

[BSP MEMORANDUM, April 11, 1995]

GUIDELINES AND PROCEDURES TO GOVERN CURRENCY NOTE DEPOSITS AND WITHDRAWALS OF BANKS TO AND FROM THEIR DEMAND DEPOSIT ACCOUNT WITH THE BANGKO SENTRAL NG PILIPINAS

Currency is classified into fit, unfit and mutilated types pursuant to BSP Circular No. 61, Series of 1995. The Bangko Sentral ng Pilipinas (BSP) Cash Department (CD) and Regional Cash Units shall accept all types of currency for deposit except mutilated currency, which must be presented/forwarded directly for determination of redemption/exchange value to CD or nearest BSP Regional Cash Unit in accordance with Section 20 of BSP Circular No. 61.

Fit currency should remain in circulation and need not be deposited with BSP. Thus, banks are encouraged to arrange direct exchange to their accumulated excess fit currency with other banks to reduce risks associated with transporting and handling currency deposited to their demand deposit account with BSP.

To facilitate the expeditious receipt of banks' deposits and servicing of their cash withdrawals by BSP, all banks including their branches shall observe the following guidelines and procedures when making cash deposits and/or withdrawals with BSP Cash Department or any of the BSP Regional Cash Units:

1. Receiving/releasing of banks' cash deposits/withdrawals shall end at 2:00 P.M.
2. Fit currency notes may be accepted for deposit subject to one half of 1% service fee based on the total amount of said deposit. The BSP shall accept the fit note deposits only after a package and bundle count has been made and which shall no longer be subjected to piece verification by the BSP before the same shall be reissued to banks as cash withdrawals.
3. Banks deposits of fit currency notes described in Section 2 above, not withdrawn by the depositing bank or reissued to other banks within a period of one (1) month from date of receipt thereof, shall be subject to piece by piece verification by the Bangko Sentral.
4. Banks should pre-sort all their currency notes for fitness to ensure that only pre-counted fit or unfit currency is deposited with BSP to effect an expeditious servicing of banks' cash withdrawals and retirement of unfit currency notes pursuant to the "Clean Note" Policy of BSP under Chapter V of BSP Circular No. 61.

CURRENCY DEPOSITS

5. Only the Head Office of each bank in Metro Manila or its designated cash center main/branch in the provinces shall make direct deposits with the BSP CD or the nearest BSP Regional Cash Unit, respectively. The currencies shall be duly classified into fit and unfit and further sorted by series and denomination in accordance with

the "Currency Guide for Bank Tellers, Money Counters and Cash Custodians" prepared by BSP CD.

6. In areas where there are no BSP Regional Cash Units, provincial branches of banks shall arrange with their respective Head Offices the shipment of their unfit or dirty notes for deposit with BSP CD in Manila. Cost of shipment and other related expenses to be incurred shall be solely for the account of the bank concerned.

7. Banks shall provide securely sealed standard containers separately for the clean or fit notes and for the dirty or unfit notes which shall have a uniform capacity of twenty (20) complete bundles only, accompanied by a deposit slip for each type/category of currency notes shall be clearly labelled as "FIT" or "UNFIT" as the case may be.

8. To facilitate handling of deposits, fit or unfit currency notes shall be arranged and placed in said standard containers in the following manner:

a. Notes of a single denomination must be arranged face and top up in packages of 100 pieces each;

b. The wrapper of each package shall be plainly marked with:

1. the denomination and amount of currency in the package;
2. the date of verification;
3. the printed name(s) and signature(s) of the depositing bank's employee(s) who performed the verification;
4. the name of the depositing bank.

c. Pins, clips and staple wires, if any, must be removed prior to deposit in order to avoid possible injury to employees and damage to equipment;

d. Individual packages of 100 notes each shall be bound (bundled) in standard units as follows:

Denomination	Standard Unit No. of Packages (Per 1 Bundle)	Value
1000-Piso	10	P1,000,000.00
500-Piso	10	500,000.00
100-Piso	10	100,000.00
50-Piso	10	50,000.00
20-Piso	10	20,000.00
10-Piso	10	10,000.00

e. Notes of different denominations should not be mixed in a single package/bundle/container;

f. Bundled notes shall be packed in sealed containers in uniform quantity of twenty (20) complete bundles per denomination (each containing 1,000 notes in ten equal packages, each package containing 100 notes).