

## The Cash Operation Video Transcript

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The Bureau of Engraving and Printing and U.S. Mint ship new currency and coin to the Federal Reserve Banks. New coins are shipped in bulk bags, and new currency is shipped in distinctive colored packages, called “cashpaks.”

When financial institutions, such as commercial banks, credit unions, and savings & loans, need currency for their customers, they can place an order with their local Federal Reserve Bank, which in turn supplies the requested currency using a mix of recirculated currency and coin along with new currency and coin.

Financial institutions manage the day-to-day transactions with the public by supplying currency and coin to their customers and accepting deposits. During its time in circulation, a single note can move back and forth between you, a store, restaurant, bank, and the Federal Reserve many times.

When a commercial bank has more currency or coin than it needs, it can deposit the surplus with its local Federal Reserve Bank.

Commercial banks coordinate with armored carriers to deliver their deposits and pick-up their orders with the Federal Reserve.

When deposits are returned to the Federal Reserve, they are processed on machines that count, sort, and repackage the currency for recirculation with the next order. The currency sorting machines are able to determine whether a note is genuine. If it is genuine, then it is packaged for reuse in a future order.

However, if a genuine note is too damaged or soiled for recirculation, then the Federal Reserve will destroy these unfit notes in order to maintain the authenticity and quality of currency in circulation.

For more information on the Cash Lifecycle, visit <http://www.frbsf.org/cash/>.