

The background of the page is a large, semi-transparent seal of the Federal Reserve System. The seal features an eagle with wings spread, perched on a shield with vertical stripes. Above the eagle is a banner with the Latin motto "E PLURIBUS UNUM". The seal is surrounded by a circular border with intricate patterns and text. The overall color scheme is a mix of teal and light green.

# Uniform Cash Access Policy

*Federal Reserve System*

## *The Federal Reserve System's Uniform Cash Access Policy*

**O**n May 4, 1998 the Federal Reserve will introduce the Uniform Cash Access Policy (UCAP) to initiate greater uniformity in the level of cash access provided throughout the Federal Reserve System. With banking opportunities developing interstate, the Federal Reserve System is re-evaluating its products to move toward more consistent access, service and fees across all Federal Reserve Districts. The Uniform Cash Access Policy will provide a common, basic level of free services for all depository institutions, and will include provisions to accommodate mergers and acquisitions by offering a one year window for compliance.

As a fiscal agent of the U.S. Treasury, the Federal Reserve's role is to serve as a provider of cash services. The new Uniform Cash Access Policy will redefine the levels of access for all depository institutions. By reducing the number of small orders and deposits that currently are processed, the Federal Reserve will be able to better control the flow of currency within the United States, which in turn will keep fit and new cash circulating freely.

The new Uniform Cash Access Policy will provide a basic level of free access for all depository institutions. Customers requesting deposits or orders beyond the basic level of access will continue to be able to access services, but may be assessed fees, depending on the volume and frequency of the access.

### *Free Access - Basic and Beyond*

The basic level of service will allow each institution to designate up to ten endpoints, each of which will have access to one deposit and one order per week, free of charge. Each of the ten endpoints may receive additional free access each week (up to once per day) for any deposit or order that exceeds the aggregate high bundle threshold of 20 bundles. Additionally, if an institution has more than ten endpoints that exceed 50 bundles per deposit or order (the large volume threshold), these endpoints also will receive free access.



The new Uniform Cash Access Policy was developed to help build a standard level of service throughout the Federal Reserve System to support our role as a wholesale provider of cash services. However, the Federal Reserve System recognizes that an institution's cash service needs may exceed the levels defined for free access. To accommodate the demand for additional access to Federal Reserve cash services, each Federal Reserve District will provide supplemental access for a fee. An institution's local Federal Reserve Office will establish fees that recover only the cost of access to that Federal Reserve Office, not the costs of the central bank functions - such as vault storage, processing, and currency destruction.

*Shipping and Packaging Standards Remain the Same*

The Uniform Cash Access Policy will not change the packaging standard for currency orders or deposits, nor will it change the current rules on cross-shipping. These are defined in your local Federal Reserve Office's operating circular.

*Billing*

Cash Access services will be billed on a monthly basis, with deposits and orders tracked separately for each endpoint. The billing period ends on the last Friday of each calendar month.

*Example of Billing*

*JUNE 1998*

	SUN	MON	TUES	WED	THURS	FRI	SAT
<i>June Billing</i> →	21	22	23	24	25	26 <b>Last billing date in June</b>	27
<i>July Billing</i> →	28	29	30				

## Example of Access

### Institution A

	MON	TUES	WED	THURS	FRI
<b>Endpoint #1</b> (one of ten designated endpoints)		<b>Deposits 14 Orders 12 Bundles</b>			
<b>Endpoint #2</b> (one of ten designated endpoints)			<b>Deposits 12 Orders 7 Bundles</b>		

Each of Institution A's endpoints has only one order and one deposit. Institution A would not incur access fees.

### Institution B

	MON	TUES	WED	THURS	FRI
<b>Endpoint #4</b> (one of ten designated endpoints)	<b>Deposits 21 Orders 29 Bundles</b>	<b>Deposits 23</b>	<b>Deposits 17 Orders 23 Bundles</b>	<b>Deposits 21</b>	<b>Deposits 30 Orders 15 Bundles</b>
<b>Endpoint #6</b> (one of ten designated endpoints)		<b>Deposits 19 Orders 20 Bundles</b>		<b>Deposits 21 Orders 12 Bundles</b>	

Each endpoint of Institution B's additional accesses meets or exceeds the high volume threshold for additional free service (20 bundles). Institution B would not incur access fees.

### Institution C

	MON	TUES	WED	THURS	FRI
<b>Endpoint #8</b> (one of ten designated endpoints)		<b>Deposits 7 Orders 9 Bundles</b>		<b>Deposits 11 Access Fee Orders 12 Bundles Access Fee</b>	
<b>Endpoint #3</b> (one of ten designated endpoints)	<b>Deposits 12 Orders 8 Bundles</b>		<b>Deposits 17 Access Fee Orders 23 Bundles</b>		<b>Deposits 21 Orders 12 Bundles Access Fee</b>

Institution C's deposit and order on Thursday for endpoint #8 and the deposit on Wednesday and order on Friday for endpoint #3 do not meet the high volume threshold for additional free service (20 bundles). Institution C would incur four access fees.



# Q&A

To help address some of the questions you may have regarding the forthcoming Uniform Cash Access Policy, we have provided sample questions and answers. If you have further questions about the new policy, please contact your local Federal Reserve financial services representative.

## *How will endpoints be defined?*

Legitimate endpoints include your depository institution's head office, branch offices, and any cash operation centers or vaults.

## *Under the new policy, can a depository institution receive free Federal Reserve Office cash access service to ten endpoints, even if the institution has fewer than ten endpoints?*

No. The UCAP states that each institution can receive free cash access for up to ten endpoints. For example, if your institution has only three endpoints in a Federal Reserve Office territory, only three endpoints can receive free access. An institution with more than ten legitimate endpoints can receive free access to ten of the endpoints. A bank holding company, with multiple separately-chartered institutions, cannot transfer any unused free access from one institution to another. Similarly, an institution requiring access to fewer than ten endpoints cannot sell or transfer their unused free access to another institution.

## *Can an institution receive free cash access for additional endpoints beyond its designated ten?*

Yes, under certain conditions. As a "wholesale" supplier of currency, your Federal Reserve Office will provide free cash access to endpoints beyond ten, provided these additional endpoints meet the local Federal Reserve Office's large volume (high bundle) threshold and satisfy the local denomination bundle standard.

## *Are there any exceptions to the one deposit and one order per week rule for free access?*

Yes. Any of the ten designated endpoints may receive more frequent access than once per week (order or deposit) if the volume of each additional time accessed meets or exceeds a 20 bundle aggregate threshold and satisfies the local Federal Reserve Office's denomination bundle standard.

# Q&A

*If a designated free endpoint does not use its free access (deposit or order) in any given week, may that endpoint accumulate access for later use?*

No. A depository institution cannot transfer unused access opportunities from one week to another week.

*Once the ten free access endpoints have been designated, can they be changed?*

An institution may require changes to the designated ten endpoints due to various, valid business reasons, such as seasonality and special events. Advance notice is requested when changing the designated ten endpoints.

*The UCAP states that there will be a one year adjustment period to accommodate bank mergers and acquisitions. When does this one year period begin?*

For one year after the legal date of the merger or acquisition (when the merged institutions are officially operating as one), the merged institutions can receive the same level of free access that they received at the time of the merger. After one year, Federal Reserve Offices will treat the legally merged institutions as one entity under the UCAP. In some cases, the merged institution, at some point, may reduce its access to Federal Reserve Office cash services within the one year.

*Will there be any change to the current cross-shipping rules under the UCAP?*

No. The UCAP and the cross-shipping rule are mutually exclusive. Federal Reserve Offices will continue to enforce the cross-shipment policy, unless waived explicitly to accommodate events such as the introduction of new currency.

*Does the UCAP affect the coin and food coupon services offered by the Federal Reserve?*

No. The new policy only pertains to currency deposit and order services provided by Federal Reserve Offices.

*Will a depository institution be able to offset any cash access charges with earnings credits that have accrued under its clearing balance?*

No. Much like account information and certain computer terminal fees, cash access fees cannot be offset by earning credits.



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