

account of cheques which they have reasonable ground for believing to be good. Cheques and bills on countries beyond New Zealand may not be accepted as savings-bank deposits, or for any other purpose, without special instructions from the Controller of Accounts. A Postmaster will be held personally liable for the amount of any cheques accepted by him in contravention of this rule.

[All cheques accepted from the public should be examined to see that the duty of 2d. is impressed or is affixed in postage-stamps. A postage-stamp on a cheque must be cancelled by the person who draws the cheque writing across the stamp his name or initials and the date.

782. Officers are strictly forbidden to cash cheques for any officer of the Public Trust Office, and must not allow the Post Office to be made a medium for negotiating private cheques. Government cheques may be accepted if the Postmaster is personally satisfied that they are in order in every respect, and that they are presented by the persons entitled to receive the amount for which they are drawn; but the acceptance of cheques on Post Office business is not officially recognized, and officers must understand that they accept them on their own responsibility. Officers must not include cheques received from the public as part of their official funds. All receipts for payments made by cheque must be so marked.

783. At isolated places at which there is no bank agency an arrangement may be made whereby cheques aggregating a fixed amount, drawn by well-known firms and persons of repute, may be cashed by Postmasters, provided the bank on which such cheques are drawn guarantees to honour them to an amount to be determined between the drawer, the bank, and the Post Office. No arrangement of this nature may, however, be made without the express authority of the Secretary.

784. Postmasters in charge of offices at which there is not an agency of the Bank of New Zealand must not collect exchange on a cheque tendered in payment of an amount due to the State Advances Office. It should be sent in to the chief office as a remittance. The Chief Postmaster will negotiate the cheque either at his own office or at the office on which the cheque is drawn, or, if it is not drawn on any office in his district, through the Chief Postmaster of the district in which is situated the bank on which the cheque is drawn.

785. Officers must see that exchange at the current rates is collected on all cheques excepting those mentioned in Rule 784. The Bank of New Zealand charges all Government Departments, including the Post and Telegraph, exchange at the rate of $\frac{1}{4}$ per cent., with a minimum of 6d. on each cheque, on cheques drawn by private parties upon another town in the Dominion, whether that town be *within* or *without* the provincial district in which the cheques are presented.

786. An order drawn on a private firm accepted in the ordinary course of business at a money-order office must have added any exchange due, and must be lodged in the usual manner to the credit of the receiving Postmaster's Official Deposit Account. If the receiving Postmaster has no Official Deposit Account he will claim credit for the order as a "remittance to Chief Office." In such a case the order must be lodged to the credit of the Chief Postmaster's Deposit Account.

RESERVE BALANCES.

787. (a.) The amount of reserve balances other than cash authorized for accounting offices is based upon the total sales for a period of two months. All applications for a reserve balance or for an