

FR 2900

Frequently Asked Questions

Below you will find frequently asked questions regarding the FR 2900 report (Report of Transaction Accounts, Other Deposits and Vault Cash). If your questions are not answered in these FAQs, please refer to the FR 2900 instructions or contact your local FR 2900 analyst. If you are unsure of whom to direct your questions to, please contact the Federal Reserve Bank of Chicago's Financial Reports area at (877) 597-5371 or via e-mail at financialreporting@chi.frb.org.

Instructions and reporting forms to the FR 2900 and other reports are available at the Federal Reserve Board's website at <http://www.federalreserve.gov/reportforms/default.cfm>.

Q: What is the FR 2900?

A: This report collects information on transaction accounts, time and savings deposits, vault cash, and other reservable liabilities from depository institutions (DIs).

Q: What is the purpose of the FR 2900?

A: These data are the primary source for calculation of required reserves and for construction of the monetary and reserves aggregates, used by the Board of Governors of the Federal Reserve System, and the Federal Open Market Committee (FOMC) in the formulation of monetary policy.

Q: Who is required to report?

A: 1. In general, DIs that have a) net transaction accounts¹ greater than the exemption amount², or b) have total transaction accounts, savings deposits, and small time deposits greater than or equal to the reduced reporting limit³. Both the exemption amount and the reporting limit are determined each July by procedures described annually in the Supplementary Information to Regulation D and in the Reserve Maintenance Manual.

2. All banking Edge Act and agreement corporations and their U.S. branches, regardless of size.

Regulation D and other banking regulations are available at Federal Reserve Board's website at <http://www.federalreserve.gov/bankinfo/reglisting.htm>.

The Reserve Maintenance Manual is located at <http://www.frbervices.org/files/regulations/pdf/rmm.pdf>.

¹ Net transaction accounts are defined as total transaction accounts less demand balances due from DIs and cash items in process of collection.

² The exemption amount is the amount in which net transaction accounts remain exempt from reserve requirements. The exemption amount is \$11.5 million for 2012.

³ The reduced reporting limit is the amount in which DIs with total transaction, savings, and small time deposits, exceeding this limit, must file a weekly FR 2900 report. The reduced reporting limit is \$1.521 billion for 2012.

Q: What is the reporting frequency?

A: Please refer to Section 1, subsection A and B of the FR 2900 instructions for a complete discussion on reporting frequency.

Q: When is the FR 2900 due?

A: For reporters in the Seventh Federal Reserve District, the FR 2900 is due to the Federal Reserve Bank of Chicago no later than noon on the Thursday following the Monday report date.

Q: Why do we receive inquiries from Federal Reserve analysts concerning our FR 2900 reports?

A: The FR 2900 report is used in the construction of monetary and reserve aggregates. These figures are necessary for the Board of Governors to effectively conduct monetary policy. Consequently, analysts may contact a reporting institution to verify the accuracy of the data.

However, prior to contacting an institution regarding atypical data movements, analysts perform extensive research. Specifically, analysts will examine historical data and explanations, trends, and peer activity, to determine if contacting a reporting institution is necessary. Analysts will make every effort to avoid adding excessive burden.

What types of information will analysts request?

To ensure data accuracy, analysts generally request the following information:

1. Nature of the transaction – examples: deposit, withdrawal, purchase, sale
2. Entity types involved in a transaction – examples: municipal entities, individuals, corporations, charities, another depository institution
3. Instruments involved in a transaction – examples: MMDA, CDs, checking, ATS accounts, NOW accounts, share drafts (credit unions), a demand ‘due from’ balance

In the event that incorrect FR 2900 data is identified through the review process, analysts will request revisions to the report or reports(s) in question. If the error applies to prior period data, revisions to affected report periods may be requested. In such instances, the analyst will communicate the number of reporting weeks that will need to be revised and provide a reasonable time frame for completion.

Q: I have identified unusual, but accurate data on the FR 2900. What should I do?

A: Reporters can, and are encouraged, to proactively communicate such information to their respective Federal Reserve Banks. This can be done by adding comments in the text field for electronic submissions, attaching additional information to faxed FR 2900 reports, or contacting a Federal Reserve analyst directly.

Q: What are legitimate differences?

A: Every quarter, the Federal Reserve System compares the FR 2900 report with similarly-defined items on the quarterly financial statements of DIs (e.g. the Call Report) through a process known as “Interseries Editing.” Legitimate differences refer to valid, definitional reasons as to why these items may differ. To ensure data quality, our office may contact DIs to ensure sizable discrepancies between the items are the

result of a legitimate difference. The legitimate differences documents are assigned to assist DIs in identifying the cause of discrepancies.

Additionally, for quarterly reporters, please note that a discrepancy in reporting dates may also constitute a legitimate difference. If this is the case, please identify the primary contributors (size and entity) when responding to inquiries pertaining to interseries discrepancies.

The Legitimate Differences document is located at

<http://www.federalreserve.gov/reportforms/legitdiff.cfm?WhichFormId=FR%5F2900cb>.

Q: What are primary obligations?

A: Generally, a primary obligation is a liability that is issued or undertaken by a DI as a means of obtaining funds. For purposes of this report, primary obligations are considered deposits when they are entered into with nonexempt entities.

Please refer to Section 1, subsections G.2 and G.3 of the FR 2900 instructions for a complete discussion of primary obligations.

Q: How do I report sweeps?

A: 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 close of business each day as reflected on the general ledger for each item. Therefore, any swept amount should be reported based on the account in which the funds reside at the close of business each day. Please note that the treatment of sweeps is identical on the FR 2900 and on the Call Report.

Please also refer to Section 1, subsection L of the FR 2900 instructions for a complete discussion of sweep arrangements.

Q: How do I report trust funds?

A: 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 do not constitute deposits and should not be reported in any item on this report. However, trust funds should be reported as deposits of the reporting institution when:

1. deposited by the trust department of the reporting institution in the commercial or other department of the reporting institution;
2. deposited by the trust department of another DI in the commercial or other department of the reporting institution; or
3. mingled with the general assets of the reporting institution, regardless of where held.

Please refer to Section 1, subsection I of the FR 2900 instructions for a complete discussion of trust funds.

Q: How do I report time deposits with balances of \$100,000 or more?

A: In determining if a time deposit has a balance of \$100,000 or more, do not combine deposits that are represented by separate certificates or accounts, even if held by the same customer.

Q: How do I report brokered time deposits?

A: If your institution receives brokered deposits in the form of time deposits, only that portion of the deposit in amounts of \$100,000 or more that is credited to a single depositor should be included in line item F1. The remainder of the deposit is regarded as small time deposits. Small brokered time deposits are reported in line item D1, as are large brokered time deposits, but are omitted from F1.

Please refer to Section 2, subsection Item F1 of the FR 2900 for a complete discussion of brokered deposits.

Q: How do I report time deposit maturities and redemptions?

A: Report as demand deposits, in items A1A or A1C, all matured time certificates of deposit, even if interest is paid after maturity, except matured time certificates of deposit during the grace period after maturity, if such a grace period exists (see 12 CFR § 329.104); during the grace period, these deposits remain in total time and large time deposits, item D1 and F1 respectively. Also exclude matured time certificates of deposits and proceeds from time deposits or time deposit open accounts, wherein the deposit agreement specifically provides for the funds to be transferred to an account type other than a demand deposit in item A1A or item A1C.

Q: How do I calculate the reserve requirement?

A: Please refer to the Reserve Maintenance Manual, located at Section V, for a complete discussion on the calculation of reserve requirements. The Reserve Maintenance Manual is located at <http://www.frb services.org/files/regulations/pdf/rmm.pdf>.

Q: Where do I report Federal Reserve Balances, Federal Home Loan Bank Balances (FHLBs), or Excess Balance Accounts (EBAs)?

A: Federal Reserve balances, FHLBs, and EBAs are excluded from the FR 2900.

Q: How should I report pass-through balances, particularly those in excess of a reserve requirement?

A: Please refer to Section 1, subsection H of the FR 2900 instructions for a complete discussion on pass-through balances.

Q: How should I report mergers?

A: The surviving entity of a merger should report consolidated FR 2900 balances as of the first calendar day that the non survivor no longer exists. This day should be based on the legal date of the merger regardless of whether it occurs on a weekday, weekend, or holiday. Similarly, the non-surviving entity of a merger should report no balances on the FR 2900 as of the legal date of the merger and for the remainder of the reporting week.

Please note that in the case of mergers involving reporters of different FR 2900 reporting frequencies, the consolidated entity must begin filing at the most frequent reporting frequency, regardless if the survivor filed on a less frequent basis.

Additionally, if your institution is undergoing a merger or a similar transaction, please contact our office to ensure we have this information available.

Q: Should I report fair value on the FR 2900?

A: No, liabilities that are reported on the FR 2900 must be based on the reporting institution's contractual liability to its counterparty, which includes accrued interest. Liabilities must be reported based on the reporting institution's contractual liability regardless of whether it has elected to report the fair value of its liabilities on financial statements.

Q: How should I report weekends and holidays?

A: Institutions that post to their general ledger on Saturdays, Sundays, and/or holidays may report these balances on the FR 2900 for these days. Both debit and credit entries for each transaction must be recorded on the official books and recorded on the same day in order to be reported on the FR 2900; otherwise, the preceding day's balances are reported.

Q: There have been adjustments to the general ledger. Should I revise the FR 2900?

A: Adjustments made to the general ledger after the close of business to accurately reflect transactions executed as of the close of business on the report date should be reported on the FR 2900. For example, if the general ledger is updated to correct a clerical error or a misposting, it is appropriate to revise the FR 2900. However, postclosing adjustments to the accounting records of the reporting institution that reflect transactions that did not occur on the reporting date should not be reported on the FR 2900.

Please also refer to Section 1, subsection D.6 of the FR 2900 instructions for a complete discussion on recordkeeping.

Q: How do I report overdrafts and negative balances?

A: Generally, deposit accounts with a negative balance as of the close of business each day (whether resulting from prearranged or unplanned overdrafts or from operating or other factors) are to be regarded as having a zero balance for purposes of computing deposit totals. Moreover, any overdrawn deposit account by a customer should be regarded as a loan made by the reporting institution to that customer, and the amount of the overdraft should be regarded as zero and not be reported as a negative deposit.

Please also refer to Section 1, subsection D.9 of the FR 2900 instructions for a complete discussion on overdrafts and negative balances.

Q: I am not able to obtain daily figures for an FR 2900 item. Are weekly figures acceptable?

A: Given how critical the data are in the calculation of monetary and reserve aggregates, our office needs all FR 2900 items to accurately reflect the daily state of funds at the close of business.