

BANK OF MONTREAL

*RULES
AND
REGULATIONS*



29SP06892



RULES AND REGULATIONS

FOR THE BRANCHES

OF THE

BANK OF MONTREAL

FOR THE USE OF OFFICERS
OF THE BANK ONLY

HEAD OFFICE:
1901



PREFACE.

The within Rules and Regulations are intended to provide for a uniform system in the Accounting Department of the Bank of Montreal, and to secure a regular and faithful administration of its affairs.

To ensure a strict observance of them, it shall be the duty of every officer to *make the book a study*, so that there shall be no excuse for departure from its instructions.

These Rules and Regulations are to supersede all Head Office Circulars up to this date, should the two conflict; otherwise Circulars must, as heretofore, be strictly adhered to.

The name Manager is to be taken as applying also to Agent, second Agent, and Assistant Manager, and the name Accountant to apply also to Assistant Accountant.

Where reference is made to "Key to Circulars," it must be understood that it is merely for the sake of convenience, as the latter is only a guide and not a text book.

No departure from within rules will be permitted without sanction in writing of the General Manager.

Every officer of the Bank shall have a copy of these Rules and Regulations. The books will be numbered, and a record of the numbers with the names of the officers holding them kept at Head Office.

This book is not to be removed from the Bank premises without permission of the Manager.

A handwritten signature in cursive script, reading "E. S. Clouston." The signature is written in dark ink and is positioned above the typed name of the General Manager.

General Manager.

HEAD OFFICE :
Montreal, July, 1901.

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MANAGER.

Manager's
general
supervision.

Carelessness.

1. The Manager must see that his subordinate officer or officers in authority exercise a diligent and an intelligent supervision over every department. If there is carelessness or inefficiency on the part of such officers, or on the part of any member of the staff, the fact must be reported to the General Manager. For any failure to so report the Manager will be held responsible.

TAKING OVER A BRANCH.

Manager
must count
cash, etc.

2. A Manager on taking charge of a Branch must count all Cash, check securities of every description, and have books and bills balanced, to enable him to report to Head Office that everything is in order.

Manager's
absence.

3. A Manager on leaving his Branch temporarily must furnish written instructions regarding the business to the officer taking his place. A copy of such instructions to be forwarded to Head Office.

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CIRCULAR BOOK.

Copies of
circulars.

4. This book must contain a copy of each Head Office circular, carefully written; or the circular itself may be pasted in it. The Circular Book is to be accessible to the staff, and every Circular as it is received must be initialed by each officer as evidence of having been read.

Initialed
circulars.

Old circulars.

5. Old circulars can always be obtained on application to Head Office. The Circular book must have an index.

PROCEDURE BOOK

Record of
legal pro-
ceedings.

6. A record of all legal and other proceedings taken for the recovery of the overdue and other claims of the Bank shall be kept by the Manager in a book to be called the Procedure Book. The Overdue Debt Book may be used for this purpose.

NEWS OF THE NEIGHBOURHOOD.

Manager to
keep au-
thoritative
of
general
news.

7. The Manager shall keep himself informed of the general news of the neighbourhood, forwarding to the General Manager any information interesting to the Bank.

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BANK PREMISES.

Precautions
against fire,
burglars, etc.

8. The officer occupying a Bank residence connected with the office must see that proper precautions are taken against fire and burglars. The vault door must be examined at night, and all books and valuable vouchers locked up.

Sundays and
holidays,

Examination
of premises.

9. The Manager, or the Accountant, or a senior officer must examine the premises on Sundays and holidays. Back doors must always be kept locked.

Guard.

10. At offices where a guard is maintained, the officer on duty must be at his post at 9 p.m.

CALLING OVER. DAILY AUDIT.

Manager's
and Account-
ant's superin-
tendence.

11. In all smaller Branches, and wherever practicable, the Manager's and the Accountant's superintendence shall include a *daily audit*, of which the "calling over" of Cash Book, Discount and Exchange Registers, and other books, with the vouchers and Deposit Ledgers, shall be an essential feature. It seems scarcely

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No
perfunctory
calling over.

necessary to point out that a perfunctory performance of this important duty may cause loss to the Bank.

Correctness
of advice.

12. To ensure correctness all credit and debit entries requiring advice, and all debit cash and sight items shall be checked from the press copy to the Cash Book.

Larger
Branches.

13. In larger Branches, where a Manager's other duties prevent him from attending in detail to the duties mentioned in Rule 11, he must see that they are performed satisfactorily by the next in charge. "Calling over" must, if practicable, take place before commencement of business each day, and any errors discovered must be corrected forthwith.

Correction of
Errors.

Balances
carried
forward.

14. The officer, calling over current and Savings Bank Ledgers, must always check and "tick" the carrying forward of balances from one page to another.

Examination
of endorse-
ments.

15. The endorsement of cheques and all paid vouchers shall be examined daily by the Manager, the Accountant, or a senior officer, in

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And cheques. case any irregularity therein may have been passed over by the Teller, and a general examination of cheques by the Manager is essential in order that he may observe the transactions of his clients.

Examination of cheques. 16. The Manager, or the Accountant, must each day examine the cheques on other Banks in the Teller's possession.

CORRESPONDENCE.

Correspondence. 17. The Manager must see all correspondence.

REPORT BOOK.

Reports. 18. This book shall be supplementary to the copy, which must always be retained, of Special Report on Discount Accounts.

Business people in vicinity. 19. The Manager shall enter herein his opinion as to the standing, character, and business habits of business people in the vicinity, and he is to keep it closely written up with any reports which he may hear to affect such standing.

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Important to
succeeding
Managers.

20. The book is to contain also reports he may have given on parties about whom enquiries have been made. It is a matter of importance that this duty shall be attended to with care and regularity, as the information becomes of the utmost value to succeeding Managers.

STAFF HABITS.

Manager
to know
general
habits of
staff.

21. It is required that the Manager shall ascertain the general habits of his staff, and, if they are such as may affect the Bank's interests injuriously, or are discreditable in any way, the circumstances shall be reported promptly to Head Office.

SECRECY.

Secrecy.

22. Every officer shall consider himself *bound to secrecy* as to the Bank's business generally, and its dealings with clients, and the Manager and the Accountant must impress this on every member of the staff.

SECURITIES.

Safe keeping
of Securities

23. Securities held as collateral, or for safe keeping, shall be in the joint custody of the

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Manager and the Accountant. They shall be kept in the safe whenever possible, vide Circular No. 1110.

Stock transfers.

24. Stock Securities held as collateral must be transferred on the books of the Company to the Manager of the Bank in trust, excepting where scrip is held with an authenticated irrevocable power of attorney. At London, Eng., Chicago, and New York, local custom will prevail.

In Stocks and Bonds sent to New York Agents the following instructions must be observed, viz :

Exact endorsements

1. Stock Certificates must be endorsed *exactly* as made out without the *slightest* variation, and the signature witnessed and dated. In case of certificates made out in more than one name, each signature must be witnessed separately and dated.

Signature witnessed.

Do not transfer to agents.

2. In sending stock certificates, especially if for sale, the certificate need not be *transferred* to Hebden & Greata, but the space for transferee's name should be left blank, and Hebden & Greata should be appointed "Attorneys," and in *no* case must stock be endorsed to "The Agents, Bank of Montreal," or the "Bank of Montreal."

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- Power of Attorney. 3. In the case of stock being endorsed under Power of Attorney, a copy of such Power, certified to by a United States Consul, if sent from a Foreign Country, should accompany same.
- In trust. 4. Stock should never be put into the name of anyone "in trust" unless a Trust actually exists, and then a certified copy of the declaration of the Trust must accompany the certificate of stock.
- Writing or stamping. 5. Stock Certificates and Bonds must not be stamped with a Bank or Collection Stamp, and must bear no writing, such as collection numbers, etc., nor marked in any way; such marking converts a Bond into what is designated a "Marked" or "Mutilated Bond," and is not then a "Good Delivery" on 'Change, and can only be sold at a considerable discount from the regular market price.
- Coupons. 6. Great care should be exercised in the cutting off of coupons, as payment may be refused if any portion be missing.
- Corporation. 7. Stock in the name of a Corporation or Company requires a certificate that the signing Officers are Officers of the Company or Corporation, and an extract of the Minutes showing that they are authorized to sell and (or) assign the property.
- Executors. 8. Stock in the name of Executors requires to be accompanied by a certified extract of the Will, wherein the said Executors are authorized to sell and assign the stock; also certified Copy of Probate of Will or other Court proceeding certifying that such person or persons are the legal Executors.
- Guarantee endorsements. 9. The correctness of the endorsement on all stock certificates sent for sale or transfer must be guaranteed by letter or by endorsement. The Agents are required to guarantee all endorsements, therefore they will assume that above instructions have been complied with even if the fact is not formally stated.

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Transfer with irrevocable Power of Attorney.

In American stocks, as a rule, transfer by certificate with irrevocable Power of Attorney gives absolute ownership, but in Canadian stocks great care must be exercised in view of the following opinion given by an eminent lawyer.

“To sum up:

Evidence only.

1. The stock certificate is not a negotiable instrument. It is not the stock itself, but is merely evidence.

Innocent purchasers.

2. As against an innocent purchaser or pledgee of the shares mentioned in the certificate, who made his purchase or advance in reliance upon it, the company is estopped from denying the truth of the statements in the certificate, respecting the number of shares and the amounts paid thereon.

Transfer without certificate.

3. The company may, notwithstanding the statement in the certificate, allow transfer of the shares without surrender of the certificate.

An equitable title.

4. The transfer endorsed on the certificate is good as between the parties, but gives to the transferee an equitable title only.

Transfer in blank risky.

5. The transfer endorsed should be filled up when signed. There are too many risks involved when a transfer signed in blank is accepted.

Transfer completed.

6. If an advance be made before actual transfer on the books, such transfer should be completed as soon as practicable afterwards.

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- Shareholder's indebtedness. 7. Bear in mind the question as to the shareholder's indebtedness to the company and the risk of refusal on that account to allow transfer to be made."
- Stock calls. 25. Care must be taken that there is no liability to the Bank attached to stock held, *i.e.*, as for stock only partially paid up.
- Collateral security. 26. Managers must be fully alive to the care necessary in taking collateral security, vide Circulars Nos. 398, 756, and 931.
- Collateral paper. 27. Collateral paper and Insurance must be carefully looked after by the Manager, vide Circular No. 1110.
- Insurance. 28. Advances against Warehouse Receipt or Security Receipt should always be made on demand notes.
- Demand advances. 29. The attention of Managers is especially called to Circular No. 888 and Sections 5 and 73, Key to Circulars.
- Warehouse and Security receipts. 30. When delivered up, a receipt shall be taken in the book from the owner of the security; and, both when received and surrendered, the Manager and the Accountant
- Receipts.

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Initialling.

shall initial the entry in the book, detailing the article received or delivered up. At London, Eng., Chicago, and New York, local custom will prevail.

Receipts for securities.

31. Receipts shall be given for all securities left for safe keeping; the forms provided by Head Office only to be used. There will be one form for boxes, etc., another for stocks and bonds. When the latter are taken, the name, and number of the security, and the name of the registered owner must be carefully given on the receipt, and a press copy taken in a book kept for the purpose.

Safe keeping

LIFE INSURANCE.

Life insurance.

32. Life insurance held as collateral must be assigned to the Bank, and the assignment acknowledged by the Insurance Company.

POWERS OF ATTORNEY.

Powers of Attorney to be recorded on printed forms.

33. Powers of Attorney should be drawn on the printed form supplied by Head Office, and they should be systematically recorded in a book kept for the purpose.

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Dominion
Government,
etc.

34. The Dominion and British Governments, the Bank of England and English offices generally, will only accept Powers of Attorney on their own forms.

HEAD OFFICE LETTERS.

H. O. letters.

35. Letters to Head Office must be copied in a special book, and each official letter shall deal with one subject only.

Chrono-
logical.

36. Letters from Head Office must be arranged in chronological order, so that the records for several years back may be easily referred to.

CIPHER BOOK.

Cipher Book
under lock
and key.

37. The Cipher Book must be under control of the Manager, and kept under lock and key when not in actual use. It is to be accessible to Managers and Accountants only, vide Section 138, Key to Circulars, for further instructions.

BY-LAWS.

Certified
copies of
By-laws.

38. Cities, Municipalities, etc., borrowing from the Bank must furnish a certified copy of

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By-Laws. the by-law authorizing such borrowing, and the Manager must see that such by-law is in legal order. In dealing with corporations the Manager must obtain copies of by-laws authorizing officers to sign promissory notes and cheques.

SAFES AND VAULTS.

Safes kept locked.

39. Safes must be locked at all times (day and night) when not in actual use, partially to prevent combinations being tampered with. The condition of safe and vault doors is a matter to which Managers must give their personal attention. If locks are not working smoothly, the fact must be reported to Head Office for instructions. Systematic oiling may save a lockout, but only the best oil should be used. Rubber packing unless pliable is useless to exclude nitro-glycerine, and it must therefore be examined frequently.

Locks to be kept in good order.

Oiling.

Rubber packing.

Nitro-glycerine.

40. The safe door should fit perfectly. Nitro-glycerine can be forced into an extremely narrow crack.

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Examination
of safes, etc.,
to be by
authorized
persons.

41. When it is necessary to have the locks, etc., of vaults and safes examined, it must be done by a person authorized by the General Manager. Travelling agents of safe makers must be refused permission to inspect the vaults or safes.

COMBINATIONS.

Change
of combina-
tions.

42. (Vide Circulars Nos. 972, 1067, and Circular Memoranda of 31st May, 1892.) Combinations must be changed at least once a year, and always changed when a combination has passed from one person to another. Combinations must be recorded with Head Office in cipher, and under personal seal of the holder.

Cipher.

Wide range.
Irregular
numbers.

43. It is to be borne in mind that combinations of wide range, and of irregular numbers, are the safest.

TIME LOCK.

To be wound
by Manager
or Account-
ant.

44. The time lock must be wound by the Manager or the Accountant, and checked by one of them or some other officer; and one of the former two must be sure that the lever is

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Time lock. up, and the lock in order, when he is closing the safe for the day, vide Circular No. 972.

Oiling and repairing. 45. The time lock should be cleaned, oiled, or repaired only under Head Office instructions.

THE TREASURY.

Contents of Treasury. 46. The Treasury will consist of all cash not absolutely required by the Tellers, and shall be in the joint custody of the Manager and the Accountant. The former two officers must on no account part with their respective keys or combinations to each other, and two officers shall always be required to gain access to the Treasury compartment.

Access to Treasury.

Treasury Book.

Teller to initial withdrawals.

47. A Record Book of the cash contained in the Treasury shall be kept, and all withdrawals must be initialled by the Teller, and all changes by the Manager and the Accountant.

Surplus cash to be transferred to Treasury.

48. Any surplus cash in the Teller's hands must be taken from him, and, after being carefully counted, transferred to the Treasury.

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CASH COUNTING.

Six times per month.

49. The Teller's cash must be counted on balance days, and in addition twice every month at irregular intervals, vide Section 59, Key to Circulars.

RESERVES.

Reserves.

49a. The Bank's reserves must never be reduced during the last three days of any month without first referring to Head Office.

FURTHER INSTRUCTIONS.

Further instructions.

50. For further instructions to Manager, vide Sections 85 and 121, Key to Circulars, also Rules Nos. 51, 60, 84, 105, 117, 120, 121, 126, 134, 135, 137, 138, 148, 154, 155, 157 to 159, 162, 171, 173, 200, 201, 209, 212, 224, 225, 239, 285, 293, 307, 318, 329, 333, 356, 363 to 365, 370 hereof.

ACCOUNTANT.

Supervision.

51. The Accountant is required to exercise a vigilant and unremitting supervision over each department of his office. He must satisfy him-

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self that all books are properly kept, and the Ledgers, Cash Book, etc., properly balanced. He shall have joint custody of the Treasury and securities. He shall countersign all Drafts, Letters of Credit, Deposit Receipts, and other documents requiring countersigning, and certify to the correctness of all Head Office returns, adjustments, and statements. He shall adjust Sight Item Account once a month at least, comparing the bills themselves with the adjustment. Either the Manager or the Accountant must take over the local collections and discounts once a week at least, ascertaining that all items have been properly accounted for. The Accountant shall have access to all Head Office correspondence, so that he may inform himself regarding the business of the Branch sufficiently to take charge, if called upon, during the Manager's absence. (Circular No. 834.) The Accountant must see the Teller's cash locked in the safe each day. Vide Rule No. 53 hereof.

Joint
custody.

Counter-
signing.

Sight Item
Account.

Collections.

Discounts.

Access to
correspond-
ence.

Taking
charge.

Teller's cash.

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OFFICE HOURS.

To be on
duty at
9 a.m.

52. The Accountant must be at the office by nine o'clock a.m., and must see that the staff is on duty at the same hour. Officers must not leave their posts during the day without permission.

TELLER'S CASH.

Balancing of
Teller's cash

53. The Accountant must ascertain that the Teller's cash is balanced each day.

FURTHER INSTRUCTIONS.

Further
instructions.

54. For further instructions to Accountant, vide Rules Nos. 9, 11, 13, 15, 16, 22, 23, 30, 37, 42, 44, 46, 47, 48, 60, 73 to 75, 77, 84, 94, 95, 97, 98, 101, 105, 110, 117, 123, 124, 126, 134, 135, 137, 149, 152, 154, 155, 162, 172, 173, 179, 180, 182, 186, 200, 201, 205, 209, 210, 212, 224, 293, 297, 318, 325, 329, 331, 366 hereof.

TELLER.

Teller's
manner.

55. The Teller shall be a properly qualified officer, who must have as an essential qualification a courteous manner towards the public.

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All cash
through
Teller's
hands.

56. All cash must pass through the Teller's hands, though he need not necessarily count incoming parcels going direct to the Treasury, or *vice versa*.

Custody of
cash for daily
business.

57. The Teller shall have the sole custody of cash required for the daily transaction of business, *and he shall be responsible for its safe keeping*. No Teller shall carry more cash than the daily requirements of the Branch demand.

Teller's box
to have
spring-lock
and to be
kept locked.

58. The door of the Teller's box shall be made to close with a spring, and to have a spring-lock opening from the outside with a key.

Must not
leave box.

59. The Teller must not leave his box, even temporarily, without putting it under care of another officer until his return.

Box locked.

60. The Teller's box must be kept locked at all times during the day, and no one excepting the Manager or the Accountant, or those authorized by them, shall have access to it. The cash must be balanced each day before the

Cash
balanced.

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Cash
balanced.

Teller leaves the premises. Should the Teller be unable to balance, he must report the fact to the Manager or the Accountant.

Must not
receipt for
money.

61. The Teller must not receipt for money deposited by the public either in pass books, or by Deposit Receipts, or otherwise. In the case of an Accountant-Teller *only* will this rule be waived.

Savings
Bank
Receipts.

62. The Teller must never pay Savings Bank Receipts, unless handed to him direct by the Ledger-keeper, vide Rule No. 176 hereof

Foreign
notes.

63. The Teller must clear his foreign notes frequently, in no case allowing them to accumulate, vide Circular No. 388.

Endorse-
ments.

64. The Teller shall be responsible for endorsements of all items passing through his hands, vide Rule No. 98 hereof regarding Deposit Receipts.

Forgery and
raising.

65. As a safeguard against forgery and the raising of cheques, the Teller before cashing any local cheque, for say \$500—or over,

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Safeguard. whether certified or otherwise, must refer it to the Ledger-keeper for confirmation.

Legal Tenders. 66. The Teller must be supplied with a copy of the Currency Act, and in making any payment, must, if requested, pay up to \$100 (one hundred dollars) in small Dominion notes, vide section 57 Bank Act.

TELLER'S CASH BOOK.

Teller's Cash Book. 67. This book is to be kept by the Teller, and shall contain an account of his transactions.

TELLER'S BALANCE BOOK.

Teller's Balance Book. 68. This book is to give particulars of the Teller's balance of cash.

Sundries. 69. Items held as "sundries" by the Teller must be described in his balance book.

MONEY PARCELS.

Money in transit. 70. Branch money parcels must never be in transit on the last day of the month, unless specially ordered. Unless under exceptional circumstances, not more than \$20,000 should be sent by express at one time.

Limit of amount.

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Branch remittances.

71. Remittances of cash to Branches must be sealed by the Teller.

Money by mail.

72. Special permission from Head Office is required by Branches wishing to send large money parcels by mail, registered and insured.

Money by mail.

73. When money is sent by mail the Accountant must see that a proper acknowledgment is obtained from Post Office officials, and if insured (as is required in all but small sums) the Accountant must attend to such insurance himself.

Seals to be intact.

74. Before a receipt for money is given to the Express Company, the seals should be carefully examined; and, if they are broken, the contents must be counted in the Express Agent's presence.

Incoming parcels.

75. Incoming money parcels shall pass through the hands of the Accountant, or of an authorized senior officer, before going to the Teller.

Money through streets.

76. Money parcels taken through the streets must be in the care of at least two

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officers or messengers of the Bank, who shall be jointly and severally responsible for them.

Delivery to agent.

77. Money parcels must be delivered to a properly authorized Express Agent only, and the Accountant must see the Agent's acknowledgment before signing the advice. Advice must always be sent by first mail.

Advice.

Mutilated notes.

78. Mutilated notes sent to Head Office must be carefully cancelled, so that check letters and numbers may not be destroyed, and different issues must be cancelled separately. The Teller must not purposely tear the notes, or press the parcel in the letter press, vide Circulars Nos. 612 and 919.

CASH REMITTANCES NOT TO BRANCHES.

To other than Branches.

79. Remittances to other than Branches must be checked by some officer other than the Teller, and sealed in his presence, so that he also may be able to swear to the contents.

By express.

80. Cash remittances must be made by express, unless special instructions are given to the contrary.

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EXPRESS CHARGES.

Prepayment, etc.
Receiving office.
Despatching office.

81. Express charges on parcels of notes of other Banks are to be paid by the receiving office; charges on parcels of notes of this Bank, and Dominion notes or specie, are to be paid by the receiving office, except when such notes or specie are sent to relieve the despatching office of a surplus, in which case the charges will be borne by the latter, and must be prepaid, vide Section 61, Key to Circulars.

Prepayment.
Cancelled notes.

82. Charges on parcels of cancelled notes sent to Head Office must be prepaid.

OFFICERS' CHEQUES.

Not to be held by Teller.

83. Cheques or I. O. U.'s of officers are not to be held in the Teller's cash. Vide Circular No. 1064.

Other Bank officers.

84. The Teller must on no account cash the cheques of officers of other Banks, nor advance them money in any manner, without reference to the Manager or the Accountant, vide Rule No. 345 hereof.

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Teller's
personal
cheques.

85. The Teller's personal cheques, or the cheques of any other member of the staff, must invariably pass through the Deposit Ledger, and not be exchanged for cash.

PROMISSORY NOTES, ETC.

Not to be
mutilated,
scored, etc.

86. Promissory Notes or Acceptances not retired by the makers, but charged back to the endorser, should not be scored, punched paid, or mutilated in any way, as they may not have been settled as between the maker and the endorser.

CASH SHORT.

To be report-
ed to H. O.

87. Should the Teller's cash be short according to the Cash Book balance, the fact must be reported to Head Office forthwith, vide Circular Memo., 10th Oct., '88. The Teller must make good all shortages.

Shortages.

Shortages.

88. Every means must be employed to trace such deficiency in the afternoon or evening of the day on which the mistake occurs.

CASH OVER.

To be placed
to Cash Over
Account.

89. Any sum in excess of the Teller's

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balance shall be placed to Cash Over Account, with full particulars, on the balance day next following the error.

Concealment.

90. The Teller must never conceal a shortage, or an excess of cash.

Transferred.

91. Cash over is to be transferred to Head Office five years after the error occurs.

FURTHER INSTRUCTIONS.

Further instructions.

92. The attention of the Teller is especially called to Section 139, Key to Circulars, and Rules Nos. 15, 16, 46 to 49, 51, 53, 95, 98, 101, 105, 112, 114, 115, 126, 130, 139, 176, 205, 224, 237, 282, 292, 293 hereof.

DEPOSIT RECEIPTS.

To be given on forms only.

93. No officer shall give any receipt for money except on forms regularly provided for the purpose.

Forms not to be destroyed.

94. Deposit Receipt forms must on no account be destroyed. Each book must be carefully counted by the Accountant when received from the engraver. Those paid or spoiled

Forms counted.

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Counterfoils. must be attached to their counterfoils after being well cancelled.

Interest. 95. Before payment interest must be calculated by the Teller, or a senior officer, and checked and initialled by the Accountant or *vice versa*.

Loss of Receipt.
Bond. 96. In the event of the depositor losing his Receipt, a bond approved by the Bank's Solicitor from two responsible parties for double the amount must be taken, and the particulars given to Head Office.

Signature 97. The countersigner of a Deposit Receipt must see that the payee's signature to the counterfoil has been obtained, and also his full address.

Endorsements. 98. The Accountant or the Teller shall be responsible for the correct endorsement of a Deposit Receipt, and one of them must initial the signature of payee when making payment.

Deposit Receipts not transferable. 99. Deposit Receipts are not transferable, and must be paid to no one but the depositor.

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Deposit
Receipts.

A mere signature in blank is not in itself authority to the Bank to pay a Deposit Receipt to another party, and it *might not* protect the paying Bank if, as a matter of fact, the party receiving the money had no right to receive it. If a Deposit Receipt is presented for payment by another Bank, bearing the endorsement of the depositor either in blank or with an order to pay to such Bank, payment might no doubt be safely made to the Bank presenting the Receipt, but it would be well to require a Receipt for the money endorsed on the Deposit Receipt as follows: "Received amount of within from the within named Bank, which is hereby indemnified against all claims hereunder by any person."

Signed,

.....
Manager.

Forms
accounted
for.

100. At every inspection of the Branch each form shall be accounted for, and the outstanding receipts (which represent the balance) and the unissued and cancelled forms on hand, shall together complete the number originally furnished.

Loss of a
Deposit
Receipt.

101. Notice of the loss of a Deposit Receipt must be plainly written across the face of the counterfoil, and none is to be paid without first being compared by the Accountant or the Teller with the counterfoil.

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Death of a
Deposit Re-
ceipt holder.

102. In the event of the death of a holder of a Deposit Receipt, it is advisable to consult the Bank's Solicitor before payment; and a certified copy of the Letters of Administration, or Probate of Will, must be exhibited and lodged with the Bank.

Payment of
one Branch's
Deposit
Receipts by
another
Branch.

103. Deposit Receipts of one Branch must not be paid at another, without authority from the issuing Branch, except on satisfactory guarantee.

Partial with-
drawals of a
Deposit.

104. In case of the partial withdrawal of a Deposit, even where the money may not have remained three months, and where no interest has in consequence accrued, the balance shall bear interest from the original date of the deposit; a memorandum to that effect shall be made upon the new receipt.

Memoran-
dum on new
receipt.

Depositor
unable to
write.

105. When a Deposit Receipt is issued to any one who cannot write, the Depositor shall be asked to name two persons other than Bank officials to identify him or her, and one of their signatures shall be obtained as a witness to his

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Depositor
unable to
write.

or her mark for the endorsement when payment is demanded, and some officer other than the Teller shall also sign as witness to the payment. Before issuing such receipts, the consent of the Manager or Accountant must always be obtained.

No Deposit
Receipt to be
signed in
blank.

106. No Deposit Receipt, or any other form, shall, under any circumstances, be signed in blank.

Register of
Deposit
Receipts to
be kept.

107. In addition to the account in the General Ledger, a Register of Deposit Receipts shall be kept, in which every receipt issued shall be entered, together with the date and rate of interest. In this Register, paid or cancelled receipts shall be charged opposite the credit entry, showing date of payment. The total of outstanding receipts, as shown by the Register, must agree with the balance per General Ledger account.

No receipt to
be issued
without
notice.

108. No Deposit Receipt shall under any circumstance be issued payable without notice;

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Alteration. and any alterations of the printed form must be mentioned on the counterfoil.

Further instructions. 109. For further instructions, vide Sections 47 and 116, Key to Circulars.

BLANK DEPOSIT RECEIPT, EXCHANGE AND DRAFT FORMS.

All forms to be carefully secured. 110. All blank Deposit Receipt, Exchange, and Draft Forms, must be locked in the vault at night, and carefully kept in the custody of a senior officer during the day, vide Circulars Nos. 709 and 962.

BRANCH DRAFTS, ETC.

Forms must not be destroyed. 111. Branch Draft and Sterling Exchange Forms must on no account be destroyed. Those paid or spoiled must be filed away in numerical order, after being well cancelled, vide Circular No. 962, Drafts.

CASH BOOK.

To be kept by qualified clerk. 112. The Cash Book shall be kept by a properly qualified officer, and in no case by the Teller, who shall himself keep a separate record

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Cash Book. of cash transactions, as provided for in Rule No. 67 hereof.

Correct daily record. 113. The Cash Book must be a correct daily record of all cash transactions, and of such cross entries representing cash, properly belonging to the Journal, as may more conveniently be passed through the Cash Book.

Vouchers and book entries 114. Each Cash Book debit must be represented by a voucher, or by a book entry, bearing some other authority than that of the Teller.

Teller's initials. 115. Each credit must be represented by a voucher, or book entry, bearing the Teller's initials.

Daily balancing. 116. The Cash Book must be balanced before the officer, who keeps it, leaves the office for the day.

Manager and Accountant to audit the day's work. 117. The Manager and the Accountant shall subsequently, not later than the day following, audit the day's work through the channel of the

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Calling over. Cash Book, in the manner laid down in Rule 11 hereof, one of them certifying by initials to the book's absolute correctness.

LIABILITY LEDGER.

Record of all paper discounted. 118. The Liability Ledger shall be a record, in dollars or pounds sterling, of all paper discounted by the Branch, vide Circular Memo., 2nd January, 1883.

Direct. 119. A customer's direct liability, *i.e.*, the paper discounted for him, shall be shown on one side of the page; and his indirect liability, *i.e.*, Indirect. paper discounted for other parties on which his name appears, shall be shown on the opposite side.

Fortnightly statement. 120. The fortnightly statement shall be in full detail, showing name, occupation, and residence of every customer whose name appears for \$1,000 and over, whether on current or overdue paper; also, the liability of any party on overdrawn account, sterling bills purchased, or Letters of Credit issued.

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Particulars
of bills.

121. The particulars of the bills (\$1,000 and over in large offices and \$500 and over in small offices) which go to form the total liability, and a concise statement of Collateral Securities held, with Manager's valuation, amount of insurance, and other information calculated to show the condition and safety of the account, must be given in the fortnightly statement.

Statement of
Collateral,
etc.

Summation.

122. The fortnightly statement must be added up, and the total of sundries given at the end, to balance approximately with the total of Loans as per Balance Sheet.

THE JOURNAL.

Journal
entries.

123. The Journal is the channel through which all such cross entries pass, as, in the opinion of the Accountant, do not necessarily go through the Cash Book.

To be written
up daily.

124. The Journal must be called over with the Deposit Ledger, and must be written up daily.

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DEPOSIT LEDGER.

Unprofitable accounts. 125. A charge should be made on unprofitable accounts.

To be kept by qualified clerk. 126. The Deposit Ledger must be kept by a properly qualified officer, other than the Teller or Cash Book keeper, who shall have as an essential qualification a courteous manner towards the public. It shall be an Accountant's duty to report promptly to the Manager any deficiency in this respect on the part of any officer.

Courteous manner. 127. The name of each account must be written in full, with address and character of business, and the name must be carried forward from page to page.

Contents of Deposit Ledger. 128. The authorized signatures of all accounts must, in every case, be carefully recorded in the signature book.

Signatures. 129. In the case of a corporation, the names of its officers authorized to sign must be given in the Ledger, also the name of any person holding a Power of Attorney.

Authorized officers.

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- Deposit slips to bear Teller's initials. 130. Deposit slips must in all cases bear the Teller's initials as an acknowledgment of the cash, and also as the Ledger-keeper's authority for passing amount to the depositor's account.
- Discount slips. 131. Credit discount and exchange slips must be properly authorized before entry is made.
- Folio and initials. 132. The Ledger-keeper shall place the page of the account on all deposit slips and cheques, and his initials upon the latter in a bold hand, together with an acceptance dating stamp.
- Summations in ink. 133. When carrying forward an account the debit and credit columns shall be added in ink, and the balance struck.
- Cheques certified. 134. Cheques upon current accounts must, in all cases, be distinctly certified and charged against the proper account, before going to the Cash Book. No cheque shall be certified before first being properly entered. The Ledger-keeper must not permit any overdraft whatever without the sanction of the Manager or the
- Overdrafts.

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Accountant, such sanction to be by the initialing of cheques, or by memorandum in the Ledger, and the Ledger-keeper will be held responsible for any neglect of this rule; also, he will be responsible for the genuineness and correctness of all signatures.

Signatures.

Pass books.

135. Depositors' pass books shall be balanced at the end of each month, and balances compared with Ledger, and initialled by Manager or Accountant; the paid and cancelled cheques to be surrendered on the Bank receiving an acknowledgment in the book or form provided.

Paid cheques.

Writing up.

136. Pass books must be neatly and correctly written up whenever required by depositors.

No information except to principal, etc.

137. No information regarding an account is to be given excepting to a principal or the authorized officials or agent of the customer, firm, or company, without reference to the Manager or the Accountant.

New accounts.

138. No new account shall be opened without authority from the Manager.

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- Deposit slips. 139. Deposit slips should not be written by the Teller.
- Cross entries. 140. No cross entry will be permitted without a Journal entry or voucher.
- Dates. 141. The Ledger-keeper must write the year and month at the head of date columns, and day of the month for each day's transactions.
- Debit entries. 142. Debit entries in Deposit Ledger for notes, or acceptances, or special entries, must be charged by name or particulars. A blank opposite a debit entry will then at once show that it is a cheque.
- Depositors deceased. 143. The Ledger-keeper must not certify the cheque of any client of whose death he has heard, as, after death, any balance belongs to depositor's estate.
- Powers of Attorney. 144. The death of a principal cancels all Powers of Attorney.
- Bonds or coupons. 145. Deposits received to meet bonds or coupons shall be placed to credit of the Treasurer of the Municipality or Corporation,

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Bonds or coupons.

and a note made in the Ledger that they are deposited for that purpose, vide Circular Memo. 21st April, 1897, *re* notice required under Ontario statutes.

Examination of coupons.

146. Before payment, these coupons must be carefully examined, and parties presenting for payment shall be required to leave a voucher of some sort with the coupons.

24 hours.

147. If necessary, twenty-four hours may be demanded for the examination of coupons. In

London, Eng.,
Chicago,
New York.

London, Eng., Chicago, and New York, local custom is to govern.

Paid coupons.

148. Where there have been arrangements made to charge coupons to an account they must at once, after being so charged, be cancelled with paid punch.

Cancel coupons.

149. Coupons must remain in charge of the Accountant until surrendered.

Surrender of coupons.

150. On being surrendered, a receipt shall be taken, and a marginal note made in the Ledger.

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Commission. 151. A commission will be charged for this class of business at the Branch where coupons or bonds are payable.

Interest. 152. The Accountant must see that all interest on ledger accounts is regularly checked, and initialled by the checking officer.

Law partners to be individually responsible. 153. In opening an account with a law firm it is necessary to take a letter from the partners as individuals that they will be personally liable for all transactions with the Bank in the name of the firm, by whichever partner carried out.

Verification of Balance Book. 154. The Manager or Accountant must verify the "Balance Book" with the Deposit Ledger at least once in three months, check the summations, and see that the total agrees with the amount shown in the General Ledger at credit of "Current Accounts," and attest the correctness with his initials.

Closed accounts. 155. The closing entry of an account must be initialled by the Manager or the Accountant.

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- Balance to be extended daily. 156. The balance of every account shall be extended at the close of each day's transactions.
- By-law. 157. The Manager must obtain from all corporations a certified copy of minute or by-law stating the titles of officers who are authorized to sign cheques, vide Rule No. 38 hereof.
- Register of customers' instructions to be kept. 158. The Manager shall obtain from every customer authority, on the form provided by Head Office, to protect, by charging to account, acceptances and notes payable at Bank.
- Overdrawn accounts. 159. A statement showing the balance of every overdrawn account shall be laid daily upon the Manager's table, and *every* overdraft shall be shown to Head Office on the weekly balance sheet. Overdrafts of \$500 and upwards must be shown on the daily statement sent to Head Office, vide Section 45, Key to Circulars.
- Statement of balances. 160. The Deposit Ledger must be balanced on the 15th and the last day of each month, and a statement of the balances shall be kept

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- Balance Book. in the "Deposit Ledger Balance Book" provided for the purpose.
- Copy of balances to be sent to H. O. each month. 161. A copy of the balances in the Ledger shall be forwarded to Head Office to the 15th of each month. In it all accounts bearing interest shall be written in red ink, and the rate of interest shown. This Return shall also show a full list of outstanding cheques, *with the dates charged in Ledger* marked opposite the amount.
- Outstanding cheques. 162. When a new Ledger is opened care shall be exercised that balances and full information are correctly carried forward, and the Manager, or the Accountant, or a senior officer, shall, with the assistance of another officer, carefully compare the two books. Outstanding cheques must be brought forward in red ink under original dates at the head of the column of their respective accounts in a new Ledger.
- Transfer. 163. The account in the old Ledger shall be closed with the words: "Carried to new Ledger,

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- Transfer page . . . ,” and the account in the new Ledger shall open with the words : “Forward from old Ledger, page”
- Negotiable without charge. 164. Certified cheques of a customer marked “negotiable without charge” at another branch must be advised in the same manner as drafts. Cheques must not be made payable at par in New York, vide Section 41, Key to Circulars.
- New York cheques.

RECEIPT BOOK FOR CHEQUES.

- Surrender of cheques, etc. 165. This book is to contain confirmation by customers of the balance of their deposit accounts, and an acknowledgment of the surrender of cheques, etc.
- Authority. 166. Cheques must be surrendered to clerks and others, only when they are properly authorized.

SIGNATURE BOOK.

- Signatures of depositors, etc. 167. In this book shall be placed the signatures of all parties who have current accounts, or other transactions, with the Bank, vide Rule No. 128 hereof. At London, Eng., Chicago,

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Card System.

and New York, local custom will prevail. The card system may be used.

DEPOSIT LEDGER INDEX.

Alphabetical list.

168. This book is to contain an alphabetical list of accounts with Ledger page.

SAVINGS BANK DEPOSIT LEDGER.

To be balanced monthly.

169. The Savings Bank Deposit Ledger must be balanced monthly, *and when possible it is to be done by some officer other than the ledger-keeper.* General instructions shall apply similar to those of Deposit Ledger, vide Rules Nos. 125 to 168 hereof.

Interest.

170. Interest shall be 3%, unless otherwise instructed, and shall be calculated on the minimum monthly balance.

Judgment.

171. *In special cases* Managers are permitted to use their judgment as to method of calculating interest.

To be credited half yearly or yearly.

172. Interest shall be credited half yearly or yearly, according to local custom, at the end of June and December, and it must as a rule be

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Checked. calculated by the Ledger-keeper, and checked by the Accountant; or, at the large Branches, two other officers may be appointed if necessary.

No over-drafts. 173. Savings Bank accounts are *never to be overdrawn*, and are not to be checked against except in special cases, and with the permission of the Manager or the Accountant.

Not checked against.

Either to draw.

174. Joint accounts (either to draw) are undesirable; but when taken authority in writing must be obtained from the depositors upon the form provided by Head Office.

Pay depositor only.

175. Savings Bank money *should be* paid to no one but the depositor in person, and the rules printed in the pass book must be strictly adhered to.

Receipts handed to Teller.

176. The Ledger-keeper in certifying Savings Bank receipts must return the pass book only to the depositor, handing the receipts direct to the Teller for payment. For purposes of identification, the latter will, when

Identification.

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Identification. necessary, see that number of pass book and receipt correspond.

Space. 177. Sufficient space should always be allowed for an account, but when it is necessary to carry one forward it should become the last account and be under a new number.

Perpetual Ledgers. 178. Perpetual Ledgers may be used when desired, but they must be ordered through Head Office to ensure uniformity.

SAVINGS BANK SIGNATURE BOOK.

Signatures. 179. In this book shall be taken the signatures of all parties having Savings Bank Accounts, and the Accountant, by calling over, must ascertain that all signatures have been obtained. Where depositors cannot write, instructions in Rule No. 105 hereof are to be followed.

Calling over.

SAVINGS BANK INDEX.

List of Depositors, etc. 180. In this book shall be kept an alphabetical and numerical list of all Depositors in the Savings Bank Department, and the Accountant must frequently have the Index Book checked with the Ledger to ensure correctness.

To be checked.

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UNCLAIMED BALANCES.

Five years
unclaimed
balances.

181. Amounts, balances and drafts which have remained unclaimed or outstanding for five years, shall be transferred to Head Office, and a record of all such balances shall be kept in the "Unclaimed Balances Account." Cheques paid, and remitted at debit of Head Office against such balances, must be endorsed by a memorandum in the following form :—

Transferred,

"Unclaimed Balances, transferred to Head Office on (year and date.)" Vide Section 143, Key to Circulars.

GENERAL LEDGER.

To be kept by
Accountant
or other
senior officer.

182. The General Ledger must be kept either by the Accountant or by some other senior officer, and periodically checked by the Accountant. The accounts shall conform to the headings in the printed balance sheet, and no others are to be opened without Head Office sanction.

To be written
up daily.

183. The General Ledger shall be written

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Ensure
correctness.

up daily, when practicable; and, if necessary, it shall be called over with the Cash Book, to ensure absolute correctness.

Accounts
with France
or Boston.

184. Such offices as require to open accounts with France or with Boston may do so with either the *Crédit Lyonnais*, Paris, or with the *Merchants' National Bank*, Boston, on receiving authority from Head Office.

Authority
for accounts
with foreign
Banks.

185. No account with foreign Banks is to be opened without Head Office authority.

Accounts
with other
Banks.

186. Accounts current with other Banks shall be kept in the General Ledger. The Accountant or the senior authorized officer shall acknowledge the deposits of local Banks in the pass books, attaching his initials to the entries. In other respects these accounts shall be kept according to the rules prescribed with respect to current accounts. Where there is no clearing

Settlements.

house, a settlement of balances due the Bank shall be required in round thousands when the amount exceeds \$2,000, and at the

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Settlements end of each month (or 23rd in the case of coast offices), no matter how small the balance may be.

Accounts with Banks not local. 187. Copies of accounts with Banks, not local, are to be sent to them, or required from them, periodically, not less than once per month, and proper confirmation of balances obtained or adjustment made at the same time.

BRANCH LEDGER.

Must be kept by a capable officer. 188. The Branch Ledger must be kept by a capable officer. It shall be posted daily, and, unless the officer in charge *can be absolutely sure of his correctness*, it must be checked by "calling over."

Record of errors. 189. A record will be kept at Head Office, with the Ledger-keepers' names, of any errors that may occur.

COLLECTIONS.

Collection Register. 190. All bills, *cheques*, etc., received for collection on account of other Branches, Banks, or individuals shall be registered at once in the

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Collections. "Collection Register." Local collections must be presented for acceptance on the day they are received. As a rule, they may be left with the drawee twenty-four (24) hours, (apparently the law allows 48 hours), but they must not be outstanding without authority for a greater length of time than forty-eight (48) hours, vide Bills of Exchange Act, Sec. 42. At London, Eng., Chicago, and New York, local custom will prevail.

Collections not to outstand for more than 48 hours.

Arrival of goods.

191. Collections received for acceptance "on arrival of goods" must not be held an unreasonable length of time, without instructions from or notice to the parties from whom received. The collection clerk should, if possible, keep himself informed as to the arrival of goods.

Courteous manner.

192. The Messenger or officer presenting bills for acceptance must have a courteous manner towards the public.

Sterling and Foreign bills.

193. Where bills, received for collection, are drawn out of, but payable in Canada, and the

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- Sterling and Foreign Bills. sum payable is not expressed in the currency of Canada, the amount shall, in the absence of some express stipulation, be calculated at the selling rate of exchange for sight drafts, otherwise the amount is payable according to the term expressed in the bill.
- Sight rate.
- Local collection bills. 194. Local collection bills shall include all local bills received from customers, or Branches of the Bank, for collection.
- Initialling, registering and numbering. 195. The Collection Clerk shall initial the various letters for bills received on collection, and enter each bill in the Collection Register and Diary, numbering it in red ink or red pencil on the upper right hand corner.
- Examination of bills. 196. He shall also examine the bills, see that they are in order, duly accepted, and the due date correctly marked.
- Full description. 197. The Collection Register shall contain a full description of each item, with particulars of any instructions given by the owner, and a record of any documents or collaterals attached thereto.
- Particulars of instructions.

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Acceptance
refused.

198. Any bill not in form, or the acceptance of which is refused, shall be returned to the owner without delay, with or without protest.

Returned
bills with
documents
attached.

199. When bills returned for non-acceptance or non-payment have documents attached for merchandise, or especially for produce or perishable goods, and there are no specific instructions, it is advisable to retain the documents, and to notify owners by cable or telegraph, asking for instructions as to disposal.

Railroad
receipts, bills
of lading, etc.

200. Railroad receipts, bills of lading, or other documents shall be presented to, but not left with, drawees of bills, and shall be delivered only on payment of bill (unless other instructions have been given by the owner), except under authority of the Manager or the Accountant.

Custody of
local col-
lection bills.

201. The Manager or the Accountant shall initial in the Register for, and have the custody of, all local collection bills, and see that each bill is accounted for.

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Checking
and assort-
ing.

202. In order to avoid any error which may have been overlooked by the Collection Clerk, the acceptance, domicile, due date, and diary entries must be checked, and the bills shall then be assorted in the most convenient manner for reference.

Protesting
and return-
ing.

203. Advices of payment and remittances for local collection bills must be made *on day of payment*, and all bills unpaid must be protested at maturity, unless there are special instructions to the contrary, and returned not later than the following day. The reason assigned by drawee for refusing to accept shall always be given, when it can be obtained.

Advice to
owner of
unaccepted
bills.

204. Bills received for acceptance and return are not to be held unaccepted more than forty-eight (48) hours, without instructions being received from, or advice sent to, the owner of the bills, vide Rule No. 190 hereof.

Each bill to
be accounted
for in Diary.

205. Local collection bills as they mature shall be handed to the Teller, who will acknowledge their receipt by his initials in the

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Diary. Diary. The Accountant must see that each bill has been accounted for.

Receipts for returned collections. 206. A receipt shall be taken by the Collection Clerk, in the book provided for that purpose, for all local collection bills returned to owners. Bills returned by mail shall be initialled for by the Correspondence Clerk.

Further Instructions. 207. For further instructions, vide Section 34, Key to Circulars.

SIGHT ITEMS.

Circulars 966 and 978. 208. These are to be dealt with as laid down in Circulars Nos. 966 and 978.

COLLECTION BILLS REMITTED.

Remitted collections. 209. Collection bills remitted shall be passed through the Remitted Collection Register and Diary, in the same way as local bills, and shall be despatched to the Bank's Correspondents without delay. The Manager, or the Accountant, or, in large Branches, the Correspondence Clerk shall acknowledge their receipt from the Collection Clerk by his initials in the Register,

Register and Diary.

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Remitted
collections.

appointing some officer to see that they are correctly entered in the Diary, and stamped with the Bank's endorsement. The official correspondence will serve to show how they have passed from his charge.

Advice.

210. Collection bills remitted are to be credited to their respective owners promptly upon advice of payment. The Accountant shall see that no undue delay occurs in the advice of such bills, and that prompt enquiries are made for the fate of outstanding items.

Outstanding
items.

Protested
bills book.

211. All bills handed to the Notary for protest shall be initialled for in the book kept for that purpose, and receipted for by the Collection Clerk in the same book, when returned by the Notary.

BILLS DISCOUNTED.

To be first
initialled by
Manager.

212. No bill or note may be discounted until initialled by the Manager, or by the Accountant in the absence of the former.

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DISCOUNTS AND EXCHANGE.

Discount
Registers.

213. The Discount and Exchange Registers shall comprise :

“The Local Bills Discounted.”

“Bills Discounted, Remitted Branches and Agencies.”

“Bills Discounted, Remitted United States.”

“Bills of Exchange Purchased on Great Britain, etc.”

Examination
of bills.

Due date.

Interest.
Exchange.

Checking
and
Initialling.

Slip to
Ledger-
keeper.

214. The Discount Clerk shall examine the bills, see that they are in proper form, check the due dates, marking them distinctly upon the face of the bill, and calculate the number of days to run, and the interest and exchange, upon the Discount Slip. These calculations must be checked by another officer, who shall attach his initials to the voucher, and who will then be held jointly responsible with the Discount Clerk for their correctness.

215. The Slip shall then pass to the Deposit Ledger-keeper, who will credit the proceeds to the account, marking the Slip with the page

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Slip. number on the left hand top corner, as evidence of its having been posted.

Notes payable with interest. 216. In the case of promissory notes payable with interest, the interest shall be added to the principal, and the Bank discount then deducted from the whole.

Lien Notes. 217. What are commonly called Lien Notes are, generally speaking, not Promissory Notes, and, therefore, generally speaking, not transferable by endorsement. Consequently in the case of Lien Notes the usual special or blank endorsement should be obtained, and also an assignment, either annexed or endorsed, but if annexed a sufficient description of the Lien Note must be given with the assignment, and also a general assignment on form obtained from Head Office, or an assignment as follows:—

Assignment. “For value received, the undersigned hereby agree with the Bank of Montreal that the monies mentioned in the within instrument shall be duly paid at the maturity thereof, and

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Lien Notes. hereby assign to said Bank said instrument and the contract contained therein, the monies payable thereunder, and the full benefit and advantage of the said contract, and all powers contained therein, with full authority to use the name of the undersigned in any proceedings to enforce said contract and exercise said powers.”

Assignment.

NOTE—When such Lien Notes are returned to the payee they can be reassigned, and for this purpose a rubber stamp can be used.

Law firms. 218. Law firms (as they are not trading partnerships) must sign individually, either as promisers or endorsers, on any notes of theirs discounted by the Bank.

Demand notes. 219. Demand notes must always be drawn, payable with interest, and the rate must be given, as otherwise only the legal rate of 5% can be collected. All notes payable with interest should read, interest at % per annum until paid.

Legal rate.

Endorsements on demand notes. 220. Protest must be waived (at the time note is taken) by the endorsers, if any, on

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Protest waived. demand notes held by the Bank as discounts or as collateral, vide Bills of Exchange Act, Section 85.

N. B. 221. Notes or bills discounted must not be drawn payable to the Bank when there is an endorser.

Full description. 222. A full description of the notes or bills, with the names of all the obligants, and particulars of collaterals held, shall be written in the Registers. Full particulars of all stock and

Collaterals. bond collaterals shall also be recorded in the Security Register, vide Circular No. 1110.

Daily calling over. 223. Discount Registers must be called over daily with the Deposit Ledger, to ensure correctness.

LOCAL BILLS DISCOUNTED.

Maturing local bills to be delivered to Teller. 224. Local bills discounted shall be delivered daily, as they mature, to the Teller, who shall acknowledge their receipt, by his initials in the Diary. The Manager or the Accountant shall see that the amount of bills so delivered is credited by the Teller through the Cash Book,

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RULES AND REGULATIONS

Unpaid bills. and the bills remaining unpaid shall form part of the Teller's cash, until they are removed in conformity with Rules Nos. 236 and 237 hereof.

Taking over bills. 225. The Manager shall receive the bills from the Discount Clerk at least once in each week, initialling for them in the Register, and

Diary. they shall be entered in the Diary and called over to ensure correctness. The bills shall

Sorting. then be sorted in the most convenient order for reference.

REMITTED DISCOUNTS.

226. The same general rules shall apply as to local discounts.

Prompt despatch. 227. Remitted discounts must be sent off the day received, when at short date, and not later than the day following, in any case.

Bills discounted remitted U. S. 228. All bills payable at other points, which have less than seven days to run, shall be treated as sight items, except in the case of bills discounted remitted United States, which shall

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Remitted
United
States.

pass through the Bills Discounted Remitted United States Register, whether they be at long or at short dates.

Demand
items.

Listing.

National
City Bank.

229. Items payable in the United States on demand, after being passed through the Register, shall be listed and charged in total, and forwarded to National City Bank, New York, or Merchants National Bank, Boston, for credit. Vide Rule No. 327 hereof as to Chicago items.

Separate.

Time items.

230. Cheques payable in New York shall be described on lists by name of Bank on which drawn, items payable outside of New York by name of place. Time items shall be listed separately.

Bills
remitted
U. S.

N. Y. Agents.

231. Bills Discounted Remitted, and Collection Bills payable in the United States, outside of Chicago and Boston, shall be sent to New York Agents, except when arrangements have been entered into with thoroughly responsible correspondents for other points.

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Endorsing. 232. Before being remitted to correspondents, bills discounted shall be endorsed by the Branch, vide Circular No. 1022, and Circular Memos. of 8th June, 1896; 8th July, 1896, and 21st January, 1897.

DIARIES.

Record of bills. 233. The Diary shall contain a record, according to their several due dates, of all bills discounted, and bills for collection held or remitted by the Branch, viz. :

- Local Bills Discounted.
- Bills Discounted Remitted.
- Local Collection Bills.
- Collection Bills Remitted.

Checking entries. 234. All entries in the Diaries must be checked by calling over.

Balanced. 235. Local and remitted discounts must be balanced monthly.

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RULES AND REGULATIONS

OVERDUE BILLS.

- Overdue. 236. All bills or notes discounted, unpaid at maturity, are to be debited to Overdue Debts, Secured or Unsecured, as the case may be, vide Rule No. 237 hereof, and the full particulars of the bills entered in the Register of Overdue Debts.
- Register of Overdue Debts.
- Notes or bills not to be held beyond a balance day. 237. Though notes or bills discounted under \$500 may be held in the Teller's cash a few days, under expectation of payment, they must never be held beyond a balance day, and Head Office must be promptly advised, vide Circulars No. 863 and 918.
- Advise H. O.
- Appropriations general. 238. Appropriations by Head Office against a bad or doubtful debt are always against that debt generally, and not against any specific portion of the debt, unless so stated by the General Manager.
- Record of Securities, etc., to be kept. 239. A complete record is to be kept of all securities and of legal and other proceedings taken for the recovery of Overdue Debts, vide Rule No. 6 hereof.

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IRRECOVERABLE DEBTS.

Appropriations.

240. Debts written off by Head Office appropriations, the parties to which have not been discharged, and from which it is possible something may be recovered, are to be entered in a part of the Overdue Debt book, or in a separate book, under the heading of Irrecoverable Debts.

Irrecoverable Debts.

Irrecoverable.

241. Irrecoverable debts are not to be lost sight of, vide Circulars Nos. 149, 195 and 615.

LETTERS OF CREDIT.

Distinctive Forms.

242. Distinctive Forms are used for the following Credits:

Travellers' Letters of Credit.

Domestic Letters of Credit.

Free Credits.

Commercial Credits for

Great Britain, Europe and the Mediterranean.

Do. West Indies, or South America.

Do. China, Japan, East Indies, etc.

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RULES AND REGULATIONS

Cover all
credits.

243. These credit forms should cover all credits issued and delivered to the public.

No other
forms.

244. London, Eng., Branch requests that no others be used.

Travellers'
Foreign
Letters of
Credit.

245. Travellers' Foreign Letters of Credit are issued in pounds Sterling, the limit being £1,000 (vide Circular No. 476). Advice and specimen signatures in duplicate must be sent to London, Eng., office. One per cent. commission should be charged in addition to demand rate of Exchange.

Travellers'
Domestic
Letters of
Credit.

246. Travellers' Domestic Letters of Credit are issued in dollars and cents, for use only on the Continent of North America. They authorize the holder to draw on the Bank in Montreal, Chicago, and New York, and each of these Branches must be advised of credit with full particulars.

Advice.

Foreign and
Domestic
Letters of
Credit.

247. Foreign and Domestic Letters of Credit are issued by the following Branches, viz.: Chicago, Montreal, New York, St. Johns, Nfld., Toronto, Vancouver, Victoria and Winnipeg.

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- Indemnity. 248. A letter of indemnity on the form provided must always be taken with Travellers' Credits.
- Commercial Letters of Credit. 249. Commercial Letters of Credit are issued in pounds Sterling, and are for commercial purposes only. They must be issued only to responsible firms, and must always be advised to Head Office.
- Lien given to the Bank. 250. Under an agreement from the customer a specific lien is given to the Bank on all goods purchased under the credit.
- Shipping of goods purchased under credit. 251. Merchandise purchased under the credit is usually shipped to a port in North America, and the terms of the drafts under such shipments range from demand to six months sight or date.
- Merchandise. 252. The goods must be described as *merchandise*, not particularized.
- Bill of Lading and Invoice. 253. In case of China, Japan and East India Letters of Credit the Branch which has issued the credit must be furnished with one copy

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RULES AND REGULATIONS

- Invoice. of Bill of Lading and the original invoice properly certified together with an advice of amount and term of draft. All other documents are to be attached to the draft which our London office accepts, if the former are in order.
- Other documents. In European and Mediterranean Letters of Credit all documents should go direct to London.
- European and Mediterranean. 254. Attention of clients must be specially called to the clause in some commercial credits, which calls for the abstract of the invoice to be endorsed on the Bill of Lading, vide China, Japan and East India Credits.
- Abstract of invoice to be endorsed on Bill of Lading. 255. When the credit requires insurance certificates to accompany documents, the usual clause, requiring the insurance to be satisfactory to the Bank in London, should always be inserted. Continental or other foreign policies are subject to objection.
- Insurance. 256. On receipt of an advice from London of an acceptance under any commercial credit, the customer shall be advised, and an entry
- Continental or other foreign policies.
- Entries.

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RULES AND REGULATIONS

- Entries. shall be made for the amount to the debit of Commercial Credit Account and credit of London Letter of Credit Account; and when an acceptance is paid these entries shall be reversed. The balance of Commercial Credit Account will thus at any time represent the amount of acceptances current.
- Commercial Credit Account.
- Covering. 257. Acceptances falling due under credits must be covered fifteen days before maturity.
- Commercial Credits to be in sets of four. 258. Commercial Credits shall be made out in duplicate; the original form for the applicant, and a copy to be sent to London; and the duplicate form, with application duly signed, to be held by the Branch, and a copy of it sent to Head Office.
- Commercial Credits Register. 259. All commercial credits issued by a Branch shall be entered in the Register kept for that purpose, and a record of all the transactions under the credits made therein.
- Register and Diary. 260. The acceptances should be diaried and both Register and Diary should be balanced with General Ledger monthly.

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RULES AND REGULATIONS

Register of Letters of Credit issued on a Branch.

261. The Register of Letters of Credit issued upon the Branch is to contain a record of all credits opened by Correspondents. Careful entries of these must be made, giving date of receipt of advice, date, and number of Credit, name of party granting Credit, name of parties to whom the Credit is granted, and terms and conditions of payment, etc.

Particulars.

Further information.

262. For further information, vide Sections 36 and 81, Key to Circulars.

STERLING OR FOREIGN BILLS OF EXCHANGE.

Examine documents carefully.

263. In Sterling or Foreign Bills of Exchange purchased by Branches, care is to be taken that the bills, and any documents attached, are in order. When bills are forwarded to London office, if made payable to the Bank, they are not to be endorsed. If endorsed in blank the words "Pay Bank of Montreal or Order" should be written or stamped above the last endorsement. In every other case the following formula is to be used :

Bills payable to Bank.

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Endorsement.

“Pay to the order of the Bank of Montreal, London, Eng., (or other Banks, as the case may be.)

For the Bank of Montreal.

.....Branch.

Manager.”

Not specialized.

264. Bills of Lading should not be specialized to the Bank or to its European Agents.

Endorsement.

265. The signature to endorsements on foreign bills purchased must be written, not stamped.

No prefix.

266. Any prefix to signatures, such as Miss, Mrs., Mr., etc., is irregular in England, vide Section 55, Key to Circulars.

Through Bills of Lading attached to exchange purchased.

267. The risk pertaining to through Bills of Lading when attached to exchange purchased, caused by the London Office or other Agents being unable to trace the steamer by which the goods have been shipped, and consequent inability to trace and insure goods on arrival, must as far as possible be guarded against.

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RULES AND REGULATIONS

Protection of
acceptances.

268. When the London Office is asked to protect acceptances of firms on this side, one-eighth per cent. must be added to the rate of Exchange, in order to cover the charge made by that Branch, vide Circular No. 698.

DOCUMENTARY BILLS PAYABLE IN SCOTLAND.

"Firsts."

269. Firsts of such bills, accompanied by the usual documents, must be remitted to the British Linen Company Bank, at Glasgow, for credit through London Branch, less their commission of 1/20%. The "Seconds" must be sent to the London Branch direct by the following mail, with the documents accompanying them, and a copy of the letter to the British Linen Company Bank.

"Seconds,"

Documents.

Copy of
letter.

BILLS ON LIVERPOOL.

Document-
ary.

270. All Documentary bills on Liverpool, whether payable there or in London, must be sent direct, and credit may be asked for either through Head Office (if the Branch has not a direct account), or direct, or through London Branch.

"Firsts."

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RULES AND REGULATIONS

- "Seconds,"
Documents.
Copy of
letter.
271. The "Seconds" in every case shall be sent to London by the following mail, accompanied by documents and a copy of the former letter to the Bank of Liverpool.
- Documents
on accept-
ance.
- No charge.
272. For Documentary Bills sent to Liverpool for acceptance and transmission to London, in which *documents are surrendered on acceptance*, the Bank of Liverpool will make no charge. For bills payable in Liverpool, or where documents are held for payment, the usual commission will be charged.
- "Clean."
- No charge.
273. Clean bills on Liverpool, payable in London, may be sent to Bank of Liverpool direct for acceptance and transmission to London Branch. No charge will be made by Bank of Liverpool.
- "Clean."
274. Clean bills on Liverpool, payable there, will be subject to Bank of Liverpool commission, even though sent through London.
- Not
specialized.
275. Bills of Lading must not be specialized to Bank of Liverpool, vide Circular, Memo. 3rd January, 1898.

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LONDON, ENG., CURRENCY ITEMS.

Currency items. 276. Branches must advise Montreal office of any debit or credit Canadian Currency items, account, London, Eng.

BANK OF LIVERPOOL.

Commission. 277. A commission of $\frac{1}{8}\%$ on each item, minimum one shilling, is to be deducted from all collections made on account of the Bank of Liverpool, vide page 62, Key to Circulars.

Further instructions. 278. For further instructions, vide Section 135, Key to Circulars.

CABLES.

Manner of cabling. 279. In cabling to London, England, Branch, messages should either begin or end with the cipher word for the Branch, or the cipher word for the day of the year, unless a special cipher word is in use between the Branch and London, and in case of payments a check word for the amount must be used.

Payments.

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DUE TO DOMINION GOVERNMENT.

Amounts due to Dominion Government to be kept separate.

280. Amounts due to or due by Dominion and Provincial Governments are to be kept separate from ordinary accounts of the public, and always shown separately in any statement or balance sheet.

BANK OF ENGLAND NOTES.

Counterfeits.

281. When Bank of England Notes are purchased care must be taken to guard against counterfeits. The notes may be purchased at about 8% premium, and should be resold, in order to avoid risk of transmission. If they are not resold, but forwarded to London for credit, they should be cut in half, crosswise, and the halves sent in small amounts by different mails, registered, vide Section 9, Key to Circulars.

Rate, etc.

Cut in half crosswise.

REGISTERS.

CREDIT CASH REGISTER.

Record of all cheques, etc., payable on demand.

282. The Register of Cheques Received shall contain a record of all cash and sight item lists, etc., received from other Branches, Agencies,

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Credit Cash. or Correspondents, for credit of their respective accounts. These shall be initialled for, in the letters from which they are taken, by the officer whose duty it is to make the entries in the Credit Cash Register. When the entries are made in this book it, with the vouchers, shall be handed to the Teller, who will acknowledge receipt of the vouchers by his initials, and who will have the responsibility of collecting them.

Teller to be responsible for collecting vouchers.

Remitting office.

283. The remitting office should be notified at once if any change is made in the total of the lists.

Credited.

284. The amounts will thereafter be credited to the respective accounts in the Cash Book of the day.

REGISTER OF CHEQUES REMITTED.

Record of all cheques remitted payable in Canada.

Listing.

285. The Register of Cheques Remitted shall contain a record of all cheques and short dated drafts cashed, payable in the Dominion of Canada. These are to be listed, and handed to the Manager or the Correspondence Clerk,

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Initialling. who will initial for and despatch them for collection the same day.

Three days' sight. 286. No draft or bill having more than seven days to run, or drawn at a longer term than three days' sight, shall be passed through this Register. Any bill having a longer term than above mentioned, shall be treated as a bill discounted remitted.

Record of documents, etc. 287. A record of documents, collaterals, or instructions attached to items passing through this Register must be made therein.

Bank's endorsement. 288. Care must be taken to see that all cheques after being registered are stamped with the Bank's endorsement.

Further Instructions. 289. For further information, vide Sections 17, 33, 44 and 69½, Key to Circulars.

DRAFTS ISSUED.

Drafts not to be signed in blank. 290. No draft shall under any circumstance be signed in blank.

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Record of
Drafts, rate
of Exchange,
etc.

291. The Register of Drafts shall contain a record of every draft issued by the Branch, together with the rate and amount of Exchange, etc.

Applications
for Drafts.

292. Applications for Drafts shall be made upon requisition vouchers containing the names of the payees and amounts, and a specification of the money paid to the Teller. This requisition shall be signed by the applicant, and shall serve for the Cash Book Voucher, vide Circulars Nos. 962 and 968 and Section 53, Key to Circulars.

Cash Book
Voucher.

Treatment of
drafts by
officers.

293. The Teller on receipt of a requisition for a draft shall compute the Exchange, initial the slip, and, after entering the amount in his Cash Book, hand it to the officer whose duty it is to prepare the draft. This officer shall, after checking the calculation of the Exchange, write out the draft, and hand it with the requisition to the Accountant, who, after comparing it with the requisition, shall countersign the draft, and

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Initialling in Register.

it shall then be signed by the Manager, one of the two initialling the entry in the Register.

Canadian currency drafts.

294. As a general rule, no one Canadian currency draft is to be issued on any Branch, in favour of a private party or firm, for any sum exceeding one thousand dollars; but when deemed advisable to issue to your customers drafts for larger amounts, they must be *specialy confirmed* in the ordinary Branch letter of the day, in addition to the advice sent on the regular form. Drafts given for settlement to other Banks may be issued for any amount without special advice by letter; but, whenever the day's drawings on any one Branch total \$25,000, telegraphic information must be given so that funds may be provided.

Special advice.

Telegraphic advice.

Respectability.

295. The respectability of parties purchasing drafts must be assured.

Amounts to be written across signatures.

296. Drafts issued (except on London, England), besides having the amount placed in figures, and written in the body, are to have

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the amounts written across the signatures of the officers who sign, by one of themselves, and in the same ink as the signature. Only black ink is to be used in writing or in crossing drafts.

Advices.

297. All drafts are to be advised promptly and carefully, and, while no one is to be in any way neglectful, *the Accountant must make it a personal duty* to see that the advices for the National City Bank, New York, and for London, England, are correctly written, and promptly despatched, vide Rule No. 306 hereof.

Great care.

DRAFTS ON NEW YORK.

Precaution
against
fraud.

298. Referring to New York drafts, as a precaution against fraud, read Circular No. 294.

New York
Drafts,
\$25,000.

299. Whenever the day's drawings on New York total \$25,000, telegraphic information must be sent to the New York Agents.

DRAFTS ON LONDON, ENGLAND.

Drafts on
London, Eng.

300. Drafts upon London, England, may be drawn at any term from demand, to not exceeding sixty days' sight, by such officers as are

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Advice. authorized to sign. Over the printed number on the draft the Register number is to be written, and, in giving advice to London, both numbers are to be quoted, vide Section 134, Key to Circulars.

Numbers. Pounds to be punched. 301. As a safeguard, these drafts, unless drawn payable to a Bank, shall have the pounds punched with a perforating punch.

London drawings £20,000. 302. Whenever the demand drawing on London, Eng., by one mail exceed £20,000 over and above demand remittances on London by same mail, cable advice must be sent.

FOREIGN DRAFTS.

Drafts on France, Germany, Belgium and Hong Kong. 303. Drafts on France, Germany, Belgium and Hong Kong may be obtained from Montreal Branch.

NEW YORK AGENTS DRAFTS.

New York drafts. 304. All Branches, excepting Montreal and Chicago, shall charge Head Office with drafts drawn on them by New York Agents, retaining the drafts at paying office.

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IDENTIFICATION.

Identity of payee. 305. In selling drafts care should be taken that payee can be identified at place of payment.

SIGNATURES OF PAYEES.

Signatures specially mentioned. 306. Signatures of payees sent to the Branches shall be specially mentioned in the daily letter, and the information that the signature has been so sent must be noted on the advice sheet.

WRITING OF DRAFTS.

Writing of drafts. 307. Managers must see that no carelessness is exhibited in the writing of drafts, and the duty shall be assigned to a good penman.

FOREIGN OR COLONIAL BONDS.

Income Tax. 308. Coupons, payable in Great Britain, are subject to Income Tax, and had better be taken on collection only (though the tax can be recovered in some cases.)

Bonds, etc., not mutilated. 309. Bonds or share certificates, remitted for sale or security, to London, England, must not

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- No mutilation. be marked, stamped or endorsed in any manner, as any mutilation impairs their negotiability.
- Pension Receipts. 310. Sterling Pension Receipts, issued by Departments of the Imperial Service, are also subject to deductions (Income up to £160 per annum exempt), and should be taken on collection only.
- Income tax.

LONDON AND NEW YORK EXCHANGE.

- Exchange on London or New York. 311. Exchange on London or New York shall not be sold to other Banks without being first offered to Montreal and other large Branches, or reference to Head Office.

CORRESPONDENCE WITH LONDON, ENGLAND, BRANCH.

- Collections. 312. The fate of collections must be advised by first mail, and a list of drafts issued must invariably be sent by first mail.
- List of drafts issued.
- Special instructions. 313. Drafts sent forward for collection, having special instructions, shall have tickets with the instructions attached, which can be

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removed before presentation. The instructions shall also be incorporated in the letter or accompanying list.

Copy of
account.

314. All Branches will be furnished by London Office with a weekly copy of their account. They will credit Head Office with

Commission.

one-eighth per cent. commission upon the debit side of the account, unless otherwise authorized,

Overdrafts.

and will be charged the Bank of England rate upon any overdraft, and allowed interest at one and one half per cent. below the Bank of England

Interest.

rate, for credit balances. Advice of interest so charged and credited will be sent by London Branch each half year.

Certificates
of insurance.

315. Foreign and Colonial certificates of insurance, payable in Great Britain, require to be stamped by the Inland Revenue Office within ten days after arrival. This is attended to by our London Office. The duty is three pence for every £100 or fraction thereof.

Duty.

Never
overdrawn.

316. London, Eng., account must not be overdrawn without Head Office authority. For

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Further instructions. further instructions, vide Section 82, Key to Circulars.

LETTER BOOKS.

Press copies. 317. Letter books shall contain press copies of all letters, etc., sent from the Branch.

LETTERS.

Copies. 318. All letters and memoranda despatched must be signed by the Manager or the Accountant, and copied, and all enclosures, including B. C. and parcel advices and memoranda, must be mentioned in the letter.

Correspondence. 319. All correspondence must be conducted in a dignified and courteous manner and on proper forms.

RECORD OF REGISTERED LETTERS RECEIVED.

Record of registered letters received. 320. In this book shall be kept a record of name of sender, Post Office number, place received from, and contents. It shall be kept by the officer who gives a receipt to the Post Office. The letters shall be entered daily, the

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Initialling. date recorded, and he shall see that in passing from his possession they are initialled for in the Register.

Examine seals. 321. Before an officer signs for a registered letter at the Post Office he should examine the seals, and if they are broken the contents should be counted in the presence of a Post Office official.

DRAFT ADVICE BOOK.

Record of drafts. 322. The advices of all drafts received from Branches shall be entered in this Book, and date of payment recorded. It is to be kept closely and carefully written up, and must be consulted before payment of any draft is made.

File. 323. If preferred, draft advices may be kept on file if done neatly and systematically.

ADVICE BOOK.

Record of collections, payments, transfers, etc. 324. In this book shall be entered for the Correspondence Clerk all collections, payments, transfers, confirmations of telegrams, etc., to be

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Advice. advised to Branches and other correspondents, vide Rule No. 12 hereof.

OTHER BOOKS.

Other books. 325. The Accountant may use such other books, in addition to those mentioned, as he deem necessary, having the fact always before him that uniformity is required throughout the service.

Uniformity.

NATIONAL CITY BANK, N.Y.

Commission. 326. Branch balances with the National City Bank, when transferred to Head Office, will be dealt with by the latter, debit or credit exchange being charged or credited, when it amounts to \$5 or upwards, according to market rate. Transactions through New York Agents are treated in this way also.

N. Y. funds.

CHICAGO ITEMS.

To be advised through Montreal. 327. Branches must pass all Chicago items through Montreal account, and shall advise that office of all credit entries. Items on Chicago must be sent direct. Vide Circular No. 1089.

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DIVIDEND CHEQUES.

- Cancelling. 328. Dividend cheques of the Bank when paid shall be cancelled, as if drawn upon the Branch at which they were cashed, and shall then be assorted according to number, listed and forwarded at debit of Head Office weekly.
- Forwarding.

CHARGES ACCOUNT.

- Economy. 329. All salaries and maintenance, repairs and taxes are chargeable to this account. Managers and Accountants must see that a proper economy is exercised, *and that only items strictly within the meaning of above terms are passed.* Vouchers must in every case be obtained, and kept on file systematically, so that they can readily be referred to. Office requirements are to be ordered by the Manager or the Accountant only. Officers' income tax may be charged to this account. No charitable contributions or outlay for repairs, etc., excepting of a minor character, are permitted without Head Office approval.
- Strictness required.
- Systematically kept.
- Income tax.
- Outlay.

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Salaries
never to be
paid in part.

330. Monthly salaries are not to be paid in part by different offices, but at the office to which an officer is attached when pay list goes through. This applies also to Pension Fund deductions.

Recapitulation.

331. A detailed statement of charges account must be given in the fortnightly returns, and a recapitulation in the half-yearly returns.

HOLIDAYS.

Holidays.

332. Every officer who has been in the service one year will be entitled to two weeks' leave of absence annually, and must absent himself for that time (*i. e.*, fourteen consecutive days) unless it is impossible for relief to be furnished, vide Circular No. 638.

ABSENCE FROM DUTY.

Staff
absences.

333. All staff absences in excess of two days must be advised to Head Office, vide Section 1, Key to Circulars.

TRAVELLING EXPENSES.

334. An officer's personal expenses, when

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RULES AND REGULATIONS

Circulars
559, 913 and
996.

travelling in the Bank's interests, will be paid (vide Circulars Nos. 559, 913 and 996), but the Bank will not pay charges on any unnecessary quantity of impedimenta, or on boats, horses, or pianos. *One day's hotel bill* will be allowed when necessary. A detailed list of travelling expenses must be forwarded to the General Manager for approval.

Detailed list.

RELIEVING EXPENSES.

Relieving.

335. Relieving expenses will be paid by the Branch relieved; travelling expenses in all cases by Head Office. Both must be submitted to Head Office for approval.

Head Office
approval.

Relieving
officers to be
recouped.

336. Officers on relief duty will be allowed travelling expenses and any additional expense they may incur by such temporary move, (*i.e.*, what they are out of pocket), but strict adherence to this limit is called for.

SPECULATION. OTHER BUSINESS OR PROFESSION.

Other
business or
profession.

337. No officer shall under any circumstances engage in any other business or pro-

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- No commissions fession, nor shall he become an Agent, or accept from the public any bonus, perquisite, or commission without the special permission of the General Manager. No officer shall become a party to any negotiable paper or bond.
- Negotiable paper. Speculation forbidden. 338. Speculation of every description is strictly forbidden, and officers are not permitted to have accounts at other Banks; the attention of officers is especially called to Section 49, Key to Circulars.
- No accounts at other Banks. Kite-flying. 339. For Kite-flying, etc., vide Circular No. 857.
- Auditing work. 340. Special auditing work is sometimes permitted, as it affords an opportunity of obtaining knowledge which renders an officer's services more valuable to the Bank; but in such cases the permission of the General Manager must be obtained.
- Permission.

PENSION FUND.

- Pension Fund. 341. Each clerk on joining the Bank shall become a member of the Pension Fund Society,

BANK OF MONTREAL

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RULES AND REGULATIONS

Pension
Fund.

contributing thereto 3% monthly on his salary, vide copy of by-laws appended.

STATIONERY.

Obtained
from Head
Office.

342. *Books, forms and stationery are to be obtained from Head Office*; requisitions therefor to be sent in at end of March and September, vide Section 132, Key to Circulars.

EMPLOYEES.

Three
months'
notice.

343. Every person in the employ of the Bank, but intending to leave the same, shall give the Bank three months' notice, in writing, of his intention; and it shall be competent to the Directors to put an end to the engagement of any employee of the Bank, either by giving him three months' notice in writing to that effect, or by paying him a sum of money equal to three months' salary, in lieu of such notice.

Salary in lieu
of notice.

Misconduct.

In case of misconduct, however, on the part of any employee of the Bank, the Directors may summarily dismiss him without any previous notice; and, in such case, his salary will be

Dismissal.

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Defaulters. paid only up to the time of his dismissal, unless he be also a defaulter or be otherwise indebted to the Bank, in which case any balance due to him, for salary or otherwise, will be placed to the credit of his debt.

MILITIA.

Militia. 344. Officers of the Bank must obtain permission from Head Office before joining any Volunteer Military Corps, vide Circular 789.

OFFICERS OF OTHER BANKS.

Officers of other Banks. 345. Financial dealings with officers of other Banks will not be permitted either by discount, overdraft or otherwise, vide Circulars 857 and 930, and Rule No. 84 hereof.

OTTAWA GOVERNMENT BUSINESS.

ACCOUNTS.

Ottawa Government business. 346. Branches must render copies of Ottawa Government account to Ottawa Branch on the 15th and last day of each month, and transfer the balance to Head Office on the latter date.

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Ottawa
Government.

Transfers must invariably be shown in the accounts to enable Ottawa Branch to make corresponding entries.

CHEQUES.

Cheques.

Dominion Government cheques are payable at par at any Branch of the Bank in Canada and England. In the United States they are subject to the usual charges.

Before remitting any cheque "Credit
.....Branch" must be stamped across its face.

CREDITS.

Credits.

Credits for payment of money can only be opened at the different Branches when signed by the Minister of Finance and countersigned by the Auditor General or their deputies.

DRAFTS.

Drafts.

Government drafts must be numbered consecutively, and neatly and correctly written, in order to avoid friction and correcting entries with the Finance Department. The attention of officers is especially called to Circulars Nos. 311, 687, and 700.

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MONEY ORDERS.

Money orders.

Money orders must not be paid until they have been accepted by the Postmaster in the following manner : “ Bank of Montreal
. will pay bearer.”

(Signed),

.

Money orders.

Paid money orders must be cancelled and returned on the following day to the Postmaster, who will give a receipt for the same. This receipt, bearing a detailed list giving the numbers and amounts of the paid orders, shall be forwarded to the Ottawa Branch by the paying office at debit of Government account.

POWERS OF ATTORNEY.

Powers of Attorney.

Powers of Attorney in favour of the Bank should be drawn in duplicate on the forms provided by the Government and forwarded to the Ottawa Branch for lodgment with the proper Departments. Forms of Power of Attorney can always be obtained on application to the Bank in Ottawa.

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Advised by
Ottawa.

Branches will be advised by the Ottawa Branch, either by mail or wire in conformity with their instructions, of any monies received from the Government on their account.

REMITTANCES.

Remittances.

Government remittances must be forwarded separately from all other correspondence, and the envelope, bearing the necessary postage, must have the address printed in the following manner:—

No correspondence.

Government statements only.

The Manager,

Bank of Montreal,

Ottawa,

Ont.

From

Bank of Montreal,

.....

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Numbering.

The statements must be headed Government Account, and the remittances numbered consecutively, to enable the Ottawa Branch to see that all have been accounted for.

Great care.

Great care must be taken to avoid giving Ottawa Branch any unnecessary trouble.

SALARIES AND SUPERANNUATIONS.

Salaries and superannuations.

Government superannuations are payable only at the Branch authorized to pay them. The credits for these must be kept in a Book, against which the receipts paid each month must be entered in order to avoid any possibility of two or more receipts being paid for the same month. The receipts must never be cashed prior to five days before the end of each month.

Judges' salaries.

Judges' salaries are payable on the last day of each month only, and the receipt must not be signed or dated prior to this, as, in the event of death, the salary expires on the last day of the preceding month.

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RULES AND REGULATIONS

INTEREST ON OFFICERS' BALANCES.

Interest. 347. Interest at 4% will be allowed on officers' balances.

NIGHT WORK.

Night work if necessary. 348. It is intended that the staff at each Branch shall be sufficient to accomplish the work during the day; but should balances or any exigency render it necessary, every officer required shall return in the evening.

BANK PREMISES ACCOUNT.

All outlay to be authorized by Head Office. 349. All outlay of the nature of capital expenditure, *i. e.*, for the cost of permanent improvement of real properties, and all unusual repairs, must be authorized by Head Office.

Bank Premises. 350. Such outlay shall be charged temporarily to Bank Premises Account, but transferred to Head Office on the 15th of April and the 15th of October.

DEPARTMENT.

Department. 351. The officers of the Bank are required to conduct themselves, both in and out of the

BANK OF MONTREAL

RULES AND REGULATIONS

Department. office, in a manner commanding the respect and confidence of the public.

Politics. 352. Officers must refrain from taking any active part in politics.

PENMANSHIP.

Penmanship 353. Officers must especially bear in mind the importance of good handwriting, as it will have a bearing on their advancement, vide Circulars Nos. 200, 341, 632, and Section 70, Key to Circulars.

ERASURES.

No erasures. 354. Erasures must on no account be made in Deposit Ledgers and Cash Books.

TRANSFERS.

Transfers. 355. Transfers between Branches must be made as laid down in Circulars Nos. 202 and 984.

ENTRANTS.

Medical examination. 356. Entrants to the Bank's service must be physically sound. They must pass a medical

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RULES AND REGULATIONS

Full enquiry
regarding
applicants.

examination, and *Managers must show discretion and judgment in accepting applications* for the Bank's service, and they will be held responsible if full enquiry and proper precautions have been neglected, vide Entrants form of application.

GUARANTEE AGAINST PRIVATE BANKERS, ETC.

Guarantee.

357. A guarantee against loss must be obtained from customers whose discounted bills or cash items require to be sent to a private Banker, Postmaster, or Express Agent.

TELEGRAMS.

Must be in
cipher and be
copied.

358. All telegrams dealing with the Bank's internal affairs must be in cipher and must be copied in a letter book.

"Notify and
pay."

359. In telegraphic transfers "notify and pay," the address must be given unless payees are known beyond question.

Private
telegrams.

360. Telegrams of a private nature must not be paid for by the Bank.

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RULES AND REGULATIONS

TELEPHONE.

Telephoning 361. Rule No. 360 refers also to long distance telephone charges.

PENCIL WRITING.

Pencil writing. 362. Writing in pencil is not permitted in any book.

SPECIAL EXAMINATIONS, APRIL AND OCTOBER.

BY-LAW NO. XVIII.

Regular balancing 363. By-Law No. XVIII. provides that:—
“The books and accounts of the Bank shall
“be regularly balanced upon the last lawful
“days of April and October in each year.”

Examination. 364. The Managers are particularly requested to observe this by-law, and at the times mentioned to make a thorough and special examination of the cash, securities, accounts and books of the Branch.

All expenses to be charged end of half year. 365. It is very desirable that the Manager should, before the books are closed, get all overdue debts, and all irregular advances (such as casual overdrafts upon current account), paid,

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RULES AND REGULATIONS

Closing
Entries.

and all entries made that have been advised by Head Office and other Branches. He should also see that the salaries, and other charges of the office, according to agreements made with the Bank, as well as the whole expenses of the Branch for the half year, are fully paid, and debited to Charges Account.

POSTAGE STAMPS.

Postage
stamps.

366. Postage stamps must be in charge of the Accountant, and a sufficient number only supplied to the proper officer or messenger for daily requirements.

BOARD MEETINGS.

Board
meetings.

367. The Board of Directors meets on Tuesdays and Fridays; documents requiring the Bank's seal can only be executed at Board meetings.

HEAD OFFICE FORMS.

Forms,
Solicitor.

368. The following forms have been carefully prepared by the Bank's *solicitors* and

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RULES AND REGULATIONS

H. O.

Special
permission.

must be obtained from Head Office. No others are to be used without special *permission*:

- FORM No. 1. Agreement to give Warehouse Receipts.
" 2. Security Receipt for Demand Loan.
" 3. " " " Discount or Overdraft.
" 4. Promise to give W./R. S./R., etc.
" 5. Warehouse Receipts.
" 6. Hypothecation of Collateral Paper.
" 7. Trust Receipt for L./C.
" 8. Bailee Receipt.
" 9. Authority where Company has one place of business.
" 10. Authority where Company has more than one place of business.
" 11. Authority to borrow more than 75% of capital.
" 12. Power of Attorney.
" 13. Authority taken with Sterling Exchange.
" 14. Guarantee from individual.
" 15. " " firms.
" 16. " " corporations.
" 17. Assignment of book accounts.
" 18. Waiver of Protest. Authority to charge.
" 19. Entrants' Medical Examination—A.B.C.

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HEAD OFFICE RETURNS.

Writing of
officers.

369. So far as possible each officer should write up some portion of the Head Office Returns, signing his name thereto.

Full particu-
lars of bills
discounted.

370. Managers in making their remarks upon Bills Discounted shall give full particulars (especially when any new transaction is undertaken), *i.e.*, whether renewed in part or in full, and, when security is held, give its nature and valuation in dollars, vide Circular Memo., 9th March, 1889.

RETURNS AND STATEMENTS.

371. The following periodical Returns and Statements are required, and shall be forwarded to Head Office as follows :—

ADJUSTMENT OF LONDON, ENGLAND, ACCOUNT.

—Last day of January, April, July and October.

ADJUSTMENT, BANK OF LIVERPOOL ACCOUNT.—

Last day of January, April, July and October.

BALANCE SHEET.—Sent 8th and 23rd of month.

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BRANCH ACCOUNTS.—Fortnightly: 15th and end of month.

BRITISH COLUMBIA BRANCHES, CALGARY AND LETHBRIDGE.—Send fortnightly returns, Liability Sheets and Head Office accounts, 8th and 23rd; Balance Sheet, 15th and end of month.

CROP REPORTS.—July 13th, 27th; August 13th, 27th; September 13th, 27th.

DAILY STATEMENT.—Sent by Halifax, Hamilton, Kingston, London, Ottawa, Quebec, St. John, Toronto, Vancouver, Victoria, and Winnipeg; Tuesdays and Fridays for remaining Branches.

DEPOSIT LEDGER BALANCES.—15th of month.

ESTIMATE OF PROFITS.—31st January, March, July, September 30th.

HALF-YEARLY RETURN.—Including: Report on Officers, Interest on Capital, List of Deposit Receipts Outstanding, and Charges Account, sent April 30th and October 31st.

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HEAD OFFICE ACCOUNT.—Sent 15th and end of month. Hamilton, London, Ont., St. John, Ottawa, Toronto, Vancouver, Winnipeg, Quebec and Montreal send weekly accounts, vide British Columbia Branches. (By first mail.)

LIABILITY SHEET.—Fortnightly, 15th and end of month. Vide British Columbia Branches.

*MONTREAL BRANCH ACCOUNT.—8th and 23rd. Brockville, Halifax, Hamilton, London, Ont., Ottawa, Quebec, Point St. Charles, Seigneurs Street, St. John, Toronto, Vancouver, West End, and Winnipeg send weekly accounts.

ORDINARY RETURN.—Sent fortnightly, 15th and end of month. Hamilton, London, Ont., Ottawa, St. John, Toronto, Vancouver, and Winnipeg, send weekly returns, vide British Columbia Branches.

PAY LIST.—Sent end of each month (by first mail.)

*These accounts are to be sent to Montreal Branch.

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PENSION FUND.—Authorizing deduction of Pension Premiums. April 30th and October 31st. Ontario.

REPORTS.—Including: Doubtful Current Bills, Overdue Bills, Tellers' Losses, Doubtful Overdrawn Accounts, Irrecoverable Debts, 31st March and 30th September.

SPECIAL REPORT ON *Discount Accounts*. February 28th.

STAFF ABSENCES.—During the year. 31st December.

STATEMENT OF PROFITS.—30th April and 31st October.

STATIONERY REQUISITION.—31st March and 30th September.

TELLERS' RISK FUND.—31st March.

TELLERS' CASH COUNTING.—Sent twice each month at irregular intervals.

UNCLAIMED BALANCES.—*Deposit Receipts; Savings Bank Balances; Cheques, Drafts, Bills of Exchange Outstanding five years.* 31st December.



PENSION FUND

BANK OF MONTREAL

PENSION FUND SOCIETY

BY-LAWS.

PENSION FUND SOCIETY,
BANK OF MONTREAL.

1. Every person now or hereafter an *employé* on the establishment of the Bank of Montreal (hereinafter styled the Bank), whether at the Head Office thereof or at any of the Branches or Agencies, shall be a member of the PENSION FUND SOCIETY OF THE BANK OF MONTREAL (hereinafter called the Society), shall continue to be such member so long as he shall remain an *employé* on the establishment of the Bank, but no longer. The word *employé* shall not be held to apply to or include messengers or porters of the Bank, but shall include all other officers or servants in the service of the Bank.

2. Special and general meetings of the Society may be held at any time, at such place and hour as

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PENSION FUND SOCIETY

the Board of Directors (hereinafter called the Board), may from time to time ordain, and such meetings shall be held to be sufficiently called by a circular to be addressed and mailed by the Secretary of the Society, to the Manager or Agent at each of the Branches or Agencies of the Bank, at least 30 days before the date thereof.

3. The circular calling a special meeting shall specify the special purpose for which it is called, and no other business than that for which such meeting is called shall be transacted thereat. The President shall, upon the written requisition of at least 50 members to that end made, call a special meeting of the Society; the requisition shall set forth the purpose for which the meeting is to be called.

4. At all meetings of the Society, members may attend and vote by proxy, such proxy being himself also a member; and the presence of twelve members, not counting proxies, shall be requisite to form a quorum. The Board of Directors may from time to time fix the form and manner of attestation of

BANK OF MONTREAL

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proxies. Every member, whether voting in person or by proxy, shall have one vote.

5. All meetings of the Society may be adjourned by vote of a quorum present, but not otherwise; and if such adjournment be for a term of more than one week, notice shall be given thereof in the interval by circular, as if for another meeting.

6. The General Manager of the Bank, the Assistant General Manager, the Inspector, the Senior Assistant Inspector, the Manager at Montreal, the Manager at Toronto, the Manager at Ottawa, the Manager at Quebec, the Assistant Manager at Montreal (if there be such officer, if not, the Accountant at Montreal), the Accountant at Head Office, all for the time being—and their successors in office—being members of the Society, shall be the directors of the Society.

7. Meetings of the Board of Directors shall be held whenever convened by the order of the President of the Society or of any two directors, at such place and hour as from time to time may be

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ordained; and may be adjourned when necessary. At least one week's written notice of all such meetings shall be given by the Secretary, to every director, and at all meetings of the Board, three shall be a quorum.

8. The General Manager and the Assistant General Manager or Inspector of the Bank of Montreal, shall be *ex officio* the President and the Vice-President respectively of said Society. The office of director shall be gratuitous.

9. The Corporate Seal of the Society shall be such as the Board may from time to time ordain; and shall be in the official charge of the President.

10. At all meetings, whether of the Society or of the Board, the President, or in his absence the Vice-President, or in default of both President or Vice-President the senior director present, shall preside, and shall have a vote and a casting vote.

11. The Board shall from time to time name and appoint from amongst the members of the Society the Secretary and Treasurer, and shall fix and deter-

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PENSION FUND SOCIETY

mine the duties to be performed by them and the remuneration to be paid to them. The offices of Secretary and Treasurer may at any time be held by the same person.

12. The Board shall cause to be kept regular Account Books, shewing clearly all receipts and payments on account of all Funds of the Society, and the mode of the investment thereof,—and also a full and complete Minute Book of their proceedings; and the same shall be open for the inspection of all members of the Society, at such place and during such reasonable office hours as the Board may appoint; and shall further cause to be prepared, a printed statement of the affairs of the Society to be made up to the 30th June in each year, and copies thereof distributed amongst the members as soon thereafter as may be practicable or convenient.

13. Every member of the Society shall, for so long as he shall so continue, pay to the said Pension Fund Society a yearly contribution equal to 3 per cent. of his annual Bank salary—the same to be deducted by the Bank from the monthly salary

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PENSION FUND SOCIETY

payable to said member, and paid into the funds of the said Society ; and in the case of managers, agents or other employés occupying residences provided by the Bank, a further yearly contribution of 3 per cent. upon the fixed money value of such residences and other customary allowances shall be paid,—the said money value to be fixed and determined by the directors of the Bank from time to time.

14. Each member of the Society who has been in the uninterrupted service of the Bank of Montreal for ten years and upwards, and having attained the age of sixty years, or who upon the certificate of the Bank's medical adviser, or of any other physician approved by the Bank, is declared to be incapacitated by infirmity from properly performing his duties, shall be entitled to be paid from and out of the funds of said Society a pension or superannuation allowance of 1-50th of his salary at the date of superannuation for every year of such service in the Bank up to, but not exceeding, 35-50ths of his salary at the date of such superannuation. Provided

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always, that such pension shall not in any case exceed the sum of \$5,000. But no member who has so attained the age of sixty years shall be entitled to such pension so long as he continues in the service of the Bank.

15. No member of the Society shall be entitled to a pension or superannuation allowance who has not been in the uninterrupted service of the Bank for ten years or upwards, nor shall the widows or minor children of such member be entitled to any pension or superannuation allowance.

16. Upon the decease of any member, being a pensioner at the time of his death, and leaving a widow and minor child or children, then in that case the said Society shall pay to the said widow half of the pension received and enjoyed by her late husband ; the same shall accrue and be paid to her for so long as she shall live and remain the widow of such member, and no longer. And if at the time of the decease or re-marriage of such widow, there shall be living any minor child or children of such member, the pension which the said widow, prior

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to such decease or re-marriage, received, shall thereafter accrue and be paid for the sole use of such child or children, and in equal shares for each, if there be more than one, to his, her or their duly appointed tutor or guardian,—or, in default of such, to any person whom the Board may name or approve to that end, for so long as any shall remain under age and no longer, and the total amount not diminishing so long as there shall remain any such child under age.

17. On the decease of any member leaving a minor child or children, but no widow, then, and in that case, the said Society shall pay to the said child or children half of the pension received and enjoyed by their late father; and the said pension shall accrue and be paid for the sole use of such child or children, and in equal shares for each if there be more than one, to his, her or their duly appointed tutor or guardian,—or, in default of such, then to any person whom the Board may name or approve to that end, for so long as any shall remain under age, and no longer—the total amount not diminishing, so long as there shall remain any such child under age.

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18. Upon the death of any member of the Society not a pensioner, who has been in the uninterrupted service of the Bank for ten years and upwards, leaving a widow, minor child or children, the Society shall pay to the said widow, so long as she remains the widow of such member, but no longer, a pension equal to the 100th part of the salary of said member at the date of his death, for every year of his service in the Bank, up to but not exceeding 35-100ths of such salary at date of death of the member; and provided always, that such pension shall not in any case exceed the sum of \$2,500, and if upon the death or re-marriage of such widow, there shall be living any minor child or children of such member, such pension shall thereafter accrue and be paid for the sole use of such child or children, and in equal shares for each if there be more than one, to his, her or their duly appointed tutor or guardian,—or, in default of such, then to any person whom the Board may name or approve to that end,—for so long as any shall remain under age, and no longer; the total amount not diminishing, so long as there shall remain any such child under age.

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19. Upon the death of any member of the Society not a pensioner, who has been in the uninterrupted service of the Bank for ten years, leaving no widow but leaving a minor child or children, the said Society shall pay to the duly appointed tutor or guardian of such child or children a pension, equal to the 100th part of the salary of said member at the date of his death, for every year of the service of such member in the Bank, up to but not exceeding 35-100ths of his salary at the date of his death ; provided always that such pension shall not exceed in any case \$2,500. And such pension shall thereafter accrue and be paid for the sole use of such child or children, in equal shares for each of them if there be more than one, to his, her or their duly appointed tutor or guardian, or, in default of such, then to any person the Board may name and approve to that end, for so long as any shall remain under age and no longer—the total amount not diminishing so long as there shall remain any such child under age.

20. Every member or pensioner shall be bound within one month from the date of *his marriage*, or

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of the *death of his wife*, to notify the Secretary in writing of such marriage or death, and to furnish proof thereof to the satisfaction of the Board ; and every member or pensioner shall be bound at any time upon a demand on him by the Secretary to that end made to furnish proof to the satisfaction of the Board of the number, names and ages of his minor children.

21. All pensions payable by the Society shall commence to run from the date of superannuation or death of the member. All pensions payable by the Society to pensioners shall be paid to them on the last day of each month. All pensions payable to widows or minor children shall be paid to such widows, or to the tutor or guardian or other legal representative of said minors, quarterly on the first day of January, April, July and October of each year. For the purpose of establishing the amount of the pension to be paid to said pensioners, widows and minor children, no fraction of a year less than six months shall be reckoned or taken into account, but if such fraction of a year shall be or exceed six

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months it shall be deemed to be and be reckoned a full year.

22. In the event of an employé leaving the service of the Bank for any cause whatsoever, and thereby ceasing to be a member of the Society, all payments or contributions by him as a member, made to the Society, shall be returned to him without interest, deduction being made by the said Society of any sum in which said member may be indebted to the Bank or to said Society for any reason whatever.

23. The Board shall from time to time, as they may see fit, appoint one or more auditors to examine into the books, vouchers and accounts of the said Society, and to investigate all the business and concerns of the said Society, and to report thereon to the Board.

24. No dispute, claim, objection or question whatever, between the Society and any member or members thereof, or former member or members thereof, or any widow or widows, child or children or other representatives of any deceased member

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thereof, or any party claiming in right of or under any such member, former member, widow, child, or other representative, shall on any pretext be made the subject of litigation in any Court of Law or Equity whatsoever, unless after written submission thereof to the friendly arbitrament and decision of the Board of Directors of the Bank, and express refusal of such Board to accept the same and decide thereon. And upon every such submission such Board shall have the fullest power to decide as to such dispute, claim, objection or question, irrespectively of all manner of formality of procedure; and their decision, certified under the seal of the Bank, shall be absolutely final and conclusive, notwithstanding any defect of form or irregularity of procedure, as touching the same whatsoever.

25. The By-laws as presently adopted and established, or at any time in force, may be altered or amended upon the vote of a majority of the members at a special meeting called upon due notice.

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AMENDMENTS

And Additions to the foregoing By-laws, passed at a meeting of members, held on 23rd July, 1891.

1. That by-law No. 13 be amended, by adding after the words "time to time" at the end of the by-law, the words "Provided always, that no member shall be held to pay the yearly contributions on a larger sum than \$12,000, notwithstanding that his salary may exceed such sum."
2. That by-law No. 16 be amended by striking out the words in the second and third lines "And minor child or children."
3. That by-law No. 18 be amended by striking out the words in the second and third lines "Minor child or children."
4. That by-law No. 22 be amended by inserting the words "One third of" before the words "All payments" in the third line.

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5. That the following new by-law be inserted between the 21st and 22nd by-laws, and that the said by-law be known as No. 21a.

BY-LAW No. 21A.

Upon the decease of any member of the Society, who has not been in the uninterrupted service of the Bank for ten years, leaving a widow him surviving, all payments and contributions by him as a member made to the Society shall be paid over to such widow, without interest. If at the decease of such member he leave no widow, but there be living minor child or children, such payments or contributions shall be paid for the sole use of such child or children in equal shares for each, to his or their duly appointed tutor or guardian, or, in default of such, to any person whom the Board may approve to that end. In all cases, deduction being made by the said Society for any sums in which said member may be indebted to the Bank, or to said Society, for any reason whatsoever.

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AMENDMENT

To By-laws numbers 6 and 13, passed at a meeting of the members, held on 1st September, 1892.

That by-law No. 6 be amended by striking therefrom the following words: "the Manager at Toronto, the Manager at Ottawa."

That by-law No. 13 be further amended by adding to the former amendment of 23rd July, 1891, after the words "may exceed such sum," the words, "and all contributions, annuities and pensions shall hereafter be payable at the office of the Society, in Montreal."

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AMENDMENT

To By-law number 9, passed at a meeting of the members, held on 1st September, 1897.

The following to be added to by-law No. 9, viz. :—"That the President, or in his absence, the Vice-President, shall receive the reimbursement of all capital sums and grant discharge therefor."

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Copy of Bank of Montreal Circular.

PENSION FUND, BANK OF MONTREAL.

BANK OF MONTREAL,

MONTREAL, 2ND JUNE, 1884.

The members of the Annuity and Guarantee Funds Society, who are now officers of the Bank, transfer to the Bank their interest in the said Fund, less any surrender values paid in settling with outside members who may elect to accept such settlement—the Capital or accumulated funds of the Society being now about \$206,000.

The employees of the Bank to pay 3% per annum on their annual salaries, (and in the case of Managers occupying residences provided by the Bank, the fixed money value of such residences, and other customary allowances in addition to their salaries,) payable in equal monthly instalments,

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PENSION FUND SOCIETY

beginning with the month of July—which is to be deducted from the monthly pay list of each office, and credited to Head Office.

IN RETURN THE BANK WILL ASSUME,

The present annuities, \$2,660 yearly.

The annuities to the widows or children of outsiders who do not accept a surrender value,—such annuity to be based on the value of the fund as it stands on 30th June, 1884.

AND WILL GRANT

Pensions to employees after 10 years service, on the basis of 1/50th of salary at date of superannuation, for every year's service. The maximum pension to be 35/50ths, but not in any case to exceed \$5,000. Employees to be entitled to pension on becoming incapable—the same to be so declared by certificate of the Bank's medical adviser or other physician approved by the Bank—or on attaining the age of 60 years—the latter at option of Bank or employee. Widow to receive half pen-

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sion; and at her death or re-marriage, (or if no widow,) the said half pension to be paid to children, if any, until they attain the age of 21 years.

In the case of resignation or dismissal, all payments to be returned without interest, less any amount in default—the question of cause for dismissal to rest altogether with the Bank. All the officers of the Bank to sign a Bond, of which this clause shall form one of the conditions.

In the event of a pensioned officer taking other employment, the permission of the Bank must be obtained or pension will be forfeited.

One-half of the payments made by the subscribers to the Annuity and Guarantee Funds Society for the year 1884, to be applied on the first payments to the Pension Fund—or the surrender of one subscription, in the case of double annuities, to be applied in like manner.

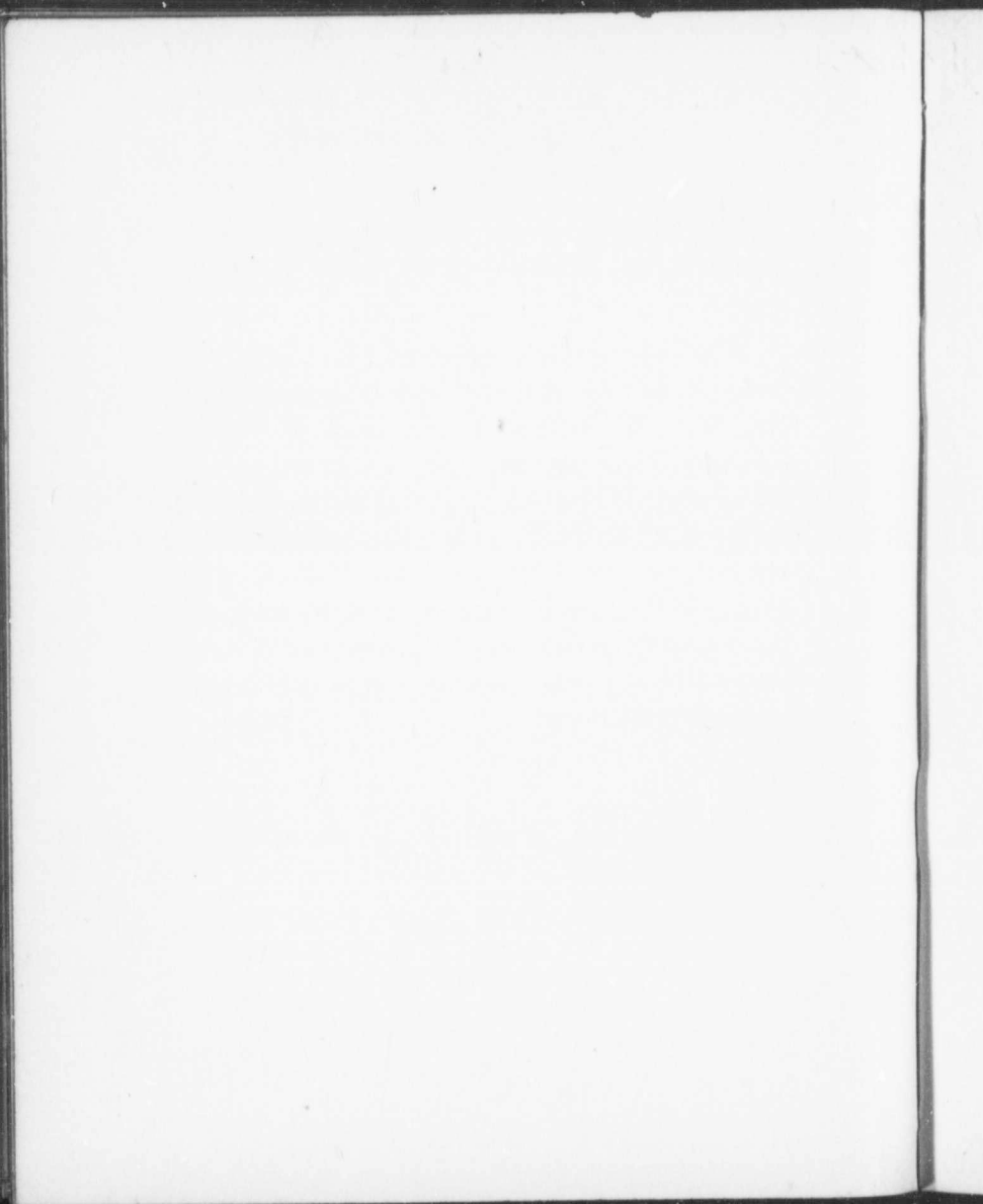
Every clerk entering the service must pass a medical examination; and no clerk will be allowed to marry on a salary of less than \$1000 a year,

BANK OF MONTREAL

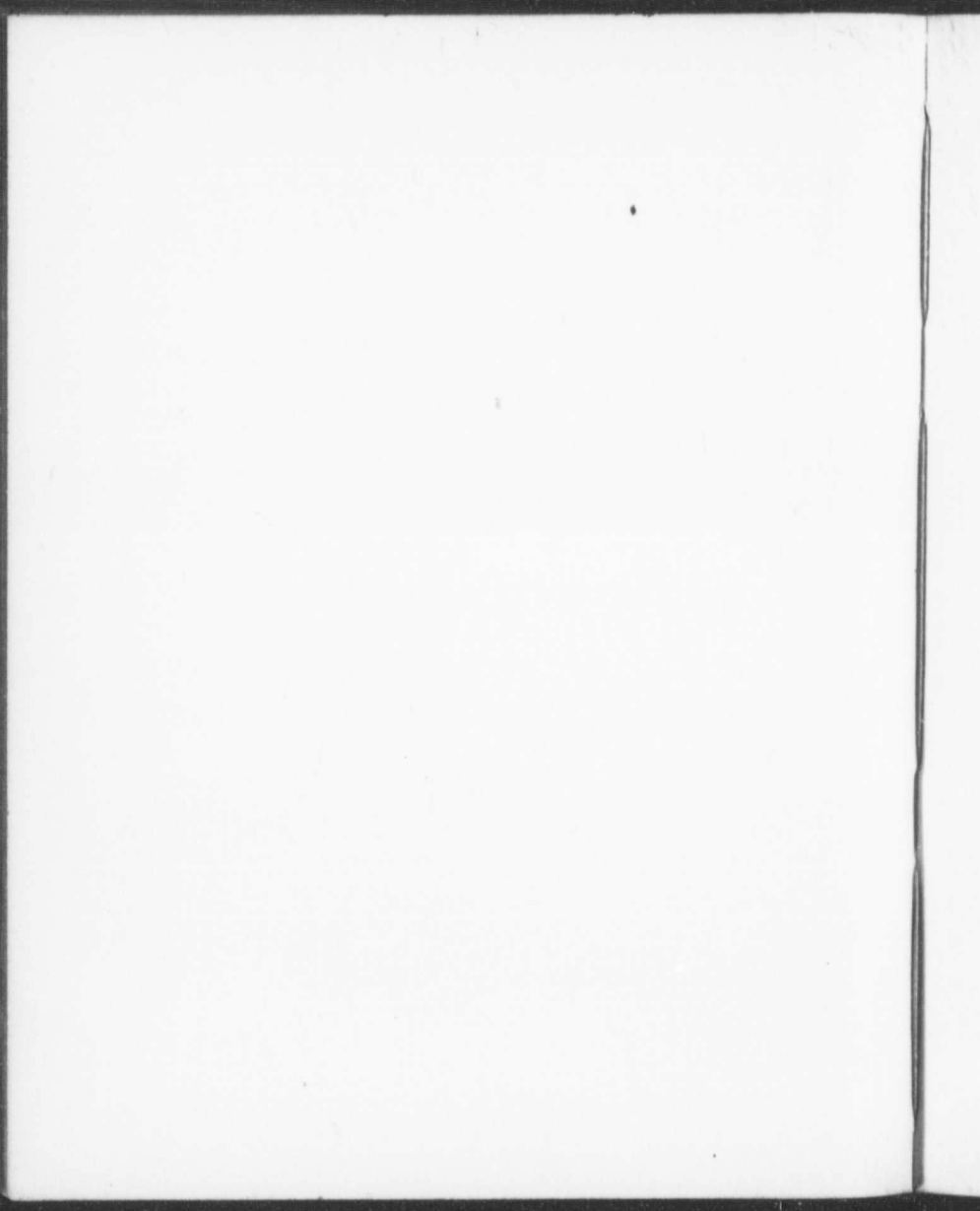
PENSION FUND SOCIETY

without consent of the Bank, under penalty of dismissal and forfeiture of all rights under this scheme.

The subscriptions, donations, and balance received from the Annuity and Guarantee Funds Society, to be credited by the Bank to a special "Pension Fund account," and the securities to be transferred to trustees appointed by the Board of Directors of the Bank. A short act will be required and will be applied for at the next session of the Dominion Parliament, authorizing these trustees to invest any moneys belonging to this fund in securities, stocks, etc., other than those at present allowed by the Banking Act.



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