

REQUEST FOR RECORDS DISPOSITION AUTHORITY

N1-82-02-01

To: NATIONAL ARCHIVES and RECORDS ADMINISTRATION (NIR)
WASHINGTON, DC 20408

DATE RECEIVED

1-8-2002
N1-082-02-1

1. FROM (Agency or establishment)

Board of Governors of the Federal Reserve System

NOTIFICATION TO AGENCY

2. MAJOR SUBDIVISION

Reserve Bank Oversight Function

In accordance with the provisions of 44 U.S.C. 3303a, the disposition request, including amendments, is approved except for items that may be marked "disposition not approved" or "withdrawn" in column 10.

3. MINOR SUBDIVISION

4. NAME OF PERSON WITH WHOM TO CONFER

Jeanne Young

5. TELEPHONE

202-452-2033

DATE

8-20-02

ARCHIVIST OF THE UNITED STATES

John W. Paul

6. AGENCY CERTIFICATION

I hereby certify that I am authorized to act for this agency in matters pertaining to the disposition of its records and that the records proposed for disposal on the attached 10 page(s) are not now needed for the business of this agency or will not be needed after the retention periods specified; and that written concurrence from the General Accounting Office, under the provisions of Title 8 of the GAO manual for Guidance of Federal Agencies,

is not required; is attached; or has been requested.

DATE

January 3, 2002

SIGNATURE OF AGENCY REPRESENTATIVE

Jennifer Johnson

TITLE

Secretary of the Board

7. Item No.

8. DESCRIPTION OF ITEM AND PROPOSED DISPOSITION

This schedule applies to all formats and media in which records are created and maintained at the Federal Reserve Board (Board), including paper, microfilm, and electronic. Every effort will be made to transfer permanent records to NARA electronically in accordance with NARA standards applicable at the time of transfer. If the transfer of records in an electronic format is not feasible, NARA and the Board will negotiate, prior to transfer, alternative media, formats, and/or physical arrangement that meet the needs for continued preservation and use.

9. GRS OR SUPERSEDED JOB CITATION

10. ACTION TAKEN (NARA USE ONLY)

cc: Agency, Mr. Howard, NARA, NARS

Reserve Bank Oversight

The Board oversees the provision of financial services to depository institutions, fiscal agency services to the Treasury and other government agencies, and significant support functions, such as information technology, financial and cost accounting, audit, human resources, facilities management, and protection by each Federal Reserve Bank ("FRB"). Board staff are also responsible for the development of policies and regulations to foster the efficiency and integrity of the U.S. payments system. Staff also work with other central banks and international organizations to improve the payments system more broadly.

1. Monitoring Report Files

The Board receives various reports used to monitor activities among the FRBs to provide general oversight and, in some cases, provide a mechanism for identifying out-of-balance conditions. Board staff also provides FRB staff with formulas and instructions relating to various System financial accounts such as the System Open Market Account, foreign currency allocation percentages, weekly interest on Federal Reserve notes, Federal Funds rates, special drawing rights. **Account documentation** includes, but is not limited to, float monitoring reports, a subsidiary ledger of gold certificates issued by the Treasury and held by the FRBs, and reports of assets FRBs are accountable for, but do not own (off-balance sheet items). Account information may be submitted on a regular basis (monthly, quarterly, etc.) or on an ad hoc basis. Monitoring documentation also includes **actuarial reports** used by the FRBs for recognizing expenses related to employee and retiree benefits and pension accountings. Types of documentation include memoranda, electronic mail messages, spreadsheets, and other financial reports.

a. Actuarial valuation reports.

DISPOSITION: Temporary.

Cut off files annually. Retain at least 30 years, then destroy when no longer needed for administrative or reference purposes.

b. Account documentation [FRB summaries of collateral, custody, and other accounts] as defined in the Financial Accounting Manual.

DISPOSITION: Temporary.

(1). Monthly documentation.

(a). January—November reports

Destroy upon receipt of the following year report.

(b). December reports

Retain for at least 5 years, then destroy when no longer needed for administrative or reference purposes.

(2). Non-monthly documentation.

Cut off files annually. Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.

2. Reserve Bank Equipment Acquisitions Files

Acquisitions are approved at one of three levels: at an FRB by delegated authority; by the division director with FRB oversight responsibility by delegated authority; and by the Board. Other key policies and guidance are found in the Uniform Acquisitions Guidelines, a Federal Reserve System document; in the FRS Facility and Security Guidelines compiled by Board staff; and in a Board S letter defining the approval authority. **Acquisition case files** include the acquisition request with supporting documentation, analysis and recommendation memoranda, and a Board decision letter to the district. The Board prefers to have a uniform retention period for acquisition records and, therefore, is not using GRS 3 for disposition authority.

DISPOSITION: Temporary.

Cut off files for closed cases annually. Retain at least 7 years, then destroy when no longer needed for administrative or reference purposes.

3. Price and Service Change Proposals

Price and service change proposals are approved at one of four levels: by the Board (as at the annual repricing—**See item 11 a below**); by the division director with FRB oversight responsibility (nonroutine proposals); by the Financial Services Policy Committee (routine and accelerated proposals); and, by an FRB (reflecting minor changes to routine proposals). Guidance is provided by the Board in an S letter defining the approval authority. Price and service-level change proposal files (for nonroutine proposals) include the proposal with supporting documentation, analysis and recommendation memoranda, and a Board decision letter to the district.

DISPOSITION: Temporary.

Cut off files for closed cases annually. Retain at least 3 years, then destroy when no longer needed for administrative or reference purposes.

4. Facilities Acquisitions Files

Facilities acquisitions involve long-term planning for anticipated facility needs over a 25-year period. FRB staff analyzes current needs, long-term needs, and identifies property to buy, lease, or rehabilitate. Board staff reviews the plans and makes recommendations on which the Board acts.

a. Program Approval Records.

Files include the program request, project plan, Board staff analysis, Board action memorandum, and the Board decision letter to the district.

DISPOSITION: Temporary.

Cut off files when the property or facility is no longer owned or operated by the Federal Reserve System. Retain at least 7 years after cutoff, then destroy when no longer needed for administrative or reference purposes.

b. Program Implementation Records.

Files relating to Board approval include, but are not limited to: site procurement, schematic design, a capital addition evaluation model, review and analysis memoranda by Board staff, Board final approval, facility specifications, and presentation and as-built drawings.

(1). Project Records for Federal Reserve Bank Buildings.

Files include Board final approval documentation, building specifications, and architectural presentation and as-built drawings.

DISPOSITION: Permanent.

Cut off files at the end of the building project. Transfer to NARA 30 years after cutoff. For security purposes, access is to be granted only upon approval of the Secretary of the Board.

(2). Project records for all other buildings or property acquisitions.

Files include Board approval documentation, specifications, and presentation and as-built drawings.

DISPOSITION: Temporary.

Cut off files at the end of the building project. Retain until the building or property is no longer owned or operated by the Federal Reserve System, then destroy when no longer needed for administrative or reference purposes.

5. Currency and Coin

The Federal Reserve System is responsible for determining the amount of currency printed by the Bureau of Engraving and Printing and for ensuring that the currency reflected on the FRB's balance sheets is correct and properly collateralized in accordance with the Federal Reserve Act. Board staff requests estimates from each of the 12 districts; responses are consolidated into estimates for each currency denomination by district. **Currency Order** files include estimates of currency note requirements, armored carrier costs, payments to Treasury for currency destruction, inter-office currency shipments, and armored carrier contracts [record copy maintained by procurement office]. **Federal Reserve Agent Statements** are created to ensure that currency in circulation is properly reflected on balance sheets and properly collateralized. The statements include daily electronic filings from each FRB (Federal Reserve Agent) on issues and withdrawals or redemptions of Federal Reserve notes and a Board-produced monthly reallocation of the notes redeemed. Board staff print and retain the end-of-year (annual) statement.

a. Currency Order

DISPOSITION: Temporary.

Cut off files annually. Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.

b. Federal Reserve Agent Statements.

DISPOSITION: Temporary

(1). Annual statements.

Cut off files annually. Retain at least 30 years, then destroy when no longer needed for administrative or reference purposes.

(2). Monthly and daily statements.

Cut off files annually. Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.

6. Reserve Bank Human Resources Records

The Board approves the salary structure for FRB officers. The salary structure is determined through various analytical processes, such as a compensation trend survey. The Board maintains a database of biographical and salary information on FRB officers. Board staff reviews and analyzes salary structure documentation and prepares memoranda summarizing the findings. Correspondence is exchanged between the Board and the Chairmen of the FRBs and the Board approves the salary adjustments.

a. Database on Reserve Bank Officers.

The database includes biographical and salary information.

DISPOSITION: Temporary.

Review annually and update as necessary. Destroy when no longer needed for administrative or reference purposes.

b. Salary Review Files.

Files include survey information, memoranda to management, correspondence with FRB officials.

DISPOSITION: Temporary.

Cut off files annually. Retain at least 3 years, then destroy when no longer needed for administrative or reference purposes.

7. System Interchange Program

The program provides the opportunity for staff rotation between the Board and the FRBs for a variety of purposes, including educational, alleviation of staff shortages, or use of special expertise on a project. The records include a request memorandum, an official notification, and an information letter providing administrative details to the staff member participating in the rotation.

DISPOSITION: Temporary.

Cut off files at the end of the year in which the rotation is completed. Retain at least 2 years, then destroy when no longer needed for administrative or reference purposes.

8. Reserve Bank Review/Examination Files

Board staff conducts reviews and examinations of activities and services at the FRBs. All Board program divisions participate in functional reviews of FRB activities. The process includes an announcement letter requesting information from the FRB, possible on-site visit to an FRB to collect additional information, analysis of the information, and preliminary and final reports. All final documentation is reflected in a single package, but not published.

a. One record copy.**DISPOSITION: Temporary.**

Cut off files annually. Retain at least 10 years, then destroy when no longer needed for administrative or reference purposes.

b. All other copies.**DISPOSITION: Temporary.**

Cut off files annually. Destroy when no longer needed for administrative or reference purposes.

c. Work Papers

Files accumulated by Board staff in performing reviews and examinations of FRB performance in the functions and services that the FRB carry out by delegated authority from the Board.

DISPOSITION: Temporary.

Cut off files annually. Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.

9. Reserve Bank Self-Evaluations

Each FRB carries out an annual self-evaluation based on guidance from the Board that includes instructions on the format, schedule, and content of the evaluation. The FRBs submit letters from the Chairmen of their Boards, the self-evaluation package, and copies of their strategic plans to the Board. Board staff analyzes the submissions,

prepares briefing memoranda for the Committee on Reserve Bank Affairs (BAC), and provides comment letters to the FRB officials. Board staff creates a statistical supplement summarizing key financial and statistical indicators. The results of self-evaluations form the basis for salary adjustments for senior officials at the FRB, which are approved by the Board.

a. One record copy.

DISPOSITION: Temporary.

Cut off files annually. Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.

b. All other copies.

DISPOSITION: Temporary.

Cut off files annually. Destroy when no longer needed for administrative or reference purposes.

10. Reserve Bank Financial Statement Data

The records include financial statements with related statistical tables and supporting documentation. Board staff prepares an annual FRB combined financial statement, based on each FRB's annual adjusted trial balance report summarizing its adjusted balance sheet data, including related income, expense, and profit and loss balances. The Federal Reserve Bank of New York prepares an additional set of annual financial statements related to assets and liabilities it manages on behalf of all FRBs for regulating the money supply in line with monetary policy objectives. The financial statements prepared by the FRBs and the Board are audited by an external accounting firm and the results are reported to the Board. Combined financial statements, with supplemental financial information, are published in the Board's annual report.

a. Annual Audited Reserve Bank Financial Statements and Supporting Reserve Bank Trial Balance worksheet and supplemental data/tables.

DISPOSITION: Temporary.

Cut off annually. Retain 5 years after cutoff, or 2 years after the conclusion of the applicable external audit contract, whichever is longer, then destroy when no longer needed for administrative or reference purposes.

b. Work papers and related background information.

DISPOSITION: Temporary.

Cut off annually. Destroy when no longer needed for administrative or reference purposes.

11. Reports Relating to the Establishment of Prices for Services at the Reserve Banks

Board staff oversees the annual establishment of prices for certain FRB services as required by the Depository Institutions Deregulation and Monetary Control Act of 1980 and related policies. Board staff oversees the calculation of the **private sector adjustment factor (PSAF)** and the **net income on clearing balances (NICB)**, which is used in the annual review of pricing for services performed by the FRBs. Board staff prepares statements that include supplemental information such as the **allocation of pension costs** to the priced services. Board staff also prepares **pro forma financial statements** for the priced services [published in the annual report]. Related reports describe the calculation of the cost of taxes, the return on capital, and imputed income on balances held if the services had been provided by a private business. Files include spreadsheets, preliminary and final memoranda, calculations of balances and allocations. **[Final memoranda and reports go to the Board for action and are scheduled with other records in direct support of the Board].**

- a. Annual Repricing, PSAF, NICB, and pension cost allocation workpapers and supporting schedules.**

DISPOSITION: Temporary.

Cut off files annually. Retain at least 10 years, then destroy when no longer needed for administrative or reference purposes.

- b. Work papers and supporting schedules for pro forma financial statements.**

DISPOSITION: Temporary.

Cut off files annually. Retain at least 15 years, then destroy when no longer needed for administrative or reference purposes.

12. Reserve Bank Operations Databases

Operating expenses at the FRBs are monitored and controlled through electronic databases. The current system, the Planning and Control System (PACS), is a fully distributed cost allocation system. It accumulates all direct, support, and overhead expenses incurred by each FRB and ultimately distributes them to a number of output service lines. The service lines represent the Federal Reserve System's ("System") basic ongoing responsibilities. Following passage of the Depository Institutions Deregulation and Monetary Control Act of 1980, FRBs were required to begin charging fees for services provided to financial institutions. By 1982, the System was reporting cost/revenue (CORE) and volume data to the Board electronically. In 1986, PACS and CORE were integrated; data are collected in two separate data flows—monthly for cost/revenue and quarterly for planning and control purposes. Detailed instructions concerning the reporting and full-costing process are contained in the Planning and Control System and Cost/Revenue

Manuals. PACS and CORE data are used by staff at the Board for a variety of analytical and evaluative purposes to achieve System goals. The Board also maintains a database for FRB budget review, comprising operating and capital budget data. The data are collected via the Financial Management Collection System, a PC-based client server application from which data is extracted and posted to the Board's mainframe computer. Outputs include various computer display screens/files and hard copy reports that are used to view and analyze the data. The computer display screens and files are updated as needed to reflect current needs. Hard copy reports are kept on hand for review and reference. Reports are also posted to the Board's website.

DISPOSITION: Temporary.

- a. **Master data files:** Update as necessary to carry out current business of the Board. Maintain data at least 3 years after the current budget cycle, then destroy when no longer needed for administrative or reference purposes.
- b. **Source/Input Data:** Delete when data have been entered into the master file and verified, and when no longer needed to support reconstruction of, or serve as a backup to, the master file.
- c. **Output:**
 - (1). **Reports (printed).**
Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.
 - (2). **Computer screens/files**
Destroy when no longer needed for administrative or reference purposes.
- d. **Manuals:** See Policy and Procedures (Item 14).

13. Reserve Bank Budget Records

Files may include the FRB budget outlook as approved by the Conferences of Presidents and First Vice Presidents; briefing papers for the Committee on Reserve Bank Affairs (BAC), budget instructions from Board staff providing guidance to Banks on items for inclusion and format of the budget submission, initial budget submissions from each district, databases with numerical details, printouts and budget models, summary memoranda for the BAC, final budget submission to the Board. **[The final budget documents are scheduled with other records in direct support of the Board].**

DISPOSITION: Temporary.

Cut off files annually. Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.

14. Policy and Procedures

Board staff creates and maintains files for the development of policies and procedures for certain FRB operations. The final product may be a policy letter or manual, a section of a policy manual, or a set of procedures. The Board usually approves policies; procedures are developed at the division level and may be distributed by the Secretary of the Board or by the division. Some of the policy documents, such as S Letters, the Federal Reserve Regulatory Service, and the Federal Reserve Administrative Manual, are scheduled elsewhere.

a. Final sets of procedures for Reserve Bank activities.

Files include Board staff-developed manuals, guidance, or letters describing duties, responsibilities, procedures, activities, and reporting requirements for FRB programs overseen by the Board, such as delegations of authority for buildings and budgets, activities of general auditors, accounting procedures, and implementation of policies for payment system risk and accounting.

DISPOSITION: Temporary.**(1). One record set:**

Review files annually. Cut off files when superseded or rescinded. Retain at least 5 years, then destroy when no longer needed for administrative or reference purposes.

(2). All other copies: Destroy when superseded or rescinded.**b. Background and working files.**

Files are accumulated in the process of creating and updating policies and procedures. Documentation includes copies of policy documents, drafts, comments, electronic mail messages, and memoranda.

DISPOSITION: Temporary.

Cut off files annually. Retain until the policy or procedure is superseded, then destroy when no longer needed for administrative or reference purposes.

15. Electronic copies.

Copies of records that are created on electronic mail and word processing systems and used solely to generate a recordkeeping copy of the records covered by the other items in this schedule. Also includes electronic copies of records created on electronic mail and word processing systems that are maintained for updating, revision, or dissemination.

DISPOSITION: Temporary

- a. Copies that have no further administrative value after the recordkeeping copy is made. Includes copies maintained by individuals in personal files, personal electronic mail directories, or other personal directories on hard disk or network drives, and copies on shared network drives that are only to produce the recordkeeping copy. **Destroy or delete after the recordkeeping copy has been produced.**
- b. Copies used for dissemination, revision, or updating that are maintained in addition to the recordkeeping copy. **Destroy or delete after dissemination, revision, or updating is completed.**