

Here's how to buy T-bills to diversify your investing

What can you tell me about T-bills? Do you have a list of Federal Reserve Banks or can you tell me where I can find one?

Treasury bills, or T-bills as they are often called, are short-term obligations issued by the U.S. government and help set the trend for short-term interest rates. They have appeal among investors because of safety, liquidity and exemption from state and local taxes.

One of the problems for individuals is the minimum investment, which is \$10,000. The maturities are three, six and 12 months, and the treasury does not redeem them before maturity. However, T-bills can

be sold before they mature through a broker or bank.

T-BILLS PAY no interest at regular intervals like most other interest-bearing obligations. Instead, they are sold at a discount from their redemption price, with the difference being the interest payment. The three- and six-month bills are sold at regular weekly treasury auctions, usually on Mondays. The 12-month T-bills are offered at auction just once a month.

While T-bills can be bought through a broker or a bank, there is a fee. To avoid that fee, an individual can buy directly from Federal Reserve Banks or branches. All that is necessary is to complete a form, re-



today's investor

Thomas E. O'Hara

of the National Association of Investors Corp.

ferred as a tender and available from Federal Reserve Banks and send it with a check for \$10,000.

A PART OF your \$10,000 will be refunded to you, so it is as if you bought the T-bill at a discount and it will be worth \$10,000 when it matures.

The minimum investment is \$10,000, but larger investments can

be made at \$5,000 multiples.

The bid must be made in person or by mail and arrive in advance of the auction. When an investor buys the T-bills, no certificate is issued. The investor's name is simply recorded in the Treasury Department's books.

Most individuals make a non-competitive bid, meaning they will pay whatever the average market rate is at the auction. That rate will be

determined by the competitive bids made by large institutional investors.

AN INDIVIDUAL can submit a competitive bid, but then he runs the risk of paying too much or being shut out if the bid is too low.

Since T-bills are issued by the U.S. government, they are considered as safe as any piece of paper can be.

If you want an application to order directly from the government, call the Detroit office at 561-6880 and tell them you want a tender. You must specify whether you want a tender for a three-month, six-month or 12-month T-bill.

Treasury, Washington D.C. 20230 and give them the same information.

Thomas O'Hara of Bloomfield Hills welcomes your questions and comments but will answer them only through this column. Readers who send in questions on a general investment subject or on a corporation with broad investor interest and whose questions are used will receive a free one-year subscription to the investment magazine "Better Investing." For a sample copy of "Better Investing" or information about investment clubs, write Today's Investor, PO Box 220, Royal Oak, Mich., 48068.

datebook

ACCOUNTANT ASSISTANTS

Tuesday, March 28 — Examinations to waive introductory accounting courses in accounting assistant program begins at 6:30 p.m. in Rochester Hills. Information: 370-3120. Sponsor: Oakland University.

REAL ESTATE CE

Tuesday, March 28 — Six hours of continuing education for real estate agents begins at 9 a.m. in Troy. Non-member fee: \$45. Information: 585-1283. Sponsor: South Oakland County Board of Realtors Inc.

BUSINESS COMPUTERS

Tuesday, March 28 — Free seminars offered 9 a.m. to 5 p.m. in Southfield. Information: 528-5105. Sponsor: Egghed Discount Software.

WOMEN ACCOUNTANTS

Tuesday, March 28 — American Society of Women Accountants meets in Southfield. Information: Flora La Doucer, 268-3286.

FRANCHISING SEMINAR

Thursday, March 30 — "Is Franchising for You?" offered 9 a.m. to 4 p.m. in Detroit. Fee: \$75. Information: Judi Kramer, 396-3000. Sponsor: Touche Ross & Co.

ESTATE PLANNING

Thursday, March 30 — Free estate planning seminar begins at 9:30 a.m. in Southfield. Information: 350-3030. Sponsor: Arthritis Foundation.

JOB FAIR

Friday, March 31 — Collegiate job fair runs 9 a.m. to 4 p.m. in Farmington Hills. Information: Liz

Donahue, 577-3390. Sponsors: Wayne State, Eastern Michigan universities.

PROGRAMMABLE CONTROLLERS

Monday-Thursday, April 3-6 — International Programmable Controllers Conference held in Detroit. Information: Tom Jaffeja, 995-4440.

LOTUS 1-2-3

Mondays, April 3-4 — "Lotus 1-2-3 Begins" on the IBM-PC offered 7-9 p.m. in Bloomfield Hills. Fee: \$75. Information: 645-3635. Sponsor: Cranbrook Schools.

WRITING A PLAN

Tuesday, April 4-11 — "Writing a Business Plan" offered 6:30-9 p.m. in Detroit. Fee: \$45. Information: Pamela Goelling, 577-4850. Sponsor: Wayne State University.

BEGINNING COMPUTER

Tuesdays, April 4-25 — "Beginning Computer . . . Surviving the Computer Age" offered 7-9 p.m. in Bloomfield Hills. Fee: \$65. Information: 645-3635. Sponsor: Cranbrook Schools.

STATISTICAL CONTROL

Tuesdays and Wednesdays, April 4 through May 31 — Statistical quality control workshops offered 6-8 p.m. in Rochester. Fee: \$125. Information: 370-3120. Sponsor: Oakland University.

REAL ESTATE MANAGEMENT

Wednesday, April 5 — Institute of Real Estate Management holds annual trade show in Southfield. Free. Information: Marilyn Hornfeld, 964-4522.

dBASE III PLUS

Wednesdays, April 5-26 — "dBase III Plus on the IBM-PC" offered 7-9 p.m. in Bloomfield Hills. Fee: \$75. Information: 645-3635. Sponsor: Cranbrook Schools.

BEGINNING WORDPERFECT

Wednesdays, April 5-26 — WordPerfect word processing course for beginners offered 6:30-9:30 p.m. in Rochester. Fee: \$125. Information: 370-3120. Sponsor: Oakland University.

OAKLAND CHAMBER

Thursday, April 6 — Breakfast meeting of Oakland County Chamber of Commerce in Bloomfield Township. Information: 644-1229.

TRAINING SOCIETY

Thursday, April 6 — American Society for Training and Development meets in Southfield. Information: Jack Baum, 642-4767.

DIRECT MARKETERS

Thursday, April 6 — Direct Marketing Association of Detroit meets in Southfield. Information: 258-8803.

LOTUS 1-2-3

Thursdays, April 6-27 — "WordPerfect (Word Processing) on the IBM-PC" offered 7-9 p.m. in Bloomfield Hills. Fee: \$75. Information: 645-3635. Sponsor: Cranbrook Schools.

JOB FAIR

Wednesday-Thursday, April 5-6 — Michigan JobWarp Fair opens at 9 a.m. at Cobo Hall in Detroit. Sponsor: International Programmable Controllers Conference.

CHANGING JOBS

Thursdays, April 6-27 — "Careers in Transition" offered 7-10 p.m. in West Bloomfield. Fee: \$85. Information: 370-3033. Sponsor: Oakland University Continuum Center.

FINDING A JOB

Saturday, April 8 — "Successful Job Hunt Strategies" offered 9 a.m. to 4 p.m. in Bloomfield Hills. Fee: \$45. Information: 370-3033. Sponsor: Oakland University Continuum Center.

IBM PC FUNDAMENTALS

Saturdays, April 8-29 — Fundamentals of operating an IBM personal computer offered 9 a.m. to 12:30 p.m. in Rochester. Fee: \$115. Information: 370-3120. Sponsor: Oakland University.

SUCCESS STRATEGIES

Mondays, April 10, 17 — Headline of West Bloomfield will present a class on "Strategies of Success" at 7 p.m. both days. Speakers will be Pam Eldred, Miss America of 1970 and a licensed cosmetologist, and Grace Scalia, owner of Headline Salon. \$40 fee. For information, call 851-7461.

INVESTING

Mondays, April 10 through May 15 — "Help Your Money Make Money — Invest Wisely" offered 7:30-9:30 p.m. in Birmingham. Fee: \$48. Information: 644-5832. Sponsor: The Community House.

SAFE MONEY

Tuesday, April 11 — "Smart and Safe Money Moves" offered 7:30-9:30 p.m. in Birmingham. Fee: \$12. Information: 644-5832. Sponsor: The Community House.

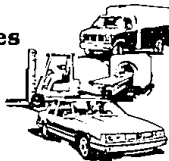
BUSINESS COMMUNICATION

Thursday-Friday, April 13-14 —

Seminar on "Planning, Evaluating and Measuring Communication Programs" offered in Detroit. Non-member fee: \$415. Information: Carol Hinson, 348-3773. Sponsor: International Association of Business Communicators.

Information for this column should be sent to the business editor, Observer & Eccentric Newspapers, 30251 Schoolcraft, Livonia 48150. Information must be received by Monday to be published in the Thursday issue. Publication cannot be guaranteed. Information should contain a daytime telephone number where information can be verified.

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So if you'd like to walk a mile in our shoes, call the Livonia Chamber of Commerce at 427-2122. Ask for Mike Cooney. We're sure he has something in your size.

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