

NONCONFIDENTIAL // EXTERNAL

Cash Advisory Council and U.S. Coin Task Force:

The following communication has just been distributed to all Federal Reserve Cash Services customers via email and through the FedCash Services via the FedLine® Web access solution (FedLine Home):

FedCash® Services – Changes to coin distribution effective September 6, 2022

The Federal Reserve continues efforts to manage the distribution of its coin inventory and new coin produced by the United States Mint (Mint) in a fair and equitable manner. We continuously review coin activity and our inventory levels to determine whether coin allocation limits should be adjusted. The decision to raise or lower coin allocation limits is based on three factors: 1) coin orders from financial institutions (FIs), 2) coin deposits to the Reserve Banks and 3) Mint production levels.

The following changes will take effect on Tuesday, September 6:

- **Pennies:** No change (allocation was lifted on February 2)
- **Nickels, dimes and quarters:** Order limits for nickels, dimes and quarters will be **raised**, increasing the amount that FIs can order from the Federal Reserve.

While FI deposits remain lower than pre-pandemic levels, FI order volume was also slightly lower through mid-August 2022, allowing the Federal Reserve to gradually rebuild our inventory to a point that will support an increase in order limits.

Action Required: Raised limits should enable you to do the same for your customer orders. In addition, we ask that you **please share this communication with local branches in your area to help disseminate the information to local vaults and branches.**

Please Note: Not all customer endpoints will see an increase in order limits as a result of this allocation change. The Federal Reserve applies new allocation factors to each endpoint's baseline coin order activity and rounds the baseline order volume to the nearest full bag increment to determine a new weekly order limit. For some endpoints, weekly ordering capacity will remain the same even with the new allocation factor, given the bag level increment. The Federal Reserve will continue to review inventory levels and make additional adjustments to coin allocations as appropriate based on changes in the supply of available coin.

These adjustments will start to be applied to orders placed on Friday, September 2 for pick-up on Tuesday, September 6 (Monday, September 5 is the Labor Day holiday).

What FIs can do to improve the situation

We ask all customers to order only what they need for all coin denominations to meet near-term demand. In addition, we strongly encourage customers to assess inventories at the branch and vault levels and deposit excess coin to the Federal Reserve as soon as possible or offer excess to exchange with other FIs. We also strongly encourage customers to utilize the [toolkits](#) and recommended best practices provided by the U.S. Coin Task Force for increasing coin circulation and decreasing barriers for

coin redemption in the supply chain, while maximizing equitable access to coin and emphasizing financial inclusion.

We appreciate our customers and supply chain partners doing their part to [#getcoinmoving](#).

Background on coin allocation

Please visit the [Coin Allocation](#) page on the FRBServices.org® website for background on coin allocation. The Federal Reserve's priority remains to distribute as much coin as fairly and equitably as possible into the economy while maintaining a working inventory for as long as coin circulation issues persist. We will continue to monitor Federal Reserve inventories, Mint production and coin deposits and orders.

Service and Support

If you have questions, please contact your local [FedCash Services customer support representative or your Federal Reserve account executive](#). For a complete list of customer support contacts for your institution, please visit the [Contact](#) page.