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Fort Worth BEP Running At Top Speed



Exceeding all expectations, the Fort Worth Bureau of Engraving and Printing (BEP) is now expected to print 40 percent of the nation's currency by the mid-1990s.

When it opened just last spring, the western currency facility became the only currency-printing facility outside Washington, D.C.

Treasury officials consider the multi-million dollar printing location the most advanced printing facility of its kind. At 19,000 square feet, the vault is the largest in the country and second-largest in the world.

Production of the first notes began last spring, with shipments to Reserve Banks starting in late summer.

Bills printed at the Fort Worth location bear the small initials "FW" on the lower right corner of the bill, to the right of the Treasury seal.

The need for "more fit" notes for use in automated teller machines was cited as one of the reasons for the second printing facility. Another was the need for a contingency center should a natural disaster affect the primary location.

Currently, the facility prints only \$1 notes; other denominations are expected to follow over the next several years. Originally, The Fort Worth BEP was projected to produce only about 25 percent of the nation's currency by the mid-1990s.

Security-Enhanced \$50 Note In Production

About six months ago, bankers and the public alike began inspecting \$100 bills with curiosity—looking for the first of new security-enhanced currency introduced last summer. Soon, they'll be able to watch for enhanced \$50 notes as well.

Production of the series 1990 security-enhanced \$50 note has begun, with the first notes ex-

pected to be delivered to Reserve Banks next month.

The new \$50 notes contain the same security features as the recently enhanced \$100s—a polyester security thread visible only when held to light, and microprinting around the portrait on the bill.

The first series of enhanced \$50 notes will bear the Federal Reserve Bank of New York's

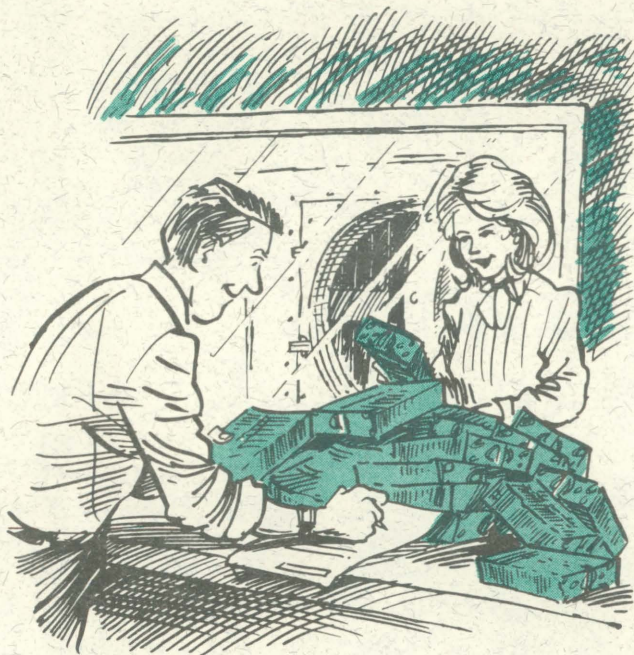
seal. Notes for the remaining 11 Federal Reserve districts will be produced during 1992. As with the \$100 note, the \$50s will serve as replacement notes for unfit bills in circulation; no recall is planned.

The remaining denominations containing the new security features, except for the \$1 note, will be produced over the next three to five years.

PROTECT YOURSELF!

Knowing The “Rules” Can Secure Your Deliveries

Buckle up. Drive 55. Pay your taxes. We’re expected to follow rules every day. Though we might question their value, we find some rules easier to follow when we understand the reasons behind them.



In the same way, the Fed’s cash offices have established some depositing and receiving rules that were written for your protection. These rules are found in the Fed’s Operating Letters No. 10 and No. 13.

Operating Letter No. 10 contains the regulations for the receipt, exchange, and delivery of coin and currency. Operating Letter No. 13 contains rules applying to the redemption of food coupons.

The Federal Reserve established these rules primarily to assure the

safety and integrity of financial institutions’ cash transactions with Reserve Banks. Other rules in the letters establish conformity to enhance processing efficiency.

Correctly preparing and securing your deposits is the key to ensuring their integrity. You’ll also help prevent delayed credits or losses from neglect or theft. Listed below is a checklist for preparing secured deposits:

- **Check your bag before each shipment.** Make sure there are no holes in the bags you use to ship currency or food coupons. If you use plastic bags, make sure they can withstand the abuse incurred during shipping. Saving money initially by using old, worn-out cloth bags or by not buying the more expensive, but more durable plastic bags, may cost you more in the long run should a loss occur.

- **Make sure seals are tight.** Many bags we receive have seals that can be slipped off the bag. In this case, someone could remove the seal, slip some currency out, and put the seal back on the bag without our receiving teller noticing that someone had tampered with it. Take the time to ensure your peace of mind.

- **Prepare your shipment correctly.** All currency and food coupons should be shipped in full packages of the same denomination. Make sure the straps identify your institution and the teller preparing the shipment. Secure 10 straps of the same denomination with two large rubber bands. Each strap should contain 100 notes. Proper packaging reduces

the time it takes us to verify your deposit.

- **Make sure your deposit slips are legible.** Also, place them in an envelope on the outside of the deposit. This, too, helps simplify the verification of your deposits.

In addition to securing your shipments to the Fed, you also play an important role in making sure that you receive your Fed shipments intact. Here’s how:

- **Know the “rules.”** Make sure the appropriate employees at your institution have copies of Operating Letters No. 10 and No. 13 and are familiar with their contents.

- **Check the bag and seal.** Before you accept a bag of currency from an armored car company, check to see if the bag or seal has been tampered with in any way.

- **Verify, verify, verify!** Fed shipments should be opened and verified by two people within each other’s presence. While verifying, check the integrity of the shrink-wrap on each bundle, and then strap and bundle-count the money before removing the shrink-wrap. Each package should be piece-verified before you distribute the money to other tellers.

- **Call us.** If you find any problems with your Fed shipment, please call your local Fed cash office immediately.

By following these simple rules, you will help ensure the safety and integrity of your cash transactions with the Fed. Remember, the operating letters are intended to make jobs—both yours and ours—easier.

Federal Reserve Notes

Save Time, Money—Consolidate Food Coupon Deposits

With all the recent changes in the Fed's food coupon program, we recognize that some lingering confusion may exist on the recommended frequency of deposits.

It is not necessary to deposit coupons daily. In fact, we encourage all of our customers, particularly those with low food coupon dollar volume, to consider depositing either weekly or when sufficient volume warrants. Fewer deposits translates into savings from reduced preparation time and from a decrease in transportation costs.

The Bottom Line On Cross-shipping

Fed cash offices are now monitoring currency flows more closely to better track cases of cross-shipping—when a depository institution orders currency from the Fed closely followed or preceded by a shipment of the same denomination to the Fed.

Cross-shipping is tracked because it misuses the non-priced services of the Fed's cash offices. While the Federal Reserve acts as an agent for the Treasury in supplying currency as growth or currency deterioration demands and in remov-

ing unfit currency from circulation, Reserve Banks are not intended to be substitutes for bank vaults or for processing unsorted money.

The bottom line is that cross-shipping results in unnecessary processing at the Fed and ultimately affects the efficiencies of other cash services.

As always, exchanges of fit currency between depository institutions are encouraged.

If you have any questions about cross-shipping, call your local cash office.

Debit Cards To Replace Food Coupons?

In three cities across the country, food coupons are being replaced by the electronic-benefits transfer (EBT) system—plastic cards that electronically credit and debit customers' benefits accounts.

The cards offer clients security and convenience, reduce labor-intensive sorting operations at banks, and are a better safeguard against food coupon fraud.

While no Eighth District city has yet been targeted as a pilot site, the EBT system promises to be a technology of the future in our area.

Can You Spot A Counterfeit?

Last year, the Treasury introduced security-enhanced currency consisting of a polyester security thread and microprinting around the portrait on the bill.

But the recent enhancements are just two additional features that augment nine existing counterfeit-deterrents. Can you name them all?

1 Federal Reserve seal - The issuing Reserve Bank's code

letter matches the letter in the seal and first letter in the two serial numbers: The St. Louis Fed is in the Eighth Federal Reserve District, earning the code H (the eighth letter of the alphabet). Reserve Notes authorized for Fed St. Louis will have an H in the seal and at the beginning of the serial numbers.

2 Serial numbers - These numbers are distinctively styled and evenly spaced. Ink color is

the same as in the Treasury seal. No two notes of the same series and denomination have the same serial number.

3 Border - The note's border has fine lines and a lacy, web-like design which is distinct and unbroken.

4 Fibers - The notes have tiny red and blue fibers embedded in the paper. Though not readily apparent, they can be seen with the naked eye.

5 Portrait - The portrait on the face of notes is life-like and

has a screen-like background.

6 Treasury seal - The seal has sawtooth points that are sharp, distinct and unbroken. The color of the seal is the same as the serial numbers.

7 Denomination - The note's denomination, or value, is printed on the corners as well as over the Treasury seal.

8 Paper - The paper is a cotton and linen rag paper which has a strong, pliable feel.

There are no watermarks.

9 Printing - Engraved printing gives the notes an embossed feel.

When considering the authenticity of a bill, compare a suspect note with a genuine note of the same denomination and series, paying attention to the quality of printing and to the paper's characteristics. Look for differences, not similarities—you may be surprised at how "real" counterfeits can look!



Standard Units Make Currency Verification Easier

OPERATING

LETTER

No. 10

We were surprised. When we decided to devote a regular column in *The Cash Manager* to our operating letters, we assumed everyone was familiar with the Fed's operations document. But you set us straight shortly after our first issue was mailed—we received a flood of inquiries asking: "What is it?"

Operating Letter No. 10 sets forth the terms and conditions under which this Bank provides coin and currency services to depository institutions in the Eighth Federal Reserve District. Any institution depositing or ordering coin or currency with us agrees to these terms and conditions.

A copy of Operating Letter No. 10 on file in your cash department is an invaluable reference tool. If you or your institution

would like additional copies of the letter, please contact Anne Guthrie at the St. Louis Fed, 314-444-8810.

Close-up: Standard Units

Fact: The St. Louis office receives more than 1,000 bundles in currency deposits each day and processes more than one million notes daily.

Because of the enormous volume of deposits received daily at the Fed, Operating Letter No. 10 requires all deposits to be in standard unit form. Standard units are as follows:

- Full Packages - 100 notes of the same denomination, and
- Full Bundles - 1,000 notes of

the same denomination in 10 equal packages of 100 notes each.

Each full package must be secured by a single strap and each strap color-coded by denomination according to American Bankers Association (ABA) standards. Each full bundle must be securely bound; two large rubber bands work best. (The most common problem in deposits is too many straps and rubber bands, i.e., 100-note packages assembled from multiple smaller packs.)

A final thought to remember: A package is 100 notes, one denomination, one color-coded strap. It's that easy!



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