

## Currency Quality Program FAQ's

June 1, 2007

### **Fitness**

**Q. Will the Federal Reserve's fitness guidelines change with the Currency Quality Program?**

A. No. The Federal Reserve's published fitness [guidelines](#) will remain the same.

**Q. What is "fit" currency?**

A. Fit currency is currency that meets the Federal Reserve's published fitness [guidelines](#). "Fit" currency has been processed by the Federal Reserve and has been deemed suitable for further circulation. The Federal Reserve identifies and destroys notes that are soiled, worn or have defects such as holes, tears, and folded or missing corners. Suspect counterfeit notes are also identified and sent to the Secret Service, leaving only fit notes to be packaged and returned to circulation.

**Q. How do I know the fitness rate of my deposits?**

A. You may contact your local Reserve Bank if you would like more information regarding the fitness rate of your deposits. Average fitness rates are available at the subzone level in monthly cross-shipping reports. Visit [FedCash Cross-shipping Reports via FedLine Web](#) for more detailed information or to sign up today.

### **Currency Quality**

**Q. What is the currency quality program?**

A. The currency quality program is a formalized monitoring framework intended to be performed in alignment with the Reserve Bank's existing quality policy that governs their operations.

**Q. What is the purpose of the currency quality program?**

A. The goal of the currency quality program to ensure that currency in circulation remains fit for commerce.

**Q. What is the difference between "fit" currency and currency that is "fit for commerce"?**

A. "Fit" currency is currency that meets the Federal Reserve's published fitness [guidelines](#). Currency that is "fit for commerce" is currency that may not necessarily meet the Federal Reserve's published fitness [guidelines](#), but that is accepted by the public, useable in the majority of automated currency handling equipment and merchants, and can easily be identified as a genuine note.

**Q. How will the Federal Reserve monitor the quality of currency in circulation?**

A. The Federal Reserve will monitor the quality of currency deposited and processed at Federal Reserve Offices on a monthly basis. The Federal Reserve will also take periodic samples of currency received by Depository Institutions from their customers.

**Q. What can I do if I have concerns regarding the quality of currency I receive from my customers' or the Federal Reserve?**

A. Please contact your [local Reserve Bank](#) and share your concerns. Please be prepared to share the denomination, quantity (one bundle, etc.) and physical condition (i.e. dirty, torn, etc.) of the currency.

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**Equipment Calibration**

- Q. How can I ensure my equipment is properly calibrated to meet the Federal Reserve fitness guidelines?
- A. The Federal Reserve encourages every DI and cash handler to work closely with their equipment manufacturer, equipment vendor and third party service provider to make any necessary adjustments to equipment prior to the July 1, 2007 implementation of cross-shipping fees. In addition, every DI and cash handler should evaluate and adjust currency sorting practices in accordance with the [Fitness Guidelines for Federal Reserve Notes](#).
- Q. What if my equipment manufacturer, vendor or third party service provider does not understand the guidelines provided?
- A. Equipment manufacturers, vendors or third party service providers may submit requests for clarification regarding the [Fitness Guidelines for Federal Reserve Notes](#) in writing to:

Currency Technology Office  
Attention: System Engineering and Analysis Group  
P.O. Box 27622  
Richmond, VA 23261