



2004

DEPARTMENT OF THE TREASURY

BUREAU OF ENGRAVING AND PRINTING

CHIEF FINANCIAL OFFICER

PERFORMANCE AND ACCOUNTABILITY REPORT





MISSION STATEMENT

The mission of the Bureau of Engraving and Printing is to design and manufacture high quality security documents that meet customer requirements for quality, quantity and performance, including counterfeit deterrence.

VISION STATEMENT

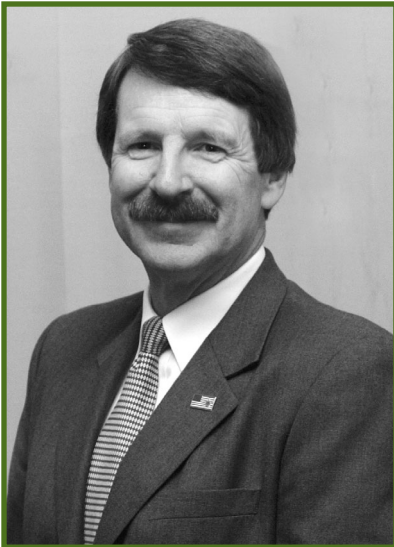
The Bureau of Engraving and Printing is a world-class securities printer providing our customers and the public superior products through excellence in manufacturing and technological innovation.

Table of Contents

ii	Message from the Director
iii	Message from the CFO
1	Highlights of the Year
3	Profile of the Bureau
7	The New Color of Money
9	Safety, Health and Environmental Management
11	Strategic Plan
13	FMFIA Plans and Accomplishments
15	Custody of Assets
17	Program Performance Measures
21	Management Discussion and Analysis
27	Auditors' Report on Financial Statements
28	Financial Statements
31	Notes to Financial Statements
39	Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
40	Auditors' Report on Other Financial Information
41	Product Line Statements of Operation
42	Supplemental Information
42	Prompt Payment



Message from the Director



This has been a banner year for the Bureau. Following the successful issuance of the new \$20 note last year, the Bureau issued redesigned \$50 notes with subtle background colors of blue and red. The new \$50 note began circulating September 28, 2004. The successful development and issuance of this note was made possible by the continued close partnership between the Bureau of Engraving and Printing, the Department of the Treasury, the Federal Reserve and the United States Secret Service. The new \$50 note design reaffirms the Bureau's commitment to include state-of-the-art counterfeit deterrent features in U.S. currency that make it safer, smarter and more secure. The redesigned currency is harder to copy and easier to authenticate, keeping the Bureau ahead of technological advances in computer design and reprographics thus making it the currency of choice in international transactions.

In 2004, the Bureau delivered 8.8 billion Federal Reserve Notes, including nearly 3.0 billion redesigned notes. In addition, the Bureau delivered 6.1 billion postage stamps to the United States Postal Service. The currency and stamp orders were fulfilled on schedule, at lower cost and spoilage than anticipated.

The Bureau is committed to quality manufacturing and its quality management system is ISO (International Organization for Standardization) 9001 certified. In 2004, the Bureau's registration was updated to the more stringent 2000 standard, exemplifying our commitment to product quality and continuous improvement to current and potential customers.

The Bureau remains committed to maintaining state-of-the-art production capability, product quality and security, employee safety and environmental stewardship as we continue to cost effectively meet the needs of our customers and the American public. As a result, the Bureau exceeded expectations in lowering spoilage rates for currency and was able to reduce the average price of currency to the Federal Reserve by almost 6%.

The performance and financial data presented in this report is complete and accurate as outlined in guidance available from the Office of Management and Budget. The Bureau regularly uses this financial and performance data for decision-making. Consequently, every effort is made to ensure its accuracy and reliability.

The Bureau is looking forward to 2005 as it continues to produce currency and other security products of the highest quality effectively and efficiently. In 2005, the Bureau plans to begin the recapitalization of the Washington, DC facility with the installation of two new currency printing presses. This state-of-the-art equipment and our highly skilled, dedicated workforce will ensure that the Bureau remains the world's premier government securities printer.

Thomas A. Ferguson
Director



Message from the Chief Financial Officer



I am pleased to present the Bureau of Engraving and Printing's Chief Financial Officer Performance and Accountability Report for 2004. This report reflects a significant milestone in a long tradition of strong financial management and timely financial reporting at the Bureau. For the 20th consecutive year, the Bureau received an unqualified opinion on its financial statements from an independent certified public accounting firm. This sustained level of achievement is indicative of a top-to-bottom organizational commitment to maintaining world-class excellence in financial management and reporting.

The Bureau's financial statement audit was completed on October 15, 2004, as a result of our continuing efforts to streamline financial reporting while ensuring data accuracy and reliability. As in 2002 and 2003, our financial management team completed the monthly close within three business days for each month in 2004.

The financial statements and annual audit are important elements in the stewardship of the Bureau's revolving fund. The annual audit helps to ensure the integrity of the revolving fund and the reliability of financial data used for managerial decision-making. Again, as in 2002 and 2003, the Bureau had no material weaknesses, reportable conditions or material instances of non-conformance in 2004.

In 2004, the Bureau delivered 8.8 billion currency notes to the Federal Reserve and 6.1 billion postage stamps to the U.S. Postal Service. This resulted in revenue of \$525 million and an excess of expenses over revenue of \$28.8 million. The excess of expenses over revenue was planned and funded out of working capital.

Performance with respect to all key program performance measures was favorable during 2004. Direct manufacturing costs for both the currency and postage stamp programs were below established standards for cost and spoilage. All customer delivery dates were met for both the currency and postage stamp programs and the issuance of the redesigned \$50 note was an unqualified success. I am pleased to report that as a result of lower than anticipated spoilage rates, improved operating efficiency and staff reductions in administrative and support areas, the Bureau was able to reduce its average currency billing rate to the Federal Reserve by almost 6% for 2004.

The Bureau of Engraving and Printing has again succeeded in meeting its customers' needs for innovative, quality products from both an operational and financial management perspective. The Bureau prides itself on its commitment to product quality, superior customer service and efficient stewardship of resources in order to continue to effectively meet the needs of the American public.

A handwritten signature in green ink that reads "Gregory D. Carper". The signature is written in a cursive, flowing style.

Gregory D. Carper
Chief Financial Officer





Bureau Director, Thomas A. Ferguson (left); U.S. Treasury Secretary John W. Snow; Federal Reserve Board Governor Mark W. Olson and C. Danny Spriggs, Deputy Director of the United States Secret Service, introducing the redesigned \$50 note on April 26, 2004.



Bureau Director, Thomas A. Ferguson (left); Federal Reserve Board Governor Mark W. Olsen; Congresswoman Kay Granger; U.S. Treasury Secretary John W. Snow; C. Danny Spriggs, Deputy Director of the United States Secret Service; Mayor of Fort Worth, Mike Moncrief; Charlene Williams, Deputy Associate Director Western Currency Facility cutting the ribbon to open the Bureau's public tour in Fort Worth, TX.



Highlights of the Year

In 2004, the Bureau of Engraving and Printing focused its resources on producing the most secure currency for the Nation. The redesigned \$50 note was introduced to the public on April 26, 2004 at a ceremony held at the Bureau's Western Currency Facility in Fort Worth, Texas. The new \$50 note began circulating on September 28, 2004. It incorporates the same family of advanced counterfeit deterrent features as the redesigned \$20 note, which was introduced in 2003. The redesigned \$10 note is scheduled for production in 2005.



Legal Tender or United States \$50 Note (1880) with portrait of Benjamin Franklin.

In addition, the Bureau continues to expand the certification of its currency manufacturing quality management systems under ISO (International Organization for Standardization) standards. As part of this expansion, the Bureau's ISO certification was also upgraded to the more rigorous 2000 standards, which include a commitment to continuous improvement. The certification includes the critical currency manufacturing support functions of ink making, plate manufacturing, and roller covering.

Additional financial and operational highlights for 2004 include:

- Completed both the currency and postage stamp programs below standard cost with lower than anticipated spoilage;
- Reduced the average price of currency by about 6% in 2004 due to reduced spoilage, increased ink mileage and improved productivity;
- Completed work on the expansion of the Western Currency Facility in Fort Worth, Texas, which included the addition of a public tour and Visitor's Center;
- Received an unqualified opinion on Bureau financial statements from an independent certified public accounting firm for the 20th consecutive year;
- Received the Pretreatment Partnership Award from the City of Fort Worth for the fourth consecutive year

to honor the Western Currency Facility's creativity and innovation in protecting water quality, preserving environmental resources and minimizing by-product waste;

- Received the Government Employment Award for Employing and Empowering Texans with Disabilities from Texas Governor Rick Perry; and
- Began a multi-year effort to upgrade the infrastructure and recapitalize the Washington, DC facility.

(All Dollars in Millions)

	2003	2004
Sales Revenue	\$518.1	\$524.8
Capital Investment	\$37.9	\$17.8
General and Administrative Costs	\$50.3	\$51.7
Research and Development	\$11.4	\$8.6
Total Assets	\$619.2	\$597.7
Excess of Revenue over Expenses	(\$12.1)	(\$28.8)
Federal Reserve Notes		
Delivered (Billions)	8.2	8.8
Postage Stamps		
Delivered (Billions)	9.9	6.1





The Western Currency Facility Visitor's Center and tour opened to the public on April 26, 2004.



Profile of the Bureau of Engraving and Printing

The mission of the Bureau of Engraving and Printing is to design and manufacture high quality security documents that deter counterfeiting and meet customer requirements for quality, quantity and performance.

The Bureau of Engraving and Printing began printing currency in 1862. The Bureau operates on the basis of authority conferred upon the Secretary of the Treasury by 31 U.S.C.

321(a) (4) to engrave and print currency and other security documents. Operations are financed by a means of a revolving fund established in 1950 in accordance with Public Law 81-656. This fund is reimbursed through product sales for direct and indirect costs of operations including administrative expenses. In 1977, Public Law 95-81 authorized the Bureau to include an amount sufficient to fund capital investment and to meet working capital requirements in the prices charged for products. This eliminated the need for appropriations from Congress.

The Bureau produces U.S. currency, U.S. postage stamps and many other security documents issued by the Federal Government. Other activities at the Bureau include engraving plates and dies; manufacturing certain inks used to print security products; purchasing materials, supplies and equipment; and storing and delivering products in accordance with requirements of customers. In addition, the Bureau provides technical assistance and advice to other Federal agencies in the design and production of documents, which, because of their innate value or other characteristics, require counterfeit deterrence. The Bureau audits cash destruction and unfit currency operations at Federal Reserve Banks, and it is responsible for the accountability and destruction of internally generated security waste products. As a service to the public, the Bureau also processes claims for the redemption of mutilated paper currency.

The Bureau occupies three government-owned facilities. The Main and Annex buildings, located in Washington, DC, produce Federal Reserve Notes, postage stamps and other security products. The Western Currency Facility, located in Fort Worth, Texas, produces Federal Reserve Notes. The Main

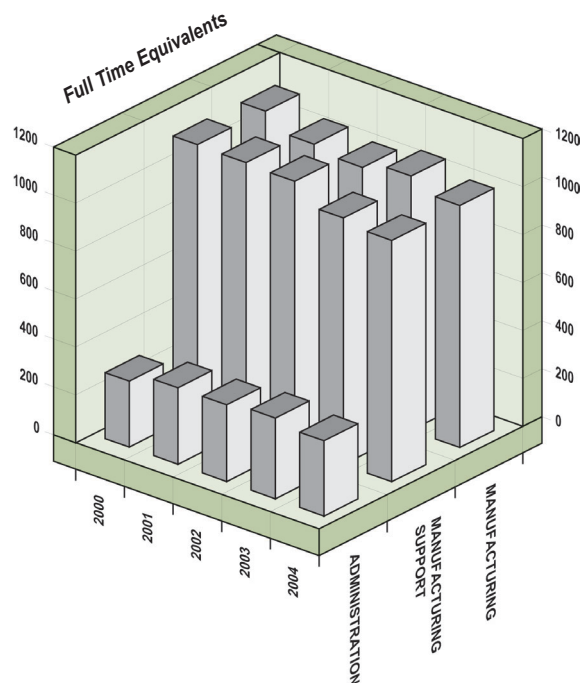


Legal Tender or United States \$50 Note (1862) with portrait of Alexander Hamilton, the first Secretary of the Treasury.

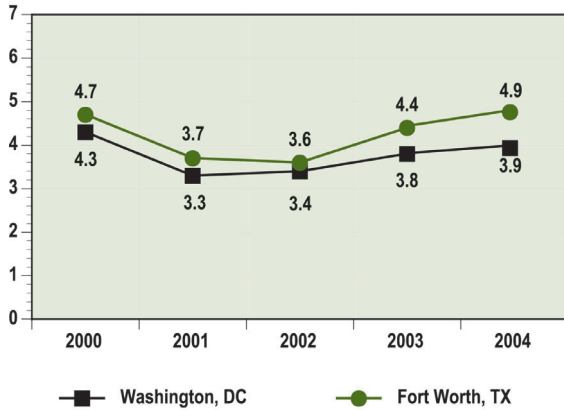
Building became operational in 1914, the Annex Building in 1938, and the Western Currency Facility began operations in 1991. The Western Currency Facility was constructed to provide increased production capacity, reduce transportation costs and enhance the Nation's emergency preparedness.

In addition to housing production facilities, free tours of currency operations are offered to the general public in both Washington, DC and Fort Worth. The tours include a

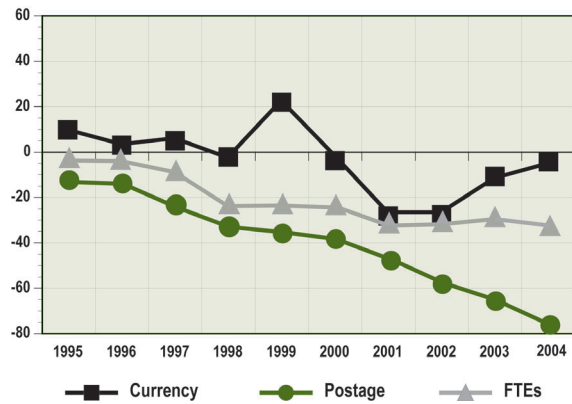
Staffing (FTE) by Function



**Currency Production by Facility
(Billions of Notes)**



**Program and Manufacturing Staffing (FTE) Changes
(Percentage change from base year)**



Visitor's Center with currency manufacturing displays, interactive kiosks and other information about the history of our Nation's currency. Sales centers that sell uncut sheets of currency, premium numismatic currency sets, and other collectibles and engravings are also open to the public at both facilities. In addition to the on-site sales center, sales are available through mail order and through the Bureau's Internet site: www.moneyfactory.gov.

Manufacturing

On April 26, 2004, in an ongoing effort to stay ahead of counterfeiters, the U.S. Government unveiled a redesigned \$50 note. The new \$50 note was released into circulation on September 28, 2004. The redesigned note includes enhanced security features, subtle background colors of blue and red, an image of a waving American flag and a



Visitors on the tour in Texas enjoying the mutilated currency redemption demonstration by Jessalyn Marcus.



small, metallic silver-blue star. The new design is part of the U.S. government's ongoing efforts to maintain the integrity of U.S. currency. The new \$50 note is the second denomination to be redesigned as part of the Series 2004 currency; the most secure series of notes in U.S. history. The first denomination in the series to be redesigned was the \$20 note, which began circulating in October 2003. The next denomination in the series will be the \$10 note. The Bureau is currently refining the design and expects to unveil the new \$10 note to the public in the spring of 2005. The \$100 note is also slated to be redesigned, but a timetable for its introduction has not been determined. There are no current plans to redesign the \$5 note, and the \$1 and \$2 notes will not be redesigned.

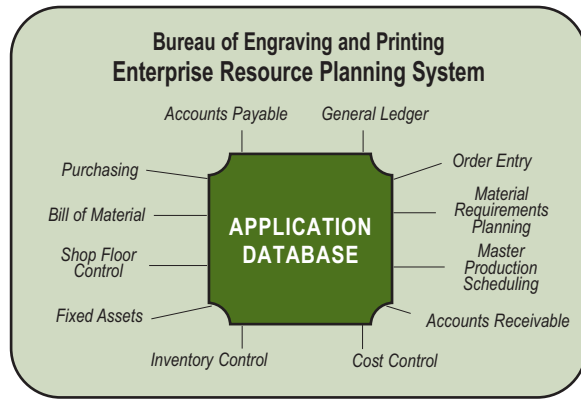
During 2004, the Bureau delivered 8.8 billion Federal Reserve Notes to the Federal Reserve System, including nearly 3.0 billion redesigned, colorized notes. The Washington and Fort Worth facilities both produced the redesigned notes in 2004 and delivered 3.9 billion and 4.9 billion Federal Reserve Notes, respectively. For 2005, the Federal Reserve System has ordered 8.6 billion Federal Reserve Notes.

The Bureau's quality management system for the production of U.S. currency has been registered as ISO 9001 compliant for four years. During 2004, the Bureau's registration was updated to the more stringent 2000 standard. The Bureau has established a project team to work towards ISO 14000 certification for its environmental management system at the Western Currency Facility in Fort Worth, Texas in 2005. Maintaining and updating ISO certifications exemplifies our commitment to product quality to current and potential customers.

In addition to the currency deliveries, the Bureau delivered 6.1 billion postage stamps to the U.S. Postal Service during 2004. For 2005, the final year of postage stamp production at the Bureau, the U.S. Postal Service has ordered 5 billion postage stamps. This is consistent with the five-year interagency agreement with U.S. Postal Service that plans for the phase out of the production of postage stamps at the Bureau by the end of 2005.

Information Technology (IT)

The Bureau is continuing its development of an Enterprise Architecture (EA) Program for effective management and strategic decision-making, especially for information technology (IT) investments that require an integrated view of the



Bureau, its operational processes and information systems. During 2004, the Bureau took steps to further enhance its Web-Based Help Desk and Request/Project Tracking System. In addition to the EA and Help Desk initiatives, the Bureau is conducting a Smart Card Pilot to use biometrics, electronic signatures and single sign-on.

Organization

The Bureau's executive structure includes the Bureau Director, five Associate Directors and Chief Counsel. The executive committee structure includes an Executive Committee, the Capital Investment Committee, the Information Resource Management Committee and various planning committees and subcommittees. The planning and subcommittees are composed of a cross-section of senior and mid-level managers representing diverse organizational units. By cutting across organizational lines, these groups serve to promote effective communication and participative, proactive management.



Vernon Gause of the Plate Preparation Division inspecting Treasury seals for quality.

The New Color of Money: Safer, Smarter, More Secure

Series 2004 \$50 Note



The new \$50 design retains three important security features that were first introduced in the 1990s and are easy for consumers and merchants alike to check:

- 1 Watermark: A faint image, similar to the portrait, which is part of the paper itself and is visible from both sides when held up to the light.
- 2 Security thread: Also visible from both sides when held up to the light, this vertical strip of plastic is embedded in the paper and spells out the denomination in tiny print.
- 3 Color-shifting ink: The numeral in the lower right corner on the face of the note, indicating its denomination, changes color from copper to green when the note is tilted.

New symbols of freedom have been designed on the face of the \$50 note to represent images of the American flag. The traditional stars and stripes of the United States flag are printed in blue and red behind the portrait of President Grant. A field of blue stars is located to the left of the portrait, while three red stripes are located to the right of the portrait. A small metallic silver-blue star is located on the lower right side of the portrait. The symbols of freedom will differ for each denomination.

The most noticeable difference in the newly designed \$50 note is the addition of subtle background colors of blue and red to both sides of the note. Also, small yellow 50s have been printed in the background on the back of the note. The Series 2004 notes mark the first time in modern American history that U.S. cash will include colors other than black and green. Different background colors will be used for the different denominations. This will help everyone to tell denominations apart.



The New Color of Money

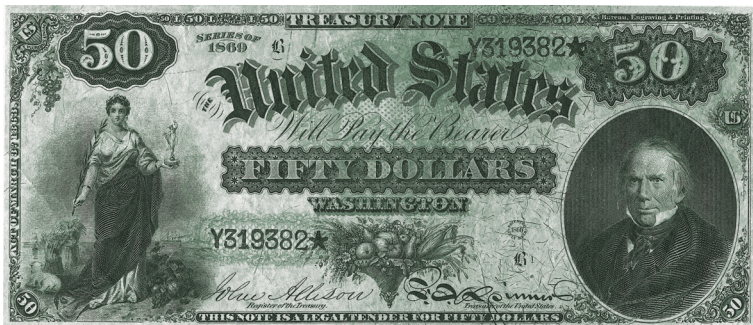
The new \$50 note was unveiled on April 26, 2004 and was released to the public on September 28, 2004. The redesigned note includes enhanced security features, subtle background colors of red and blue, an image of a waving American flag and a small, metallic silver-blue star.

The design of the \$50 note includes the same family of features found on the \$20 note, which was released in October 2003. The next denomination to be redesigned is the \$10 note. The new design is expected to be unveiled in the spring of 2005 and the redesign of the \$100 note will follow. There are no current plans to redesign the \$5 note and the \$1 and \$2 notes will not be redesigned.

The continued redesign of U.S. currency is an ongoing effort to stay ahead of the technological advances available to counterfeiters. "The stability and integrity of U.S. paper currency is something the U.S. government takes very seriously," said Brian Roseboro, Under Secretary for Domestic Finance at the Department of the Treasury. "We believe that redesigning the currency regularly and enhancing security features is the way to keep U.S. currency safe and secure from would-be counterfeiters."

The redesigned currency retains three important counterfeit deterrent features that were first introduced in the late 1990's and are easy for consumers and merchants to verify:

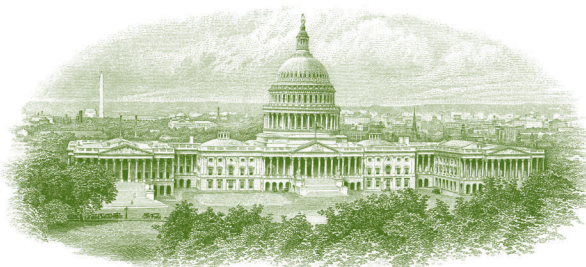
- 1) The watermark -- the faint image similar to the large portrait, which is part of the paper itself, is visible from both sides when the note is held up to light.
- 2) The security thread -- also visible from both sides when held up to light, this vertical strip of plastic is embedded in the paper and spells out "USA" as well as the denomination.
- 3) The color-shifting ink -- the numeral in the lower-right corner on the face of the note changes from copper to green when the note is tilted. The color shift is more dramatic and easier to see on the new design notes.



"Red Seal" United States Note (1869) with portrait of Henry Clay, Secretary of State.

Counterfeiting has been kept at low levels through a combination of improvements in security features, aggressive law enforcement and education efforts to inform the public about how to authenticate their currency. Currency counterfeiting has been historically done using commercial printing presses. However, since 1995, digitally produced counterfeit notes from personal computers have increased from one percent of all counterfeits detected in the U.S. to 40 percent. To stay ahead of counterfeiters as advances in technology make digital counterfeiting of currency easier and cheaper, the Bureau expects to redesign U.S. currency every seven to ten years.

Because the improved security features in the redesigned currency are more effective only if the public knows about and uses the features, a broad, public education program is an integral part of the redesign effort. This program ensures that people all over the world know that the new currency is coming, and it helps them recognize and use the security features. With nearly \$700 billion in U.S. currency in circulation worldwide, educating people is crucial to counterfeit deterrence and a major focus of the counterfeit deterrence effort.



Executive Organizational Structure

THOMAS A. FERGUSON
DIRECTOR



BUREAU MISSION

The mission of the Bureau of Engraving and Printing is to design and manufacture high quality security documents that meet customer requirements for quality, quantity and performance, including counterfeit deterrence.

KIT A. REGONE
ASSOCIATE DIRECTOR
(CHIEF OPERATING OFFICER)



The mission of the COO Directorate is to assure the manufacturing of all government security documents in a cost-effective and efficient manner that satisfies the needs of the customer, and to provide a safe and secure working environment for employees in both manufacturing facilities.

GREGORY D. CARPER
ASSOCIATE DIRECTOR
(CHIEF FINANCIAL OFFICER)



The mission of the CFO Directorate is to maintain the integrity of the Bureau's revolving fund, provide the financial resources necessary to meet customer requirements, and oversee management control functions and the mutilated currency redemption program.

JOEL C. TAUB
ASSOCIATE DIRECTOR
(MANAGEMENT)



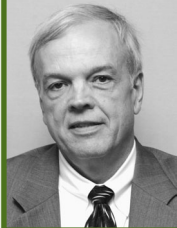
The mission of the Management Directorate is to provide the highest quality Security, Human Resources, Labor Relations, Procurement and Administrative Services in support of the overall Bureau mission.

LARRY R. FELIX
ASSOCIATE DIRECTOR
(TECHNOLOGY)



The mission of the Technology Directorate is to support the production of United States currency, postage stamps, and other government securities by incorporating new covert features that prevent counterfeiting, by developing new production processes that enhance the quality and production of securities, by providing technical support to the production process, and by providing facility support and maintenance.

RONALD W. FALTER
ASSOCIATE DIRECTOR
(CHIEF INFORMATION OFFICER)



The mission of the CIO Directorate is to provide proven state-of-the-art information technology in support of cost-effective production of U.S. Security Products, with primary emphasis on U.S. currency.

VACANT
CHIEF COUNSEL

The mission of the Office of the Chief Counsel is to provide the highest quality legal services in support of the overall Bureau mission.



Safety, Health and Environmental Management

The Bureau's commitment to environmental, health, and safety (EHS) management remains unwavering. The Office of Environment and Safety (OES) manages programs that protect individuals from injuries and minimize the Bureau's impact on the environment. The Bureau's goals are to continue to reduce occupational injury and illness rates and to minimize the impact that the Bureau's air emissions, wastewater discharge and solid waste have on the environment.

In 2004, a third party audit was conducted for all environment, health and safety programs. The findings of the audit provided valuable information that was used to improve technical program management as well as to document regulatory compliance. This was a critical step in the Bureau's quest for excellence through the Occupational Safety & Health Administration's (OSHA) Voluntary Protection Plan (VPP) designation and ISO 14000 registry.

Improving Worker Health and Safety

The Bureau's Joint Occupational Safety, Health, and Environment Committee (JOSHEC) and its injury subcommittee continued to focus close attention on reducing injuries, illnesses, and lost workdays. The subcommittee is comprised of an injury management team that includes representatives from labor, the Bureau's Health Unit, Labor-Management Relations Division and OES. Working together, this team continued to improve safety results over the past year as indicated by the following:

- Lost Workday Cases were down 44%;
- Lost Workdays were down 35%; and
- All cases were down 24%.

The Bureau's lost workday rates also exceeded, by a large measure, the injury and illness goals set under the



\$50 Silver Certificate (1880) with portrait of Edward Everett, Secretary of State.

President's Safety, Health and Return to Employment (SHARE) initiative.

In addition, the Bureau is developing a set of initiatives to more fully integrate health and safety into all employees' daily work at the Bureau. Among these initiatives are online training, an intranet-based Material Safety Data Sheet (MSDS) system as well as injury management software accessible to all employees. These initiatives will improve the Bureau's ability to work with OSHA and enter into its Voluntary Protection Program. The VPP designation is a collaborative approach between OSHA, Bureau management and labor working together to establish cooperative relationships at workplaces that have implemented a comprehensive safety and health management system. Approval to enter VPP is OSHA's official recognition of the outstanding efforts of employers and employees who have achieved exemplary occupational safety and health results.

Lost Work Days (Days Lost Due to Injury)



Reductions in Injuries and Lost Work Days in 2004

Facility	All Injury Cases	Lost Time Cases	Lost Work Days
Washington, DC Facility	-10%	-36%	-45%
Fort Worth, TX Facility	-48%	-54%	-1%
Bureau Total	-24%	-44%	-35%

Protecting the Environment

The Bureau is also committed to implementing a comprehensive environmental management system (EMS) in both facilities, which will lead to ISO 14000 certification. ISO 14000 is an internationally recognized standard for environmental management systems. Some of the benefits of certification include: identifying areas for reduction in energy and other resource consumption, reducing environmental liability and risk, preventing pollution and reducing waste while demonstrating a commitment to high-quality. The EMS was first implemented in the Bureau's Fort Worth, Texas facility. The lessons learned while implementing the system in Texas will be used to benefit the Washington, DC facility. The EMS implementation process is very employee-oriented as information is gathered from individual workers to identify critical environmental issues. Consequently, this effort includes representatives and support from the Joint Labor Council, which represents the Bureau's unions.

Significant environmental activities in 2004 include:

- A contract for water-based cleaner was awarded to replace the highly volatile petroleum-based cleaners that have been used for generations on printing presses. The Bureau is a leader in the effort to eliminate petroleum-based cleaners.
- New procedures were established using "best practices" for plate printers operating the older Intaglio printing presses that resulted in a reduction in the amount of water-based wiping solution used.
- The Bureau continued to test improved wastewater pretreatment technology. The Bureau is committed to identifying technologies that will produce wastewater of such quality that it can be reused in the industrial process rather than discharged into the municipal treatment works.



The Western Currency Facility received the City of Fort Worth's Pretreatment Award for the fourth consecutive year. From left to right: Anthony Fast, BEP; Lee Bohme, U.S. EPA; Robert Hobbs, BEP; Frank Crumb, Fort Worth Water Department; Colleen McKinney, BEP; Marcella Olson, Fort Worth Water Department.



Strategic Plan

The vision guiding the Bureau's Strategic Plan is to be "a world-class securities printer providing our customers and the public superior products through excellence in manufacturing and technological innovation." A copy of the Bureau's current Strategic Plan can be viewed by clicking "About the Bureau" on the Bureau of Engraving and Printing's web site: www.moneyfactory.gov.



\$50 Gold Certificate (1882) with portrait of Silas Wright, Jr., U.S. Senator from New York.

Customer Satisfaction: Satisfy the Federal Reserve Board and the public by providing responsive service and quality products.

Quality Manufacturing: Manufacture state-of-the-art currency of consistently high quality while improving productivity and cost performance.

Counterfeit Deterrence: Produce state-of-the-art currency that deters counterfeiting, contributes to public confidence, facilitates daily commerce and extends the useful life of notes in circulation.

Security and Accountability: Ensure an environment of comprehensive security and accountability for the Bureau's personnel, facilities, and products.

Resource Management: Manage Bureau resources to increase internal efficiency and effectiveness in support of the other strategic goals.

The Bureau of Engraving and Printing is the Government's security printer. Its customers and stakeholders expect the highest degree of security. The Bureau seeks to maintain the highest levels of security by incorporating counterfeit deterrence features into currency as well as maintaining a secure physical environment at its two facilities.

The Bureau also provides services directly to the public. The Bureau processes claims for redemption of damaged paper currency at no cost to the public.

The Bureau also offers free public tours of its facilities. The tour of the Bureau's Washington, DC manufacturing opera-

tions and the Visitor's Center are among the most popular attractions in the Nation's Capital. Public tours of the Western Currency Facility in Fort Worth began in the spring of 2004.

While manufacturing currency and other printed securities is the core business of the Bureau, the production operations are highly dependent on the effectiveness of support processes such as security, procurement, information systems, financial management, product accountability, human resources management, engineering, research, product development, and maintenance. Only when these processes work in concert can the Bureau be responsive to the needs of its customers.



Plate Printers Michael Miltner and Thomas Gudgeon monitoring image quality.



Assurance Statement Fiscal Year 2004

As required by the Federal Managers' Financial Integrity Act (FMFIA) of 1982, the Bureau of Engraving and Printing (Bureau) has evaluated both its management controls and financial management systems for fiscal year 2004. The results of these evaluations provided reasonable assurance that the management controls (Section 2) and the financial management systems (Section 4) are in overall compliance with standards prescribed by the Comptroller General of the United States and guidance issued by the Office of Management and Budget. In addition, the Bureau has no instances of material management control weaknesses and no material non-conformances outstanding as of September 30, 2004. Also, based on Office of Management and Budget (OMB) guidance, OMB Bulletin 01-02 (Audit Requirements for Federal Financial Statements), the Bureau can state that it is in substantial compliance with the applicable provisions of the Federal Financial Management Improvement Act of 1996. Further, the Bureau has active programs in place to provide reasonable assurance that programs achieve their intended results; resources are used consistent with the Bureau's overall mission; programs and resources are free from waste, fraud, and mismanagement; laws and regulations are followed; controls are sufficient to minimize any improper or erroneous payments; performance information is reliable; systems security is in substantial compliance with all relevant requirements, continuity of operations planning in critical areas is sufficient to reduce risk to reasonable levels; and financial management systems are in compliance with Federal financial systems standards.

Ta Ferguson



Plate Makers Steve Olszowy and Kenneth Garner marking obsolete currency plates for destruction.

