



# Federal Reserve Bank Custodial Inventory Application Form and Agreement

<b>Federal Reserve Use Only</b>		
<input type="checkbox"/> Sig. Verification	<input type="checkbox"/> Callback	<input type="checkbox"/> Known Contact
Date: _____		Time: _____
DI Contact: _____		
FRB Contact: _____		
Number Called/Ext: _____		

Completion of this form, and receipt of written notice of approval from the Federal Reserve Bank, is required before an Institution may participate in the custodial inventory (CI) program described in Appendix 1 of Federal Reserve Bank Operating Circular 2, Cash Services. The Federal Reserve Bank uses the information provided on this form, and the results of its subsequent review of the Institution, to determine the Institution's eligibility for the CI program.

By signing this form, the Institution named below (i) requests to participate in the CI program and (ii) agrees to the terms and conditions of Operating Circular 2, Cash Services and the appendices thereto (including but not limited to Appendix 1 and the Custodial Inventory Manual of Procedures referenced therein), as the same may be amended from time to time. Subject to the Reserve Bank's approval, the Institution may commence participation in the CI program when: (i) the Reserve Bank notifies the Institution of successful completion of the evaluation process and the effective date of service; and (ii) the Institution completes the set-up process, including obtaining authorized user credentials for the Federal Reserve's FedCash® inventory tracking system.

In accordance with Appendix 1 of Federal Reserve Bank Operating Circular 2, Cash Services, an Institution may subcontract a CI to a Subcontractor. Such Subcontractor must use the FedCash® internet-based accounting and inventory tracking system, via the FedLine Web access solution, to manage the CI. To access FedLine Web, the Subcontractor must have an up to date non - depository institution Official Authorization List (OAL) on file with the Customer Contact Center (CCC) and a Customer Identification Number (CIN).

By signing this form, the Institution named below further agrees that, in circumstances where the Institution subcontracts a CI to a Subcontractor, such Subcontractor is authorized on behalf of the Institution to transact business with the Federal Reserve Banks using FedLine Web-based services and business applications, including but not limited to designating End User Authorization Contacts and Subscribers. The Institution represents and warrants that it has entered into an agreement with such Subcontractor requiring it to comply with all applicable provisions specified in Operating Circular No. 5 and the Password Practice Statement; and to comply with all applicable Federal Reserve Bank security procedures, as each of the above is amended from time to time.

**ALL QUESTIONS/FIELDS ARE MANDATORY AND REQUIRE COMPLETION**

**Custodial Inventory (CI) Site Information** .....†FYei JfYX: JYXg

Name of Institution <sup>E</sup>	
Routing (ABA) Number (9 digit number) <sup>E</sup>	
Branch Number (Fed issued 4 digit number) <sup>E</sup>	
Street Address of CI Site <sup>E</sup>	
City of CI Site <sup>E</sup>	
State of CI Site <sup>E</sup>	
Zip Code CI Site <sup>E</sup>	
Fax Number <sup>E</sup>	

**Primary Contact**

Name <sup>E</sup>	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
Title <sup>E</sup>			
Telephone <sup>E</sup>	<i>Phone</i>		<i>Extension</i>
Email Address <sup>E</sup>			

**Alternate Contact**

Name <sup>E</sup>	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
Title <sup>E</sup>			
Telephone <sup>E</sup>	<i>Phone</i>		<i>Extension</i>
Email Address <sup>E</sup>			

**General Information**

1) For the site where CI inventory would be held, please provide the following:

Insurance Carrier	
Liability Limit	
Deductible	
Insurance Type (blanket, bond, etc.)	

2) Please provide a description of the equipment that will be used to sort/process the CI currency:

Equipment Brand and Model No.	Is equipment located at a bank-owned site or Subcontractor-owned site?

3) Do you have two or more internet-connected PCs at the identified site?	Yes / No
3(a) If No, will you have <b>two</b> at the identified site prior to an agreed upon live date for the CI?	Yes / No

**Subcontractor Processing**

4) Are you seeking approval for a CI Site that a Subcontractor will operate on your behalf? <sup>1</sup>	<b>Yes / No</b>
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a) If Yes, please provide the following information:

<b>a. Subcontractor Name</b>			
<b>b. Subcontractor CIN (Customer Identification Number)</b>			
<b>c. Subcontractor Contact/ Title</b>	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
<b>d. Telephone Number</b>	<i>Phone</i>		<i>Extension</i>
<b>e. Alternate Contact/Title</b>	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
<b>f. Telephone Number</b>	<i>Phone</i>		<i>Extension</i>
<b>g. Fax Number</b>			
<b>h. Length of relationship (yrs/months)</b>			
<b>i. Current Contract expiration date</b>			
<b>j. Subcontractor Insurance liability &amp; limits</b>			
<b>k. How frequently do you audit Subcontractors?</b>			
<b>l. Does Subcontractor have internet access?</b>			

<sup>1</sup> Please note that the subcontractor may use FedLine Web-based services and business applications to act on behalf of other institutions that use the same subcontractor to access these services and applications.

### Business Practices/CI Usage

5) Provide a description of how you intend to use the CI to support your recirculation efforts including providing fit currency to ATM, Branch, and Merchant network and detecting counterfeits:

### Volume Verification

6) As part of the eligibility requirements to participate in the Custodial Inventory program, your institution must demonstrate that each vault in which it seeks to operate a CI has the ability to recirculate a minimum of 200 bundles of \$10 and \$20 notes on a regular basis per week in a Federal Reserve Bank zone or sub-zone. This minimum requirement can be met in one of the following three ways:

<input type="checkbox"/>	By cross-shipping with the Federal Reserve Bank at least 200 bundles of \$10 and \$20 notes per week at the prospective CI Vault in the zone or sub-zone at the time of application.
<input type="checkbox"/>	By providing payment records for the prospective CI Vault demonstrating that it re-circulates among its customers at least 200 bundles of \$10 and \$20 notes weekly in the zone or sub-zone.
<input type="checkbox"/>	By demonstrating a combination of cross-shipping activity and recirculation among its customers at the prospective CI Vault totaling at least 200 bundles of \$10 and \$20 notes in the zone or sub-zone.

Check one of the three boxes above to indicate that your Institution's vault meets one of the three criteria and that you agree to provide corroborating data on aggregate daily payments to customers of \$10s and \$20s for that vault. The payment data must be comprised of four consecutive weeks of activity, be provided in the prescribed format and be made available at the time of the CI Site Inspection.<sup>2</sup> Daily payments are defined as all payments made by the site, excluding deposits to the Federal Reserve; daily payments include: payments to commercial customers and correspondent banks, as well as your institution's branches and ATM network.

### Litigation History

7) Describe any regulatory or enforcement action against your institution, that is pending or of which you are aware. If none, state "none". The information you provide should be verified with your Audit, Compliance or other responsible department. (Please attach additional documentation if needed)

<sup>2</sup> The prescribed format will be provided by the Federal Reserve Bank at the time the Site Inspection is scheduled.

## CI Site Security Self-Evaluation

Any question with an “R” indicates that it is a requirement in order to participate in the CI program.

### Building

Questions	Program Requirement	Yes	No
8) Is the building's construction separate from adjoining structures?	–	<input type="checkbox"/>	<input type="checkbox"/>
9) Is the building's roof inaccessible from other structures or overhead projections?	–	<input type="checkbox"/>	<input type="checkbox"/>
10) Does a perimeter fence protect the site?	–	<input type="checkbox"/>	<input type="checkbox"/>
11) Does exterior lighting allow nighttime viewing of all perimeter walls?	–	<input type="checkbox"/>	<input type="checkbox"/>
12) Are employee's personal belongings and packages monitored/inspected when leaving the building?	–	<input type="checkbox"/>	<input type="checkbox"/>
13) Is this site solely used for currency processing?	–	<input type="checkbox"/>	<input type="checkbox"/>
14) Are security systems supported by back-up power capabilities?	R	<input type="checkbox"/>	<input type="checkbox"/>

### Vault

Questions	Program Requirement	Yes	No
15) Does the site have a dedicated vault, or similar area that can be secured from access by non-accountable personnel?	R	<input type="checkbox"/>	<input type="checkbox"/>
16) Is the size of the vault sufficient to allow space for the segregation of FRB currency from other items stored in the vault?	R	<input type="checkbox"/>	<input type="checkbox"/>
17) Is the vault separated from any outside walls?	–	<input type="checkbox"/>	<input type="checkbox"/>
18) Is the vault constructed to be a free standing structure within the building?	–	<input type="checkbox"/>	<input type="checkbox"/>
19) Does management ensure separation of duties between staff who have accountability for valuables and those that are responsible for record-keeping and balancing?	R	<input type="checkbox"/>	<input type="checkbox"/>

### Access Control

Questions	Program Requirement	Yes	No
20) Is there a separate alarm system for the vault?	R	<input type="checkbox"/>	<input type="checkbox"/>
21) Are time locks employed?	R	<input type="checkbox"/>	<input type="checkbox"/>
22) Does site have an active, monitored alarm system?	R	<input type="checkbox"/>	<input type="checkbox"/>
23) Are all entrances to the site connected to the alarm system?	R	<input type="checkbox"/>	<input type="checkbox"/>
24) Has the alarm system been tested within the last year?	R	<input type="checkbox"/>	<input type="checkbox"/>
25) Is the alarm disconnect code restricted to a limited number of management individuals?	R	<input type="checkbox"/>	<input type="checkbox"/>

26) Is the disconnect code changed whenever a staff member who holds the code leaves the employ of the company?	R	<input type="checkbox"/>	<input type="checkbox"/>
27) Is access to the vault restricted to accountable individuals (i.e., those who hold valuables and management who has responsibility for the valuables)?	R	<input type="checkbox"/>	<input type="checkbox"/>
28) Is the vault door combination maintained under dual control?	R	<input type="checkbox"/>	<input type="checkbox"/>
29) Are vault combinations changed on a periodic basis?	-	<input type="checkbox"/>	<input type="checkbox"/>
30) Is the vault combination changed when a person having the combination leaves the employ of the company?	R	<input type="checkbox"/>	<input type="checkbox"/>
31) Are there written procedures for opening and closing the vault?	-	<input type="checkbox"/>	<input type="checkbox"/>
32) Does management conduct periodic audits to confirm compliance with these procedures?	-	<input type="checkbox"/>	<input type="checkbox"/>

**Video Surveillance**

Questions	Program Requirement	Yes	No
33) Is there a closed-circuit television (CCTV) system installed at the site?	R	<input type="checkbox"/>	<input type="checkbox"/>
34) Will the CCTV cameras record access areas to the vault?	R	<input type="checkbox"/>	<input type="checkbox"/>
35) Will the CCTV cameras record activity in the FRB segregated area in the vault?	R	<input type="checkbox"/>	<input type="checkbox"/>
36) Will the CCTV cameras record on a twenty-four hour basis?	R	<input type="checkbox"/>	<input type="checkbox"/>
37) Does video surveillance equipment meet the standards for minimum resolution and continuous, smooth and uninterrupted recording outlined in the CI Manual of Procedures?	R	<input type="checkbox"/>	<input type="checkbox"/>
38) Is the recording equipment secure from unauthorized persons?	R	<input type="checkbox"/>	<input type="checkbox"/>
39) Will tapes be reviewed daily to ensure activity is being recorded?	R	<input type="checkbox"/>	<input type="checkbox"/>
40) Will the CCTV recording systems be supported by backup power capabilities?	R	<input type="checkbox"/>	<input type="checkbox"/>
41) Will the CCTV recordings be retained for at least 45 days pursuant to the Manual of Procedures?	R	<input type="checkbox"/>	<input type="checkbox"/>
42) Are there on-site personnel to monitor during business hours camera coverage and recording systems to ensure proper functionality?	-	<input type="checkbox"/>	<input type="checkbox"/>

For any question labeled with an “R” and answered with a “NO” response, please provide specifics in the space below on why this requirement cannot be met, and indicate any compensating controls that will be put in place. Using question #40 above, the following is an example of a possible response: “our CCTV recording system does not have back-up power capabilities; however, our internal procedures require that if we lose power to the CCTV system, we do not process and we secure all valuables until the system is restored and cameras are recording properly.”

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**Executed by the Requesting Institution**

Institution Name			
Authorized Signature			
Name	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
Title			
Telephone	<i>Phone</i>	<i>Extension</i>	
Email Address			
Date			

This application will not be accepted if the name provided above is not an individual listed on your institution’s Official Authorization List (OAL). To complete an OAL for your institution or to add authorized individuals to your institution’s OAL, visit [www.frb services.org/accountservices/index.html](http://www.frb services.org/accountservices/index.html).

Address for Notices (if different from Primary Contact information provided on p.2):

Address 1	
Address 2	
City	
State*	
Zip Code	
Attention:	
Fax:	

**Submit your form to the following address:**

Customer Contact Center  
P.O. Box 219416  
Kansas City, MO 64121-9416  
Or via fax to: (800) 660-7856