

Proposed Amendment for Publication in the Register

1 04 NCAC 03C .0902 is proposed for amendment as follows:

3 **04 NCAC 03C .0902 REQUIRED ACCOUNTS**

4 In order that the books and records of the bank may properly reflect all of its liabilities, the following
5 reserve accounts ~~must~~ shall be set up and be properly maintained by all banks:

- 6 (1) Reserve for Interest Due Depositors. This reserve ~~must~~ shall be set up and proper entries
7 made thereto at least once each month. As interest is paid to depositors, payments ~~must~~
8 shall be charged to this account. Each month, as credits are made to this reserve, the
9 amount ~~should~~ shall be charged to interest paid to depositors' accounts.
- 10 (2) Reserve for Unearned Interest on Loans. All interest collected on notes ~~must~~ shall be
11 credited to this account on the day it is collected. At least once each month earned
12 interest ~~must~~ shall be computed, be charged to this account, and be credited to earned
13 interest account. Provided however, this Subparagraph does not apply to loans where
14 interest is accounted for through an income earned not collected account.
- 15 (3) ~~Reserve for Taxes, Insurance, Etc. Based upon available information, including past~~
16 ~~experience, the approximate sum to be required for taxes of all kinds and for insurance,~~
17 ~~including surety bond premiums, for all purposes for the year, must be estimated and this~~
18 ~~account must be credited at least once each month, and debits made to expense accounts,~~
19 ~~for one twelfth of the total. All payments for taxes and insurance, when made, must be~~
20 ~~charged to this reserve account. Provided, however, in lieu of using a reserve account, a~~
21 ~~prepayment account may be established for insurance, and monthly charges made to the~~
22 ~~account to expense the appropriate amount.~~
- 23 (4) ~~Reserve for Depreciation. In order that the values carried on the books of the bank~~
24 ~~representing fixed assets may be as nearly correct as possible, each bank must set up and~~
25 ~~properly maintain a reserve for depreciation. Credits must be made to this account at~~
26 ~~least once each month for one twelfth of the annual rate permitted for that particular asset~~
27 ~~by the United States Internal Revenue Service.~~
- 28 (5) (4) Bond Income Earned; Not Collected. At least once each month, the income on bonds
29 earned during the month shall be charged to this account and credited to the bond income
30 account. As coupons are collected, they shall be credited to this account.

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32 *History Note: Authority G.S. 53C-8-1; 53C-8-6;*
33 *Eff. February 1, 1976;*
34 *Amended Eff. September 1, 2014; September 1, 1990.*