National Coin Shortage June 2020 | Business Clients

We recently received an announcement that the Federal Reserve Bank (Fed) is significantly reducing the amount of physical coin allocated to each financial institution. This reduction is a result of COVID-19 related impacts to production, supply chain and coin circulation. The new coin allocations impact your future coin orders from UMB.

We are currently reviewing options to help resolve this issue for you and our other clients. It is unknown how long the Fed will keep these restrictions in place. UMB is in close contact with the Fed regarding the status of this situation and will update you as information is provided.

Please don’t hesitate to connect with your treasury management officer if you have further questions.

Summarized Fed announcement – Effective June 15:

The COVID-19 pandemic has significantly disrupted the supply chain and normal circulation patterns for U.S. coin. In the past few months, coin deposits from depository institutions to the Federal Reserve have declined significantly and the U.S. Mint’s production of coin also decreased due to measures put in place to protect the health of its employees. Coin order levels have begun to increase as regions reopen, resulting in the Fed’s coin inventory being reduced to below normal levels.

The Federal Reserve manages coin inventory and its distribution to depository institutions and is working to mitigate the effects of low coin inventories. This includes managing the allocation of existing Fed inventories, working with the Mint to minimize supply constraints and maximize coin production capacity, and encouraging depository institutions to order only the coin they need to meet near-term customer demand.

Although the Fed is confident the coin inventory issues will resolve once the economy opens more broadly and the coin supply chain returns to normal circulation patterns, they recognize that these measures alone will not be enough to resolve near-term issues.