

# Handling Money

## *CBSI weekly educational and awareness feature*

Welcome again to this week's topic where we cover some key issues about handling money and other useful information about our national currency.

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Many people today are really care less about how they go about handling their money. By this, we are referring to the day-to-day usage and handling of our banknotes or paper money. Most in this situation simply do not know how to keep banknotes well and many more do not make the effort in carrying moneybags, wallets or a purse, in order to keep and preserve the circulation life of our modern day currencies.

Imagine how many times in a day a bank note is used and passed on from one person to another without care or interest. In fact, all of us are guilty at one time or another for squeezing and tucking away our money into our pockets or bags, and proceed to handling money very poorly during basic over the counter transactions or when purchasing items and paying for services. Solomon Islands boasts as the number one country in the region with very low money handling skills; a not so encouraging record, but point that is evident in our dirty looking banknotes.

However we can all be forgiven for this lack of ownership over our currency. This is because the majority of our people living in the rural areas are still unaware of the importance of handling modern day currency or banknotes. Note that the idea of keeping money was only introduced into peoples' lives just over a century ago, and that the idea of good currency and money handling skills is still a foreign concept to many in our rural areas.

Over the years Central Bank has been trying instill the notion of respect and ownership into our currencies. When we take ownership over something, we often take more care and show respect over its usage. It is with this idea that the bank has so far engaged in carrying out currency awareness campaigns throughout the country teaching people about good money handling skills. Take for example, The Money Smart Day (MSD) event when the bank celebrates its anniversary as an established institution. MSD is one of those occasions the bank utilizes by going out and creating awareness about general currency issues with the aim to improve people's attitude towards our national currencies. Apart from that, CBSI also engages in other public events such as Trade Shows and festivals; where they set up tents for exhibition and engage directly with the public. CBSU also uses its popular radio program on the national broadcaster SIBC, called "Money Matters" to conduct weekly topics on issues about our money.

In this article we provide you with important information about our currency and highlight some crucial guidelines to help you handle and look after our money well.

### **Where do they produce our banknotes and coins?**

Solomon Islands money is produced overseas. Our banknotes are usually produced in Europe while the only change has been with our coins. Our new coins that were recently introduced in 2012 are now being minted in Australia by the Royal Australian Mint Co. Ltd. Previously our old coins were produced in England by the British Royal Mint Co.

- All Banknotes are printed at Thomas De La Rue Co. in England except for the new \$5 polymer
- New \$5 polymer banknote is printed by Note Printing Australia

- Coins are minted at the Royal Australian Mint, Australia

### **Why should we know about our Currency/Money?**

While we may be more concerned about buying and receiving, it is equally important that we should also have some knowledge about our currency. Having a rounded knowledge about the impact and behavior of our money will help us to better utilize and maximize this daily resource at our disposal. Knowing more about our currency or money simply means:

- To be informed of the latest development of our currency
- To know the economic implication of poor note handling
- To know the economic, social and legal implications of banknote counterfeiting
- To be able to detect counterfeit notes from genuine banknotes
- To enhance our knowledge of security features that are embedded in our Banknotes

### **What are Banknotes and what are their Denominations?**

Banknotes are simply the paper or plastic money that we use. When we say “denominations’ we are simply referring to how many different types of banknotes there are for people to use.

Our current banknotes are in the following denominations:

- \$5.00
- \$10.00
- \$20.00
- \$40.00 (commemorative)
- \$50.00
- \$100.00

Note that the old \$2 banknote that is still circulating is a legal tender. Which means people can still buy or transact with it. CBSI has not demonetized the \$2 banknote, but is slowly phasing it out of circulation. Therefore, once it reaches the bank, CBSI will destroy the \$2 banknote as it is the only authority under law to do so.

### **What is the average lifetime of our Banknotes?**

The average lifetime of banknotes depends on the level of circulation in our country. Usually the smaller banknotes have a lower circulation life due to their higher level of usage amongst people.

- Old \$2 - 3 months
- Old \$5.00 - 5 months
- New \$5 Polymer – 12/18 months
- \$10 - 8 months
- \$20 - 12 months
- \$50 - 14/16 months
- \$100 - 18/24 months

### **What are Coins and their denominations?**

Our new coins are made up of nickel plated steel with the \$1 and \$2 coins made of aluminum bronze which give it the gold colour look. Our new sets of coins are much smaller and lighter unlike our older sets of coins which were made from metal and were really heavy.

Our coins are in the following denomination:

- 0.10c,

- 0.20c,
- 0.50c
- \$1.00
- \$2.00

#### **What is the average lifetime of our coins?**

All coins should last up to more than 20 – 30 years in full usage.

#### **Why do we need to care for Banknotes and Coins?**

The two most important reasons about the importance of caring for our banknotes and coins are outlined below:

- **The printing of notes and minting of coins is very expensive**  
CBSI controls the money supply in our economy and if there is a shortage and a need for ordering new stocks of notes and coins, then it is a very crucial decision especially in terms of cost. The bank orders new stock when necessary, but if we do not look after our money then the effect of new orders every time will reduce our country's Foreign Reserves
- **Notes and coins as national icons**  
All over the world, a country's own currency represents her status as an independent and sovereign nation. This is why notes and coins are very important especially to people overseas such as tourists who visit the country. If currency notes (and coins) are dirty, it portrays negative publicity on us from foreigners, therefore, can affect tourism.

#### **How will we take good care of our Currency/Money?**

- Use a proper money bag, purse/wallet to keep money
- Always deposit surplus money in Banks

#### **What we should not do to our Currency/Money?**

- No illegal destruction of notes and coins
- Do not squeeze currency notes when in your possession
- Do not keep money too long at home (or hide them away in the ground, drawers etc...). Must deposit them in the banks
- Learn the security features of all the banknotes in order to counter distribution of fake note or counterfeit money

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