

## DI Currency Quality Calls Interview Guide Summer 2009

### INTRODUCTION

- Welcome/Introductions
- Ground rules
  - We plan to keep focused on currency quality related issues today. As we go through the questions, please bear in mind that we are interested most specifically in your opinions on currency quality with respect to the last two to three years. In the interest of time, we would like to stay focused on that during our discussion. At the end, we can take note of other issues you would like to discuss.
  - If you have a specific currency quality complaint, please remember that we would like to have you report this to your local FRB. We track the complaints submitted to the local FRBs closely each month.
- Agenda: This session will focus on gathering feedback from you on the following topics related to currency quality, especially with respect to the last two to three years:
  - What matters when you think about quality
  - Equipment and operational issues related to currency quality
  - Customer demand for fit currency and related products offered to customers

### QUESTIONNAIRE

#### What matters when you think about quality

##### **Thoughts/beliefs about currency quality**

- When you think of good quality, what image comes to mind?
- When you think about poor quality, what image comes to mind?
- What is it about \_\_\_\_\_ characteristic/image that causes you to feel it cannot be used in commerce?
- Do your customers express their displeasure when they see currency with \_\_\_\_\_ characteristic/image? If so, how?
- Does soiling or limpness have a bigger impact on your decision about whether a note is fit? Why? (Does it generate complaints, does it affect equipment performance?)

##### **Impressions and currency attributes of the currency in circulation**

- What are your general thoughts about the quality of currency in circulation?

- Which specific characteristics are most important?
  - Soiling, limpness, wear, tears, writing?
  - How are issues different at the note vs. bundle level?
- Do your views vary by denomination?
- How is your ability to authenticate notes impacted by the fitness characteristics you just mentioned?

**Thoughts about the quality of currency the Fed pays out**

- What do you think about the quality of the currency you receive from the Federal Reserve?
  - Packaging quality?
  - Note quality?
    - Individual notes within a strap/bundle
    - Notes at the strap/bundle level

**Customer demand for currency quality**

- What sort of feedback have you received from commercial customers regarding currency quality? By “commercial customers”, we mean retailers or other large commercial accounts.
  - How frequently do you get complaints? Does this frequency vary by type of customer?
  - Which characteristics do customers care about?
  - What do you do in response to these concerns?
  - How does this feedback affect your decisions about your operational and equipment choices?
- What feedback have you received from individual customers? By “individual customers” we mean consumers and banking center customers.
  - Which characteristics?
  - What do you do in response to these concerns?
- What feedback have you received from branches or other channels/types of customers?
- Fit Currency Products
  - Do you offer “premium” currency to your customers?
  - If so, can you describe the “premium” product?
  - If so, do you charge a fee?
  - What type of customers typically request/express interest in these products?
- Do you have customers who currently use cash recycling devices?
  - Can you describe the device, or devices, to us?
    - Does it accept only or accept and dispense?
  - If the cash recycling device is unable to accept a note what do you expect customers to do with that note?
    - Do you have a mechanism by which they can return the note to you?

- To the best of your knowledge, do customers take advantage of this opportunity with respect to unfit notes?
- ❑ If Cash Recycling Devices are not yet in place: Do you plan to introduce this service to customers?
  - Can you share an approximate timetable with us?
  - If not planning to introduce it: Why not?

### **Equipment and operational issues related to currency quality**

#### **Cash handling equipment**

- ❑ **On your pre-interview questionnaire, you indicated that you use equipment in (repeat places deployed here)**
  - What criteria do you use to decide where to deploy the equipment?
    - Central vaults, branches, etc.
    - Why one vault or branch rather than another?
  - How do you use the equipment? That is, what money do you run on it, and how? (All denominations? Fitness sorting or not?)
- ❑ What criteria do you use to decide which types of equipment to use?
- ❑ What are your plans for future use of equipment?
  - Expansion/contraction?
  - What determines your adoption of technological advances in equipment?

#### **Operational factors**

- ❑ To what extent does currency quality affect the performance of the equipment you listed on your pre-interview questionnaire?
  - (For example): Consequences of poor quality notes (e.g., increased equipment jams / service calls, etc.)
- ❑ Do you fitness sort your currency?
  - If yes, how do you sort? (High-speed sorters, desktop sorters, teller sorting or perhaps you outsource the sorting?)
  - (For *all* sorting methods): What is your motivation for sorting? (Customer demand, avoiding Recirculation fees)
  - Criteria used for sorting
  - Which denominations are sorted?
  - Procedures for “unfit” notes
  - (If teller sorting is used): How do you communicate the criteria/requirements to the tellers?
    - Training offered, etc.
  - How effective is it for your organization?

- (If equipment is used): To what extent have you calibrated your sorting standards to the Fed's published fitness guidelines versus an internal standard?
  - Are there differences/conflicts between your internal standards and the Fed guidelines?
  - What is the nature of the differences?
  - How have you responded?
  
- When the equipment needs to be recalibrated, who performs the recalibration?
  - If using an outsourced process:
    - Who performs this work for you?
    - Have your costs for this service increased, decreased or remained the same over the past two years?
    - How satisfied are you with the work performed by the outsourced operations?
  
- How well have your sorting practices met your and your customers' needs?
  - Does this vary by type of sorting (if multiple types are used)?
  - Areas for improvement?
  
- Have you run test deposits with your local FRB?
  - Are you satisfied with the process?

*Optional, will be included/removed as applicable.*

- Have your Custodial Inventories benefited your fitness sorting efforts?
  - If so, how?
  - If not, why not? Are there any suggestions to change/improve the CI process that would facilitate fitness sorting?