



Custodial Inventory Program Application Form and Agreement

Please note only one location per application.

FRBservices.org

Completion of this form, and approval by the Federal Reserve Bank, are 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 to determine the Institution's eligibility for the custodial inventory 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.

Section 1 – Custodial Inventory (CI) Site Information

***Required Fields**

Name of Institution *	
Routing (ABA) Number (9 digit number) *	
Branch Number (Fed issued 4 digit number) *	
Street Address of Vault *	
City of Vault *	
State of Vault *	
Zip Code of Vault *	

Primary Contact

Name *	First	Middle Initial	Last
Title *			
Telephone *	Phone	Extension	
Email Address *			

Alternate Contact

Name *	First	Middle Initial	Last
Title *			
Telephone *	Phone	Extension	
Email Address *			

Section 2 – General Information

For the vault where CI inventory would be held, please provide the following:

Insurance Carrier *	
Liability Limit *	

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Section 2 (continued) – General Information

Deductible*	
Insurance Type (blanket, bond, etc.)*	

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

Equipment Brand and Model No.	Equipment is in:	
	Bank-owned facility	Vendor-owned facility
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>

Do you have two or more internet-connected PCs at the identified vault? *	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If No, will you have two at the identified vault prior to an agreed upon live date for the CI?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Section 3 – Outsource Processing

Does a third-party vendor operate this vault on your behalf? *	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If Yes, please provide the following information:

Vendor Name			
Vendor Contact	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
Vendor Contact Title			
Vendor Contact Telephone	<i>Phone</i>		<i>Extension</i>
Alternate Contact Name	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
Alternate Contact Title			
Alternate Contact Telephone	<i>Phone</i>		<i>Extension</i>
Length of relationship (Yrs/Months)	<i>Years</i>		<i>Months</i>
Current Contract expiration date			
Vendor Insurance liability & limits			
How frequently do you Audit 3 rd party vendor?			
Does vendor have internet access?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

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Section 4 – Business Practices/CI Usage

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:*

Section 5 – Volume Verification

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 meets one of the three criteria and agrees to provide corroborating data on aggregate daily payments to customers of \$10s and \$20s by your vault or 3rd party vendor. The payment data must be comprised of four consecutive weeks of activity and be provided in the prescribed format and be made available at the time of the site inspection.¹ Daily payments are defined as all payments made by the vault, 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.

Section 6 – Litigation History

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

Section 7 – 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
Is the building’s construction separate from adjoining structures?*	–	<input type="checkbox"/>	<input type="checkbox"/>
Is the building’s roof inaccessible from other structures or overhead projections?*	–	<input type="checkbox"/>	<input type="checkbox"/>
Does a perimeter fence protect the facility?*	–	<input type="checkbox"/>	<input type="checkbox"/>

¹The prescribed format will be provided by the Federal Reserve Bank at the time the site inspection is scheduled.

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Section 7 (continued) – Site Security Self-Evaluation

Building (continued)

Does exterior lighting allow nighttime viewing of all perimeter walls? *	–	<input type="checkbox"/>	<input type="checkbox"/>
Are employee’s personal belongings and packages monitored/inspected when leaving the building? *	–	<input type="checkbox"/>	<input type="checkbox"/>
Is this facility solely used for currency processing? *	–	<input type="checkbox"/>	<input type="checkbox"/>
Are security systems supported by back-up power capabilities? *	R	<input type="checkbox"/>	<input type="checkbox"/>

Vault

Questions	Program Requirement	Yes	No
Does the facility have a dedicated vault, or similar area that can be secured from access by non-accountable personnel? *	R	<input type="checkbox"/>	<input type="checkbox"/>
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"/>
Is the vault separated from any outside walls? *	–	<input type="checkbox"/>	<input type="checkbox"/>
Is the vault constructed to be a free standing structure within the building? *	–	<input type="checkbox"/>	<input type="checkbox"/>
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
Is there a separate alarm system for the vault? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Are time locks employed? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Does facility have an active, monitored alarm system? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Are all entrances to the facility connected to the alarm system? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Has the alarm system been tested within the last year? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Is the alarm disconnect code restricted to a limited number of management individuals? *	R	<input type="checkbox"/>	<input type="checkbox"/>
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"/>
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"/>
Is the vault door combination maintained under dual control? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Are vault combinations changed on a periodic basis? *	–	<input type="checkbox"/>	<input type="checkbox"/>
Is the vault combination changed when a person having the combination leaves the employ of the company? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Are there written procedures for opening and closing the vault? *	–	<input type="checkbox"/>	<input type="checkbox"/>
Does management conduct periodic audits to confirm compliance with these procedures? *	–	<input type="checkbox"/>	<input type="checkbox"/>

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Section 7 (continued) – Site Security Self-Evaluation

Video Surveillance

Questions	Program Requirement	Yes	No
Is there a closed-circuit television (CCTV) system installed at the facility? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Will the CCTV cameras record access areas to the vault? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Will the CCTV cameras record activity in the FRB segregated area in the vault? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Will the CCTV cameras record on a twenty-four hour basis? *	R	<input type="checkbox"/>	<input type="checkbox"/>
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"/>
Is the recording equipment secure from unauthorized persons? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Will tapes be reviewed daily to ensure activity is being recorded? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Will the CCTV recording systems be supported by backup power capabilities? *	R	<input type="checkbox"/>	<input type="checkbox"/>
Will the CCTV recordings be retained for at least 45 days pursuant to the Manual of Procedures? *	R	<input type="checkbox"/>	<input type="checkbox"/>
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.”* *

Section 8 – 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 FRBservices.org/AccountServices.

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Section 8 (continued) – Executed by the Requesting Institution

Address for Notices (if different from Primary Contact information provided on p.1):

Address 1	
Address 2	
City	
State	
Zip Code	
Attention:	
Facsimile	

Section 9 – Form Submission

Submit your form to one of the following addresses:

Customer Contact Center P.O. Box 9130 Minneapolis, MN 55480-9130 Or via fax to: (800) 660-7856	Customer Contact Center P.O. Box 219416 Kansas City, MO 64121-9416 Or via fax to: (800) 485-6089
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Approved by Federal Reserve Bank Only²

Federal Reserve Bank of			
Authorized Signature			
Name	<i>First</i>	<i>Middle Initial</i>	<i>Last</i>
Title			
FRB Approved Effective Date			
Address for Notices			
City			
State			
Zip Code			
Attention:			
Facsimile			

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²Signed copy to be returned to the Institution if the Reserve Bank approves the application.