Supporting Statement for the
Reports of Deposits: Report of Transaction Accounts, Other Deposits, and Vault Cash, Annual Report of Deposits and Reservable Liabilities, Report of Foreign (Non-U.S.) Currency Deposits, and Allocation of Low Reserve Tranche and Reservable Liabilities Exemption (FR 2900, FR 2910a, FR 2915, and FR 2930; OMB No. 7100-0087)

Summary

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Reports of Deposits (OMB No. 7100-0087). This family of reports is comprised of the Report of Transaction Accounts, Other Deposits, and Vault Cash (FR 2900), Annual Report of Deposits and Reservable Liabilities (FR 2910a), Report of Foreign (Non-U.S.) Currency Deposits (FR 2915), and Allocation of Low Reserve Tranche and Reservable Liabilities Exemption (FR 2930).

The proposal would revise the FR 2900 by adjusting the nonexempt deposit cutoff. There are no changes proposed for the FR 2910a, FR 2915, or FR 2930. Data from these mandatory reports are used by the Board for administering Regulation D (Reserve Requirements of Depository Institutions) and for constructing, analyzing, and monitoring the monetary and reserve aggregates.

The Board historically has used the report renewal process as an opportunity to reduce reporting burden on depository institutions that file the FR 2900 by adjusting the nonexempt deposit cutoff. The nonexempt deposit cutoff is used to determine the frequency at which depository institutions file the FR 2900: those with total deposits above the cutoff file weekly and those with total deposits below the cutoff file quarterly. The nonexempt deposit cutoff (currently $436.2 million) is indexed annually by 80 percent of the growth in total transaction accounts, savings deposits, and small time deposits at all depository institutions, and is currently scheduled to increase to $457.5 million beginning in September 2018. The Board amends Regulation D, Reserve Requirements of Depository Institutions, to reflect the newly indexed nonexempt deposit cutoff each year. To further reduce burden, the Board proposes to raise the nonexempt deposit cutoff level to $1 billion from its indexed value of $457.5 million. This proposed increase would take effect in September 2018 and is expected to reduce the number of depository institutions that file the FR 2900 weekly by more than half. Moreover, this proposed change is estimated to save reporters approximately $3.1 million in burden while maintaining accurate measurements of the money and reserves aggregates.

The current estimated total annual burden for Reports of Deposits is 185,668 hours. The current total annual burden for the FR 2900 (weekly and quarterly) is 183,195 and with the proposed revisions would result in a net decrease in burden of 56,074 hours, resulting in an estimated total annual burden of 129,594 hours.

Background and Justification

The current system of reporting is designed to meet the requirements of the Federal Reserve Act as amended by both the Monetary Control Act of 1980 (MCA) and the Garn-St. Germain Depository Institutions Act of 1982 (Garn-St. Germain Act). The MCA imposes reserve requirements on all depository institutions that have transaction accounts or nonpersonal time deposits.[1] In implementing the MCA, the Board limited the reporting burden on smaller institutions by reducing their frequency of reporting (reduced reporting). As noted, institutions with total transaction accounts, savings deposits, and small time deposits below a deposit cutoff submit FR 2900 data at a quarterly frequency rather than at a weekly frequency. The Garn-St. Germain Act sets a zero-percent reserve requirement on a specific amount of a depository institution's reservable liabilities (the exemption amount), which exempts all depository institutions from reserve requirements when their total reservable liabilities are less than or equal to the exemption amount. The Garn-St. Germain Act also requires that depository institutions with a zero-percent reserve requirement be subject to less overall reporting than other depository institutions, consistent with the Board's responsibility to monitor and control the monetary and reserves aggregates.

The current reporting framework for the Reports of Deposits was implemented in April 1983 and, since September 2003, the boundaries of the four reporting categories (described later in this proposal) have been defined by three measures: the exemption amount, the nonexempt deposit cutoff, and the reduced reporting limit. The exemption amount is indexed annually by 80 percent of the annual growth rate of total reservable liabilities at all depository institutions.[2] The nonexempt deposit cutoff and the reduced reporting limit are indexed annually by 80 percent of the growth in total transaction accounts, savings deposits, and small time deposits at all depository institutions. Eligibility in the four reporting categories is reviewed annually, and the assignment of institutions to reporting panels occurs each September.

Description of Information Collection

1. Report of Transaction Accounts, Other Deposits, and Vault Cash (FR 2900)

The FR 2900 is the primary source of data used for the calculation of required reserves and applied vault cash, and for the construction and analysis of the monetary aggregates. Data are also used for indexing the exemption amount and low reserve tranche amount each year, as required by statute, and for indexing the nonexempt deposit cutoff and reduced reporting limit each year, as determined by the Board, amounts which determine whether depository institutions file the FR 2900 either weekly or quarterly.

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[1] The Board imposes reserve requirements on U.S. branches and agencies of foreign banks under the authority of the International Banking Act of 1978.

[2] No adjustment is made to the exemption amount if total reservable liabilities at all depository institutions decline. The annual growth rate is measured from June 30 one year to June 30 the next year, and then used in calculating the exemption amount for the subsequent year. The exemption amount is implemented for weekly deposit respondents beginning with the first maintenance period in the subsequent year that includes January 1. For quarterly deposit respondents, the new exemption amount takes effect with the first maintenance period that corresponds to the December report week.

Data Coverage. The FR 2900 reporting form currently comprises 15 data items.[3] Twelve data items are reported at a daily frequency but are submitted weekly to the Federal Reserve Banks for report weeks that begin on a Tuesday and end the following Monday. The data is ultimately reported to the Board via the Reserve Banks. These 12 data items are necessary for the calculation of reserve requirements, applied vault cash, and for the construction of the monetary aggregates. Three data items—those that supply data on the nontransaction components of total reservable liabilities—are submitted at an annual frequency for use in the indexation of the exemption amount and low reserve tranche amount.

Reporting Frequency. The Board does not propose changes to the FR 2900 reporting frequency. Weekly reporting of the current 12 daily FR 2900 data items by larger nonexempt institutions facilitates calculation of reserve requirements, construction of the monetary aggregates, and the implementation of monetary policy. Quarterly reporting of those same FR 2900 items by smaller nonexempt institutions reduces the reporting burden on these institutions.[4] All FR 2900 respondents, regardless of how frequently they submit the daily data items, submit the three annual FR 2900 report items one day each year.

Reporting Panel. With the exceptions noted below, an institution's reporting status is currently determined by the levels of its (1) net transaction accounts, (2) total transaction accounts, savings deposits, and small time deposits, and (3) total deposits. Institutions with net transaction accounts greater than the exemption amount are called nonexempt institutions and do not qualify for reduced reporting. Institutions with total transaction accounts, savings deposits, and small time deposits greater than or equal to the reduced reporting limit, regardless of the level of their net transaction accounts, are also referred to as nonexempt institutions and do not qualify for reduced reporting. Nonexempt institutions submit FR 2900 data either weekly or quarterly. An institution is required to report weekly if its total transaction accounts, savings deposits, and small time deposits are greater than or equal to the nonexempt deposit cutoff. If the nonexempt institution's total transaction accounts, savings deposits, and small time deposits are less than the nonexempt deposit cutoff, then the institution must report quarterly or may elect to report weekly.

Exempt institutions are institutions that are eligible for reduced reporting and therefore either submit the FR 2910a data annually or do not submit deposit data at all to the Board. Exempt institutions have net transaction accounts less than or equal to the exemption amount and have total transaction accounts, savings deposits, and small time deposits less than the reduced reporting limit. If an exempt institution's total deposits are greater than the exemption amount, then the institution is required to submit the FR 2910a. Exempt institutions with total deposits

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[3] Refer to the table in Appendix A for a list of the 15 data items on the FR 2900 reporting form.

[4] The reporting weeks for the quarterly respondents begin on the third Tuesday of March, June, September, and December. For the purposes of constructing the monetary aggregates, weekly deposits and vault cash for quarterly respondents are estimated between quarterly report dates from reported movements of a class of small weekly FR 2900 respondents. When actual data from the quarterly FR 2900 respondents become available, these weekly estimates are adjusted. Reserve requirements for quarterly respondents are satisfied during 14-day maintenance periods, and are set quarter-by-quarter based on the data reported for a single week each quarter.

less than or equal to the exemption amount are not required to submit deposit data to the Board if other data sources, such as Call Reports[5], are available.

U.S. branches and agencies of foreign banks and banking Edge and agreement corporations submit the FR 2900 data weekly, regardless of their size. The relationship between these institutions and their parent organizations makes possible short-term transfers of liabilities and assets between reporting dates to avoid reserve requirements. To eliminate the possibility of reserve avoidance, submission of weekly data for these institutions is deemed necessary.

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

The FR 2910a is generally submitted by exempt institutions whose total deposits (as shown on their December Call Report) are greater than the exemption amount. Respondents submit single-day data as of June 30. There are not proposed changes to this report.

Data Coverage. The FR 2910a reporting form collects three data items: total transaction accounts, savings deposits, and small time deposits; reservable liabilities; and net transaction accounts. The first data item, total transaction deposits, savings deposits, and small time deposits, is used to determine whether an institution will continue to be eligible for reduced reporting and, if not, the frequency at which the institution must submit FR 2900 data (weekly or quarterly). In addition, these data are used in the annual indexation of the nonexempt deposit cutoff and the reduced reporting limit.

The second data item, reservable liabilities, is the sum of net transaction accounts, nonpersonal savings deposits, and nonpersonal time deposits, regardless of maturity. Data on reservable liabilities are used for the annual indexation of the exemption amount (as required by statute).

The third data item, net transaction accounts, comprises total transaction accounts less demand balances due from depository institutions and cash items in process of collection. Data on net transaction accounts are used in the annual indexation of the low reserve tranche (as required by statute) and are used to determine whether an institution will continue to be eligible for reduced reporting.

Reporting Panel and Frequency. Any depository institution that does not submit FR 2900 data and that has total deposits greater than the exemption amount on its December Call

[5] In this document, the term Call Report refers to the Consolidated Reports of Condition and Income (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036) filed by commercial banks, Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002; OMB No. 7100-0032), Statement of Financial Condition (NCUA 5300; OMB No. 3133-0004) filed by credit unions, and Consolidated Report of Condition and Income for Edge and Agreement Corporations (FR 2886b; OMB No. 7100-0086).

Report must submit FR 2910a data the subsequent year.[6,7] FR 2910a data are submitted annually.

3. Report of Foreign (Non-U.S.) Currency Deposits (FR 2915)

All FR 2900 respondents, both weekly and quarterly, that offer deposits denominated in foreign currencies at their U.S. offices file the FR 2915 quarterly on the same reporting schedule as quarterly FR 2900 respondents.

Foreign currency deposits are subject to reserve requirements and, therefore, are included in the FR 2900 data. However, because foreign currency deposits are not included in the monetary aggregates, the FR 2915 data are used to net foreign currency-denominated deposits from the FR 2900 data to exclude them from measures of the monetary aggregates. The FR 2915 is the only source of data on such deposits. Board staff recommends no changes to this report form.

Data Coverage. The amounts of foreign currency deposits held at U.S. offices of a depository institution are converted to U.S. dollars and included in the appropriate existing data items on the institution's FR 2900, which collects outstanding balances as of the close of business each day of the seven-day reporting week that begins on Tuesday and ends the following Monday. The six data items (data item 1, total transaction accounts; data item 2, cash items in process of collection; data item 3, total savings and time deposits; memorandum item 4, demand deposits due to depository institutions; memorandum item 5, time and savings deposits due to depository institutions; and memorandum item 6, all time deposits with balances of $100,000 or more) break out the amounts of these foreign currency-denominated deposits that are included in selected FR 2900 data items. Specific FR 2900 data items are referenced on the face of the FR 2915 reporting form.

The Board has looked for alternative sources of quarterly data on foreign currency deposits. However, the data item on foreign currency deposits was removed from the Call Report in March 1996; therefore, the FR 2915 report is now the sole source of data on foreign currency deposits from depository institutions. The Board has also examined whether the number of data items collected on the report could be reduced. Total foreign currency deposits must be broken out by major deposit type and must eliminate interbank transactions, consistent with the FR 2900 report, to construct the monetary aggregates. The present level of detail contained on the reporting form is required to obtain the minimum amount of data needed for construction of the monetary aggregates.

Reporting Panel and Frequency. When the FR 2915 was introduced, weekly FR 2900 respondents filed the reporting form monthly while quarterly FR 2900 respondents filed the

[6] Institutions are added to the FR 2910a reporting panel based on total deposits (not total transaction accounts, savings deposits, and small time deposits) because nonpersonal savings and time deposits (a component of FR 2910a data item 2, Reservable Liabilities) typically include some large time deposits.

[7] Any exempt institution that does not submit a December Call Report, or whose Call Report is not readily available, must submit an FR 2910a report. Any institution that adjusts its FR 2910a reported values to qualify for reduced reporting will be shifted to a FR 2900 reporting panel.

reporting form quarterly. Beginning in March 1995, the FR 2915 reporting frequency for weekly FR 2900 respondents was reduced from once a month to once a quarter. This change made the reporting frequency consistent with, and on the same schedule as, quarterly FR 2900 respondents. The change was made in response to the decline in the amount outstanding of foreign currency deposits, from $4.3 billion in 1992 to $2.8 billion at the time of the 1994 review of the report, with only small monthly fluctuations. The Board determined that quarterly measures would suffice both for backing the data out of the monetary aggregates as well as for monitoring the overall volume of the deposits. It is considered necessary to continue monitoring foreign currency deposits, and the FR 2915 is the only source of data on foreign currency deposits. Although the amount outstanding of foreign currency deposits has increased again over the past decade, the Board assesses that a quarterly collection frequency is still sufficient.

4. Allocation of Low Reserve Tranche and Reservable Liabilities Exemption (FR 2930)

Institutions with offices (or groups of offices) in more than one state or Federal Reserve District, or those operating under operational convenience, are required to file the FR 2930 at least annually.[8] An institution's net transaction accounts up to the exemption amount ($16.0 million in 2018) are reserved at zero percent. Net transaction accounts up to the low reserve tranche ($122.3 million in 2018) are reserved at 3 percent while amounts in excess of this amount are reserved at 10 percent. Only a single exemption amount and a single low reserve tranche are allowed per depository institution (including subsidiaries). Therefore, an institution that submits separate FR 2900 reports covering different offices is required to file the FR 2930 at least annually to allocate its reservable liabilities exemption and low reserve tranche among its offices. There are no proposed changes to this report.

Data Coverage. As noted earlier, an institution's net transaction accounts up to the exemption amount are reserved at zero percent. In addition, net transaction accounts above the exemption amount and up to the low reserve tranche are reserved at a lower ratio than amounts in excess of this level. However, only a single exemption and a single low reserve tranche are allowed per chartered depository institution. Therefore, to calculate the reserve requirement of an institution that submits separate FR 2900 reports for two or more offices, that institution is required to allocate, using the FR 2930, its one low reserve tranche and one exemption amount among those offices. The FR 2930 must be submitted to the Reserve District in which the head office is located.

Reporting Panel and Frequency. The FR 2930 data are collected when the low reserve tranche and reservable liabilities exemption thresholds are adjusted toward the end of each calendar year or upon the establishment of an office outside the home state or Federal Reserve District. The data are required at least one week before the beginning of the reserve computation period (a fourteen-day period beginning on Tuesday and ending two Mondays thereafter) in which the revised allocations are to be effective. The FR 2930 reporting panel consists of a

[8] Operational convenience is the term used to describe the transitional, multiple account arrangements that the Board offers institutions to support organizational and operational restructuring after a merger for institutions that are not operationally prepared to close the nonsurvivor's master account or to convert the nonsurvivor's master account to a subaccount on the merger effective date.

single designated office from each family of U.S. branches and agencies of a foreign bank, and a single designated office from each Edge or agreement corporation that has offices located in more than one state or Federal Reserve District.

Proposed Revisions to the FR 2900

The Board proposes raising the nonexempt deposit cutoff to $1 billion, substantially increasing the cutoff from its indexed amount of $457.5 million that is set to take effect in September 2018. This proposed increase in the nonexempt deposit cutoff would reduce reporting burden on depository institutions while maintaining accurate measurements of the money and reserves aggregates. With this increase, the Board estimates that approximately 1,000 depository institutions would become newly eligible to elect to shift from weekly to quarterly FR 2900 reporting. However, consistent with current policy, newly eligible institutions for quarterly reporting may elect to continue reporting weekly.

Time Schedule for Information Collection and Publication

Reserve Banks collect and review the deposit data from respondents on a schedule that allows the Reserve Banks to meet the deadline for reporting those data to the Board. FR 2900 weekly respondents submit daily data on a weekly basis for report weeks that begin on a Tuesday and end on the following Monday. FR 2900 quarterly respondents submit daily data for the week beginning with the third Tuesday and continuing through the following Monday in March, June, September, and December. FR 2915 respondents submit weekly average data for the same week as quarterly FR 2900 respondents. FR 2910a respondents submit data annually as of the close of business June 30 each year. FR 2930 reporters submit data at least one week before the beginning of the reserve computation period (a fourteen-day period beginning on Tuesday and ending two Mondays thereafter) in which the requested allocations are to be effective.

The data are used in the production of public statistical releases and internal reports. Aggregate data for deposits, reserves, or both are published in numerous publicly available statistical releases: *Aggregate Reserves of Depository Institutions and the Monetary Base* (H.3 statistical release), *Money Stock Measures* (H.6 statistical release), and *Assets and Liabilities of Commercial Banks in the United States* (H.8 statistical release).

Legal Status

The information collected on these reports is authorized under sections 11, 25(7), and 25A(17) of the Federal Reserve Act (FRA) and section 7 of the International Banking Act (IBA). Section 11 of the FRA (12 U.S.C. 248(a)) authorizes the Board to require reports from each member bank as it may deem necessary and authorizes the Board to prescribe reports of liabilities and assets from insured depository institutions to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Sections 25(7) and 25A(17) of the FRA (12 U.S.C. 604a and 625) authorize the Board to require Edge and agreement corporations to make reports to the Board. Section 7 of the IBA (12 U.S.C. 3105(c)(2)) authorizes the Board to require reports from U.S. branches and agencies of foreign banks. The FR 2900, FR 2910a, FR 2915, and FR 2930 are all mandatory.

The release of data collected on these forms would likely cause substantial harm to the competitive position of the respondent if made publicly available. The data collected on these forms, therefore, may be kept confidential under exemption 4 of the Freedom of Information Act, which protects from disclosure trade secrets and commercial or financial information (5 U.S.C. 552(b)(4)).

Consultation Outside the Agency

On February 21, 2018, the Board published an initial notice in the *Federal Register* (83 FR 7474) requesting public comment for 60 days on the extension, with revision, of the Reports of Deposits. The comment period for this notice expired on April 23, 2018. No public comments were received. On May 15, 2018, the Board published a final notice in the *Federal Register* (83 FR 22489) and the revisions will be implemented as proposed.

Estimate of Respondent Burden

As shown in the table below, the proposed annual reporting burden for the reports of deposits is estimated to be 129,594 hours, a decrease of 56,074 hours from the current estimate of 185,668 hours. The reduction in estimated burden is due to the proposed increase in the nonexempt deposit cutoff. As noted earlier, the Board is proposing to increase the nonexempt deposit cutoff from its annually indexed amount of $457.5 million to $1 billion, which would make an estimated 1,000 depository institutions eligible to shift from weekly to quarterly reporting with panel changes proposed to take effect in September 2018. The number of respondents documented in the table below were calculated using data available as of September 12, 2017. These reporting requirements represent 1.2 percent of total Federal Reserve System annual paperwork burden.

	Number of respondents[9]	Annual frequency	Estimated average hours per response	Estimated annual burden hours
Current				
FR 2900 (weekly)	2,007	52	1.25	130,455
FR 2900 (quarterly)	4,395	4	3.0	52,740
FR 2910a	2,941	1	0.75	2,206
FR 2915	122	4	0.5	244
FR 2930	93	1	0.25	23
Total				185,668
Proposed				
FR 2900 (weekly)	949	52	1.25	61,685
FR 2900 (quarterly)	5,453	4	3.0	65,436
FR 2910a	2,941	1	0.75	2,206
FR 2915	122	4	0.5	244
FR 2930	93	1	0.25	23
Total				129,594
Change				(56,074)

The proposed threshold change is estimated to lower the cost to the public by $3,142,948. The total cost to the public is estimated to decrease from the current level of $10,406,691 to $7,263,744 for the revised forms and the raised nonexempt cutoff.[10]

Sensitive Questions

These reports contain no sensitive questions as defined by OMB guidelines.

Estimated Cost to the Federal Reserve System

The proposed cost to the Federal Reserve System for collecting and processing the FR 2900 (weekly), FR 2900 (quarterly), FR 2910a, FR 2915, and FR 2930 is estimated to be

[9] Of these respondents, 258 for the FR 2900 (weekly), 4,291 for the FR 2900 (quarterly), 2,907 for the FR 2910a, 10 for the FR 2915, and 31 for the FR 2930 are considered small entities as defined by the Small Business Administration (i.e., entities with less than $550 million in total assets since the last four quarters ending June 30, 2017) www.sba.gov/document/support--table-size-standards.

[10] Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at $18, 45% Financial Managers at $69, 15% Lawyers at $68, and 10% Chief Executives at $94). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2017*, published March 30, 2018, www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.

$4,760,700 per year, a decrease of $813,600 from the current cost of $5,574,300. The one-time cost to implement the revised reports is estimated to be $58,700.

Appendix A

Uses of FR 2900 Data Items

The following table summarizes the current uses of each data item on the FR 2900. As shown in the table, the separate reporting of various deposit categories is needed because of the different treatment of particular data items in the definitions of reservable liabilities or monetary aggregates. For example, all demand deposits are classified as transaction accounts for calculating required reserves, but two data items—demand deposits due to depository institutions and U.S. government demand deposits—are not included in the monetary aggregates and, therefore, must be submitted separately. Similarly, time and savings deposits are treated the same way for purposes of reserve requirements, but separate data are needed for construction and publication of the monetary aggregates.

In 1991, the Board reduced the number of data items collected on the FR 2900 from twenty-one to fifteen by consolidating some data items that were previously submitted separately. In addition, the definition of one data item was expanded.[11] In 2003, the reporting frequency of two data items was reduced from daily to only one day a year, and a new annual data item—net Eurocurrency liabilities—was added.[12]

[11] Reservable time and savings deposits were combined into a new memorandum item nonpersonal savings and time deposits; personal time deposits and the breakdown of nonpersonal time deposits by maturity were combined into one item, time deposits; data on money market deposit accounts (MMDAs) and other savings deposits were combined into one item, savings deposits; telephone transfer accounts were combined with the item ATS (automatic transfer service accounts and negotiable order of withdrawal (NOW) accounts/share drafts; and the definition of data item 2 in schedule BB was broadened to include all such transactions with original maturities of seven days or more.
[12] The two data items with reduced reporting frequency were nonpersonal savings and time deposits and ineligible acceptances and obligations issued by affiliates maturing in seven days or more.

Current Uses of each FR 2900 Data Item

Data Item	Calculation of required reserves[1]	Construction of monetary aggregates[2]	Comment
A. Transaction accounts:			
1. Demand Deposits:			
a. Due to depository institutions	Reserved as transaction accounts (3%/10%)[3]	n.a.	Not included in the monetary aggregates.
b. Of U.S. government	Reserved as transaction accounts (3%/10%)[3]	n.a.	Not included in the monetary aggregates, but published as a memorandum item on the H.6.
c. Other demand	Reserved as transaction accounts (3%/10%)[3]	M1	Monetary aggregates. For banks, other demand (data item A.l.c) is used to calculate the demand deposits adjusted component of M1, which is published on the H.6. For thrifts, this item is a component of other checkable deposits.
2. ATS accounts and NOW accounts/share drafts, and telephone and preauthorized transfers	Reserved as transaction accounts (3%/10%)[3]	M1/M2	Monetary aggregates. ATS and NOW accounts (data item A.2) are included in the other checkable deposits component of M1, while telephone and preauthorized transfer accounts are included in M2. With all three types of accounts submitted as a single total on the FR 2900, the Board estimates the amount of telephone and preauthorized transfer accounts to be subtracted from that total and included in M2.
3. Total transaction accounts	Reserved as transaction accounts (3%/10%)[3]	n.a.	Reserve calculations. Total transaction accounts (data item A.3) must equal the sum of data items A.1 through A.2 above.
B. Deductions from transaction accounts:			
1. Demand balances due from depository institutions in the U.S.	Deducted from transaction accounts before application of reserve requirement ratio.	n.a.	Reserve calculations. The sum of demand balances due from depository institutions in the U.S. and cash items in process of collection (data items B.1 and B.2) is deducted from gross transaction accounts (A.3—which is the sum of data items A.1.a, A.1.b, A.1.c, and A.2—plus A.A.1) to produce net transaction accounts, which is subject to reserve requirements.
2. Cash items in process of collection	Deducted from transaction accounts before application of reserve requirement ratio.	M1	Monetary aggregates. Cash items in process of collection (data item B.2) are deducted from other demand deposits in calculating the demand deposits adjusted component of M1 for banks and the other checkable deposits component of M1 for thrifts.

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C.1 Total savings deposits (including MMDAs)	Personal accounts are not reservable; nonpersonal savings deposits are reservable, but with a reserve requirement ratio of zero. See Schedule BB.1 below.	M2	Monetary aggregates. Savings deposits are a major component of M2.
D.1 Total time deposits	Personal accounts are not reservable; nonpersonal or negotiable time deposits are reservable, but with a reserve ratio of zero. See Schedule BB.1 below.	M2[4]	Monetary aggregates. Small-denomination time deposits (those in amounts less than $100,000) are calculated by subtracting memorandum item F.1, large time deposits, from total time deposits (Item D.1).
E.1 Vault cash	Total required reserves less vault cash equals the amount of reserves to be maintained at the Federal Reserve Bank	M1	Monetary aggregates. Vault cash is deducted from currency in circulation to arrive at the currency component of M1. Reserve aggregates. Vault cash is used to meet reserve requirements. The amount used is applied vault cash.
F. Memorandum Item:			
1. All time deposits with balances of $100,000 or more (included in Item D.1 above)	n.a.	M2[4]	Monetary aggregates. See comments for item D.1 above. Also used in the construction of the Board's weekly H.8 statistical release, *Assets and Liabilities of Commercial Banks in the United States*.

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Schedule AA:			
1. Ineligible acceptances and obligations issued by affiliates maturing in less than 7 days	Reserved as transaction accounts (3%/10%)[3]	n.a.	Reserve calculations. A depository institution is required to maintain reserves against ineligible acceptances and certain obligations issued by a nondepository affiliate if the proceeds of such obligations are channeled to the depository institution. These obligations are not direct obligations of the depository institution but are reservable obligations under Regulation D.
Schedule BB: Nonpersonal data items			
1. Total nonpersonal savings and time deposits (included in Items C.1 and D.1 above)	Reserved as nonpersonal time deposits (0%)	n.a.	A component of total reservable liabilities, used in the annual indexation of the exemption amount. (Annual indexation of the exemption amount is required by statute.)
2. Ineligible acceptances and obligations issued by affiliates maturing in 7 days or more (nonpersonal only)	Reserved as nonpersonal time deposits (0%)	n.a.	A component of total reservable liabilities that is used in the annual indexation of the exemption amount. (Annual indexation of the exemption amount is required by statute.)
Schedule CC:			
1. Net Eurocurrency liabilities	Reserved as non-transaction accounts (0%)[5]	n.a.	A component of total reservable liabilities that is used in the annual indexation of the exemption amount. (Annual indexation of the exemption amount is required by statute.)

Notes to Table:

1. Detailed procedures for the calculation of required reserves are presented in the *Reserve Maintenance Manual* (www.federalreserve.gov/monetarypolicy/reservereq-reserve-maintenance-manual.htm).

2. For additional information on the monetary aggregates, please see the H.6 statistical release.

3. The amount of total net transaction accounts equal to or below the low reserve tranche is reserved at 3 percent, while the amount in excess of the tranche is reserved at 10 percent. Total net transaction accounts are gross transaction accounts (Section A, Item 3 plus Schedule AA, Item 1) less deductions as submitted in Section B of the reporting form (Items B.1 and B.2). In addition to the ratios shown in the table, the first $14.5 million of an institution's reservable liabilities are subject to a reserve requirement of 0 percent in 2015 (this amount is referred to as the exemption amount).

4. As of March 23, 2006, the Board ceased construction and publication of M3. Given that daily data on small denomination time deposits (the difference between total time deposits and large time deposits) are necessary for use in constructing the M2 monetary aggregate, the Board has determined that it is least burdensome for depository institutions to continue to collect total and large time deposit data on the FR 2900 reporting form.

5. Prior to 1991, the FR 2950 and FR 2951 were also used in the calculation of required reserves. These reports were discontinued in May 2004.