



BANK OF CANADA
BANQUE DU CANADA

How Money Flows— Distributing Canada's Polymer Bank Notes

On the way to work you head to your local ABM and grab some cash to get you through the day.

Countless cash transactions just like yours occur every minute of every day. So, how does all that money flow to your local bank, into that ABM and into your wallet?

Canada's Bank Note Distribution System monitors bank note traffic and makes sure there's enough cash to go around. The Bank of Canada works closely with financial institutions to meet the demand for notes and ensure their quality in circulation.

How It Works

Across the country there are ten regional distribution centres where financial institutions hold inventories of cash from the Bank of Canada, evaluate note quality and manage the flow of notes.

For example, during holiday periods when the demand for cash peaks, if one financial institution has an immediate need for bank notes while another in the area has a surplus, they can swap notes among themselves.

Transfers like this are arranged through a sophisticated inventory-management system.

At the distribution system's core are two Bank of Canada operations centres in Montréal and Toronto. They receive notes and evaluate their condition. This process involves sorting notes into two categories: those in good shape are given the green light to continue circulating, while those that are too worn or damaged get the red light—their journey ends here. They are destroyed and replaced either with 'green light' notes or brand new ones. Counterfeit notes discovered in deposits also get the red light treatment—they are sent to the RCMP.

(see over)

From the Lab to Your Wallet

Visit www.bankofcanada.ca/banknotes and watch the Distribution video. It's the fourth in a five-part series called *The Life of a Bank Note: From the Lab to Your Wallet*.

Adding Polymer to the Mix

When the Bank of Canada launches a new series of notes the goal is to get them into circulation as quickly as possible. This results in more secure and better-quality notes in your wallet.

In all, there are over 1.5 billion bank notes circulating in Canada, and the transition to the Polymer series presents quite a challenge for the distribution system.

The Bank will begin the transition process this November when it issues the new polymer \$100 note. The \$50 will follow next March, and you'll also see the new \$20 in 2012. Finally, the \$5 and \$10 will make up the last phase of the transition and be issued by the end of 2013.

Benefits of Polymer

Polymer notes are more secure, more durable and will need to be replaced less often. Since polymer notes will last at least 2.5 times longer than our current paper notes, they will have a positive impact on the distribution system. To top it all off, these new notes are better for the environment and will be recycled.

Businesses will also benefit. Since polymer is handled better by machines, it will mean less maintenance to bank note equipment and less down time.

So as bank notes journey from your wallet to countless others, know that there's a remarkably efficient distribution system managing the flow of notes all along the way.

For more information and free training tools:
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For story ideas or to get more information on Canadian bank notes, please contact media relations at 613 782-8782 or email communications@bankofcanada.ca