement of a savings deposit

**Common reporting errors:**

- Item A.2 should include brokered deposits that meet the criteria of savings deposits.
- Item A.2 should include the reporting institution's liability on primary obligations that are issued in original maturities of seven days or more to non-exempt entities that meet the criteria of savings deposits.
- Item A.2 should include the remaining balance of a time deposit from which a partial early withdrawal has been made, unless subject to additional early withdrawal penalties but is subject to the minimum notice requirement of a savings deposit (institution must expressly reserve the right to require at least seven days' written notice before an intended withdrawal).
- Item A.2 should include matured time certificates of deposit if the deposit agreement specifically states funds are to be transferred into an account reportable within item A.2.

***Item B.1 – Cash Items in the Process of Collection (CIPC)***

Report all checks or drafts in process of collection that have been sent for collection through another entity for which:

- The cash items are drawn on another DI
- Settlement has not occurred
- Funds are not immediately available
- Funds are payable immediately on demand in the U.S
- Funds have been posted to the G/L

Include:

This item includes all checks processed through Reserve Banks, DIs, and clearing houses until credit is granted.

DO NOT Include:

If the processing institution offers immediate credit on these items (funds are available for withdrawal by the COB even before settlement), exclude from item B.1.

**Common reporting errors:**

- Reporting zero for item B.1 is often indicative of incorrect reporting. Zero is accurate only if immediately available funds are received for cash items in process of collection, but in most cases, the funds are not available until the next day or after a DI has closed its G/L for the day.

- Reporting identical figures in item B.1 for the entire report week is often indicative of incorrect reporting due to the volatility of CIPC balances.
- Reporting items handled as noncash.
- Reporting decreases on weekends
- Reporting incoming cash letters or netting cash letters.

### *Item C.1 – Small Time Deposits*

Time Deposits can be defined as personal and nonpersonal deposits or primary obligations on which a depositor is not permitted to make a withdrawal within six days after the date of deposit or partial withdrawal unless subject to an early withdrawal penalty. If a withdrawal penalty is not imposed, the account ceases to be a time deposit.

There is generally a “maturity date” associated with the time deposit. The “maturity date” may not be less than 7 days from the date of deposit.

Small Time Deposits are characterized as time deposits with a balance less than \$100K at the COB each day.

#### *Deposits Issued on a Discount Basis*

Small time deposits issued on a discount basis should be initially reported based on the amount of funds received by your institution (not the face value). As your institution’s obligation to the depositor increases over the life of the deposit (interest earned), the incremental amounts as credited to the certificate should also be reported as time deposits.

#### *Brokered Time Deposits*

These are funds that the reporting DI obtains via a broker for deposit into one or more deposit accounts. These can include those in which the broker pools funds from multiple investors for deposit in a given account or those in which a single investor holds the entire beneficial interest in a given deposit account.

For the purposes of the FR 2900 report, only the portion of the deposit in amounts less than \$100K that is credited to a single depositor should be included in this item.

Example:

A broker purchases a \$5M CD on behalf of several depositors, whose individual shares in the CD are less than \$100K, the entire amount of the CD should be included in item C.1. However, if any of the underlying depositors have balances of greater than or equal to \$100K, that portion of the CD held by such a depositor(s) should be excluded from item C.1.

#### **Common reporting errors:**

- In determining if a time deposit has a balance less than \$100K, do not combine deposits that are represented by separate certificates or accounts, even if held by the same customer.



- Matured time deposits with only a grace period and no rollover clause are reported in item C.1 until the expiration of the grace period. If funds have not been withdrawn by the customer, report in item A.1, unless stated otherwise in the account agreement, starting with the grace period expiry date.
- Matured time deposits with a rollover clause (regardless if they have a grace period or not) continue to be reported in item C.1 as the time deposit agreement is renewed.
- The remaining balance of a time deposit after a partial early withdrawal has been made that is not subject to additional early withdrawal penalties of at least seven days' simple interest on amounts withdrawn within six days after each partial withdrawal are reported in item A.1 or A.2, depending on the account characteristics.

### ***Item D.1 – Vault Cash***

Include all currency and coin fully owned by the reporting institution held at a physical location that may be used at any time to satisfy depositors' claims. This includes all shipments in transit *to* Federal Reserve Banks and correspondent DIs for which credit has not yet been received, and all shipments in transit *from* Federal Reserve Banks and correspondent DIs for which the reporting institution has not yet been charged.

Note: Report currency and coin held at an alternate physical location (including the reporting institution's nonproprietary ATMs), provided that the following conditions are met:

- The reporting institution at all times retains full rights of ownership
- The reporting institution at all times books the coin/currency as an asset
- No other DI claims the currency/coin
- The location is "reasonably nearby;" if the reporting institution can recall the currency/coin by 10:00 a.m. and, relying solely on ground transportation, receive the currency/coin no later than 4:00 p.m. on the same calendar day

### **Common reporting errors:**

- This item *should not* include foreign currency and coin.
- Vault cash held in proprietary ATM machines *should* be included but is often omitted.
- This item *should not* include cash shipped to Federal Reserve Banks or correspondent banks for which credit has been received.
- This item *should not* include checks, drafts, and CIPC.

### ***Annual Items***

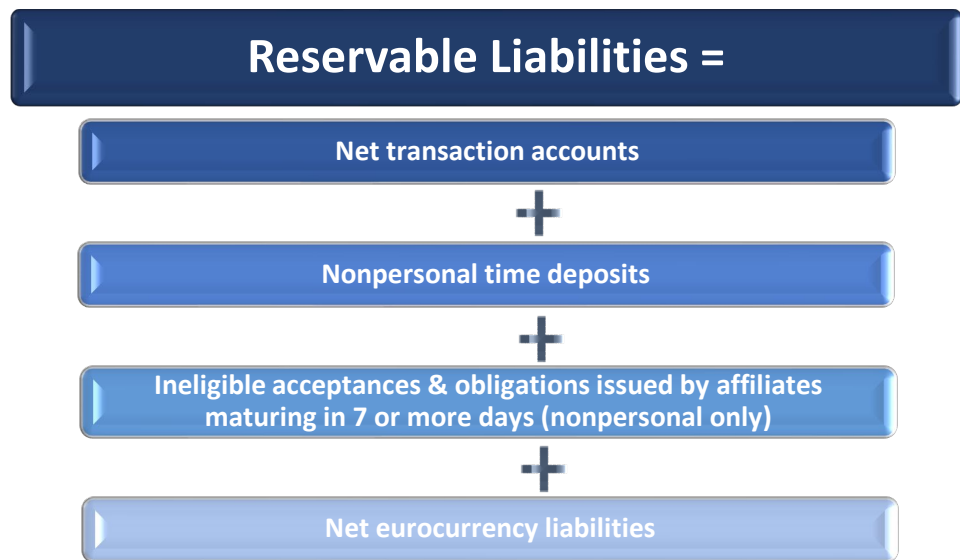
Items E.1 and E.1.a on the FR 2900 report are only completed *annually* as-of June 30<sup>th</sup>. During all other weeks, these fields should remain empty. As the applicable reporting week approaches, supplemental guidance will be provided on the reporting requirements associated with these particular items. Refer to the Board of Governors Reporting Forms website at [The Fed: Report Forms \(federalreserve.gov\)](https://www.federalreserve.gov/reportforms) for further guidance.

*Item E.1 – Reservable Liabilities*

These are liabilities that are reservable under Regulation D. The Federal Reserve Act authorizes the Board to impose reserve requirements on transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities.

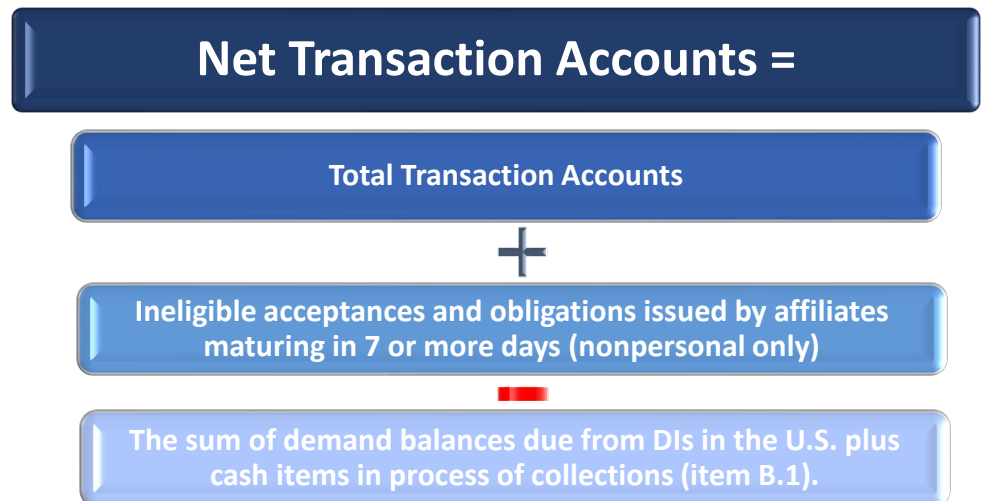
The Board is required by Section 19(b) of the Federal Reserve Act to update reserve requirement exemption and low reserve tranche amounts once a year before December 31. The exemption amount defines the net transaction accounts subject to a reserve requirement ratio of 0%, while the low reserve tranche denotes the amount of net transaction accounts subject to a reserve requirement of 3%. Annual indexation of these amounts will continue even through reserve ratios on net transaction accounts are set to 0%.

Reservable liabilities are calculated based on the following:



*Item E.1.a – Net Transaction Accounts*

Net transaction accounts are calculated based on the following:



### Worksheet for Annual Items

The following worksheet can assist you when preparing your annual items. It is designed to help calculate your total transaction accounts, net transaction accounts, and reservable liabilities. We strongly recommend sending in a completed copy of the worksheet below to your Reserve Bank analyst at the same time that you report your annual items.

Item		Balances as of June 30 in thousands of U.S. dollars
Net Transaction Accounts		
1	Enter <b>Demand deposits</b> , including “primarily obligations” in the form of demand deposits.	_____
2	Enter <b>NOW accounts, ATS accounts</b> and telephone preauthorized transfers, and <b>Savings deposits</b> .	_____
3	Enter <b>Ineligible acceptances and obligation issued by affiliates maturing in less than 7 days</b> (if applicable).	_____
4	Calculate <b>Total transaction accounts</b> : sum lines 1, 2, and 3.	_____
5	Enter <b>Demand balances due from DIs in the United States</b> .	_____
6	Enter <b>Cash items in process of collection</b> .	_____
7	Calculate <b>Net transaction accounts</b> : line 4 minus the sum of lines 5 and 6. Enter line 7 on item E.1.a of the FR 2900 reporting form. ( <i>Net transaction accounts may be negative.</i> )	_____
Reservable Liabilities		
8	Enter <b>Nonpersonal time deposits</b> , including primarily obligations in the form of time deposits.	_____
9	Enter <b>Ineligible acceptances and obligations issued by affiliates maturing in seven days or more (nonpersonal only)</b> (if applicable).	_____
10	Enter <b>Net Eurocurrency liabilities</b> (if applicable).	_____
11	Calculate <b>Reservable Liabilities</b> : sum lines 7, 8, 9, and 10. Enter line 11 on item E.1 of the FR 2900 Reporting form. ( <i>Reservable liabilities may be negative.</i> )	_____

#### General Guidelines:

- Total Transaction Accounts = sum of lines 1 – 3. See the *Account Definitions* section of this booklet for information on what comprises total transaction accounts.
- NTA should not be zero.
- NTA can be negative. When negative, indicate with a minus sign or parentheses.
- Reservable Liabilities should not be zero.
- Reservable Liabilities (Item E.1) should not be less than Net Transaction Accounts (Item E.1.a), as item E.1.a is a subset of item E.1.

#### Line 5 – Balances due from DIs in the U.S.

Report all balances subject to immediate withdrawal by the reporting institution from other U.S. institutions. Balances must be reported based on the reporting institution’s G/L.

**Common reporting errors:**

- This line should not include funds swept into overnight investment instruments.
- This line should not include FRB or FHLB balances (not reported on the FR 2900).
- This line should not include savings or time deposit balances with DIs.
- This line should not include federal funds sold to other DIs.

**Line 8 – Total Nonpersonal Time Deposits**

Nonpersonal time deposits are transferrable deposits in which the beneficial interest is held by a depositor other than a natural person (individual or sole proprietorship). A corporation, even if owned by an individual, is considered nonpersonal. See section item C.1 of this booklet for more information on time deposits.

➤ **Brokered time deposits** – are considered nonpersonal unless they are (a) deposited to the credit of and the entire beneficial interest is held by natural persons and (b) are subject to an agreement between the broker and the reporting institution that includes the following terms:

1. The broker maintains records of the names of the beneficial owners of all brokered deposits; these records are available to any agency regulating the reporting institution
2. The broker determines the amount of deposits beneficially owned by natural persons and by entities other than natural persons and provides a written report to the reporting institution with that information which must:
  - a. be submitted at COB every Monday or on the opening of business (OOB) Tuesday for the one-week period beginning on the previous Tuesday and ending on Monday
  - b. include daily data on the actual amount of personal time deposits and the actual amount of nonpersonal time deposits, and
  - c. include daily data on the amount of deposits in which the beneficial interest of any one depositor in principal plus interest exceeds \$100K (For this purpose, separate deposits or accounts are not aggregated even if held by the same customer.)

**Line 9 – Ineligible Acceptances and Obligations Issued by Affiliates Maturing in Seven Days or More (Nonpersonal only)**

Report the amounts of funds obtained through the issuance of obligations by affiliates and of funds obtained through the use of ineligible acceptances (except those sold to and held by exempt entities), both of which mature in seven days or more.

Include all ineligible acceptances of the reporting institution known to be held by a non-U.S. office of another DI or of an Edge Act and agreement corporation.

Exclude as ineligible acceptances and obligations any funds obtained by the reporting institution through obligations issued by affiliates and deposited at the reporting institution in the form of

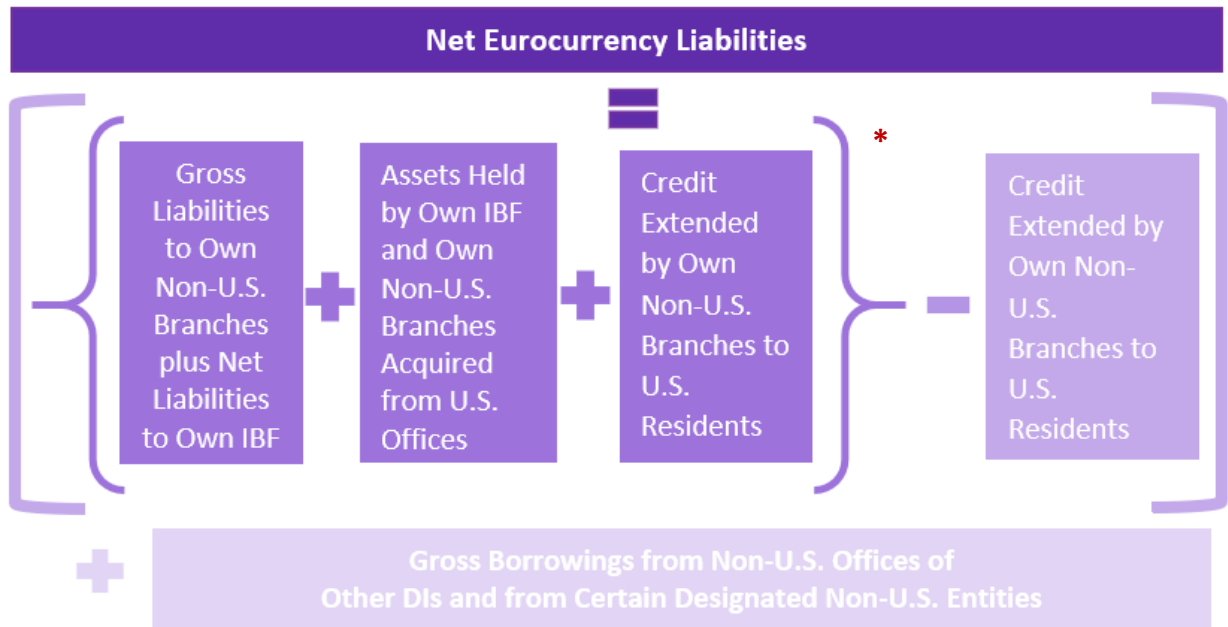
transaction accounts or time deposits. Such funds should be reported as transaction accounts, or time deposits, as appropriate.

For additional information on this concept, please refer to ITEM-16 of the Report Instructions that can be found at this website: [The Fed: Report Forms \(federalreserve.gov\)](http://www.federalreserve.gov).

*Line 10 – Net Eurocurrency Liabilities*

SKIP this line if your institution does not maintain branches outside of the U.S. or does not have an international banking facility (IBF) or outstanding borrowings from non-U.S. offices of other DIs or from certain other designated non-U.S. entities.

Net Eurocurrency Liabilities are calculated based on the following:



\* If the result of the calculation enclosed within the brackets is negative, that result is set to zero before proceeding with the rest of the equation.

Please refer to ITEM-18 of the Report Instructions for an additional worksheet that can assist you when calculating your institution’s net eurocurrency liabilities. Please refer to ITEM-21 for additional information on the details of each of the 5 items that comprise net eurocurrency liabilities. The Report Instructions can be found at this website: [The Fed: Report Forms \(federalreserve.gov\)](http://www.federalreserve.gov).

# Data Analysis by the Federal Reserve

## **Explanations for Unusual Data Fluctuations**

The Federal Reserve relies on the information collected on the FR 2900 report to conduct national monetary policy. Therefore, it is crucial that the FR 2900 data be as accurate as possible.

We are very much aware of the burden placed on financial institutions by all reporting requirements, and we make our best effort to ask for extensive explanations only when necessary. In an attempt to avoid excessive questions to institutions, we utilize internal analysis techniques to identify consistent patterns in the data and to improve our knowledge of your institution's typical activity. However, what may seem as normal activity for your institution, does not always appear normal from the Reserve Bank analyst's perspective which is based on how they look at the data.

These methods include statistical and graphical analysis of weekly, monthly, seasonal, and business day fluctuations. If a trend of consistent behavior is apparent for a sufficient period of time, the need to contact the respondent is greatly reduced. However, when unusual fluctuations occur that are inconsistent in either magnitude or direction of movement, we will contact you to verify the figures. Questions may be more frequent immediately following a dramatic reporting shift until a clear pattern emerges.

If the accuracy of the figure has been confirmed and no revision is necessary, we may still need to identify the legitimate underlying cause of the unusual fluctuation. Simply providing broad account listings is helpful, but not sufficiently comprehensive.

If you wish, you can send explanations for any obvious unusual changes discovered during report preparation along with your report. We ask that you email these explanations to [phil.statistics.deposits@phil.frb.org](mailto:phil.statistics.deposits@phil.frb.org) and your Reserve Bank analyst's email after submitting the report.

## **What makes a good explanation?**

A good explanation describes the majority of the fluctuation in question that includes the details of a transaction and the activity that occurred. In general, Reserve Bank analysts want a breakout of the following information that comprises the fluctuation in question:

- the account type(s) involved
- the customer type(s) involved
- the dollar amount of the contributors
- any related activity between report items

You do not need to provide specific account holders' names.

Example: The reporting institution experiences a \$3.4 million increase in item A.1.

Poor Explanation:

Increase of \$3.4 million in item A.1 on 7/12.

Good Explanation:

Item A.1 increased \$3.4 million on 7/12 due to a \$2.5 million increase in a personal demand accounts (1 deposit of \$2.1 million) and an \$895K increase in business demand accounts (3 deposits totaling \$1.5 million).

### **Advanced Notification of Events Impacting the FR 2900 Report**

When possible, we ask that you notify us in advance of any activity that may significantly impact your deposits reporting. Such activity includes new products, acquisitions, changes in the personnel preparing the report, and computer system conversions that may cause reporting delays. Your Reserve Bank analyst will work with you to ensure that accurate and timely data are received as soon as possible.

### **Related Item Comparisons**

When our Reserve Bank analysts review FR 2900 data, they routinely look for corresponding changes in related categories. While an exact one-to-one relationship is not necessarily expected, our analysts do routinely look for evidence of some corresponding activity among related items.

For example, if item B.1 (Cash Items in Process of Collection) reflects a significant increase, we would expect to see a corresponding increase in either item A.1 (Demand Deposits Due to the Public) or A.2 (Other Liquid Deposits). If we do not see a corresponding increase, we may contact you for more information about what the cash letter was comprised of for that day.

### **Related Report Comparisons**

Quarterly, this Reserve Bank is charged with the responsibility of comparing the balances of analogous items reported on the quarterly *Report of Deposits and Vault Cash* (FR 2900) with those on the *Consolidated Report of Condition*, also known as the *Call Report*, (FFIEC 031/041/051 or NCUA 500) for the corresponding as-of date. This process, referred to as “interseries editing,” enhances data quality by reconciling reporting differences that may otherwise remain undetected. Interseries edits occur when a discrepancy is found, and they are based on a single day’s data from the two reports on the Call Report date. Discrepancies may be the result of a reporting error or may instead reflect legitimate differences between item definitions and/or timing associated with the two reports. The following link can be referenced for a description of legitimate differences: [Legitimate Differences](#).

If your institution reflects a discrepancy, your Reserve Bank analyst may request that your institution provide an explanation and, potentially, process a revision.

## **Revision Policy**

The importance of maintaining accuracy in all deposit categories extends to revisions when required. In order to maintain an accurate and consistent data series, errors in reporting must be corrected when they are discovered. Corrections are often needed for previous periods as well as for the current period.

Prior to submitting any revisions, contact your Reserve Bank analyst outlining the reason for the revisions and the item(s) affected by the revisions.

You can revise reports on the Reporting Central website, the same website where you initially entered your report(s).

### **Time Period of Revisions**

The time period over which revisions are required depend on the nature of the reporting error as well as its size. Long revision periods may be necessary to ensure the integrity of the monetary aggregates.

The following general rule applies:

Revisions may be required from the time an error is discovered back to a date determined by the Reserve Bank.



## Treatment of Escrow Funds

Escrow funds consist of funds deposited with a reporting institution under an agreement that requires the reporting institution to pay all or some portion of the funds to a third party at a certain time or upon fulfillment of certain conditions.

Should be classified as transaction accounts or time deposits based on the contractual maturity date or disbursement schedule in the escrow agreement. When the escrow agreement has no specific maturity date or disbursement schedule, these funds may be classified by when the funds have been disbursed in practice.

Will be regarded as personal savings deposits or personal time deposits if the depositor is a natural person and the other conditions of a savings deposit or time deposit are met, notwithstanding that the funds are held by the reporting institution as an escrow agent. The classification does not depend on whether or not interest or dividends are paid on the funds.

Escrow agreements entered into by the reporting institution in states where the payment of interest or dividends on such accounts is required by law must comply with the notice or maturity provisions applicable to time deposits or savings deposits.

## Treatment of Mergers

The surviving entity of a merger should report consolidated FR 2900 balances as of the first calendar day that the surviving institution takes control of the non-survivor's deposit liability.

## Treatment of Sweep Arrangements

Sweep arrangements allow funds to be automatically transferred between different types of deposit accounts or between deposit accounts and other interest-bearing instruments.

The FR 2900 should reflect amounts outstanding as of the COB each day as reflected on the reporting institution's G/L for each item. Therefore, any swept amounts should be reported based on the account in which they reside at the close of each day, not where the deposits originated.

When deposits of a customer under a sweep program were not transferred between accounts on the G/L for any reason, the reporting institution should not make back-valued or post-closing adjustments to the FR 2900 to reflect the sweep activity that did not actually occur.

Types of sweep arrangements:

1. *Offshore Investment Sweeps* – When a DI intends to establish an offshore sweep program, the deposit contractual agreement between the reporting institution and its customer must be executed pursuant to which the deposit is payable as a matter of right only at an office located outside the United States of the reporting institution. However, if a deposit of a U.S. resident

under an offshore sweep program is less than \$100K, it must be reported on the reporting institution's FR 2900 as a deposit, regardless of any provisions in the applicable deposit agreement as to payability only outside the United States.

2. Domestic Investment Sweeps – When a DI intends to establish an investment sweep program with its customer, a contractual agreement between the reporting institution and the customer must be executed that clearly states that, for the period during which the funds are swept, the liability for the funds is no longer a deposit liability of the reporting institution but rather the liability of the issuer of the alternate investment.
3. Retail Sweeps – When a DI establishes a retail sweep program, the DI must ensure that its customer account agreements provide for the existence of two distinct accounts rather than a single account and that funds are actually transferred between these two accounts as described in the customer contract.

There are two key criteria for valid retail sweep programs:

- a. A DI must establish by agreement with its customer two legally separate accounts.
- b. The swept funds must actually be moved between the customer's two accounts on the DI's official books and records of the institution as of the COB on the day(s) on which the DI intends to report the funds.

## Treatment of Trust Funds

Include on the FR 2900:

- Trust funds reported as deposits of the reporting institution and should be classified depending on the terms of the underlying agreement when:
  - Deposited by the trust department of the reporting institution in the commercial or other department of the reporting institution;
  - Deposited by the trust department of another reporting institution in the commercial or other department of the reporting institution; or
  - Mingled with the general assets of the reporting institution regardless of where held.

Exclude from the FR 2900:

- Netting of trust funds, UNLESS:
  1. The applicable trust law specifically permits the netting, or if a written trust agreement, valid under applicable trust law, permits a trust to lend money to another trust account;  
or
  2. The amount that caused the overdraft is still available in a settlement, suspense, or other trust account within the trust department and may be used to offset the overdraft.

- Trust funds that a reporting institution receives or holds but keeps segregated from its general assets and that are not available for general investment or lending purposes.
- Items such as bonds, stocks, jewelry, coin collections, and so on, that are left with the reporting institution for safekeeping, sometimes referred to as “special deposits.”