



2003

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.



ON THE COVER (from top to bottom)

1922 Gold Certificate: Early 20th century designs of the \$20 note included the portrait of George Washington and contained yellow, red, and black ink, with a golden design on the back.

1890 U.S. Treasury (or Coin) Note: A U.S. Treasury Note with the portrait of Chief Justice John Marshall. U.S. Treasury Notes issued from 1890 to 1891 were redeemable in either gold or silver coin.

1928 Federal Reserve Note: Federal Reserve Note designs were standardized, reduced in size and each denomination was restricted to a specific portrait subject, emblem and monument. This note design would remain little changed for over 60 years.

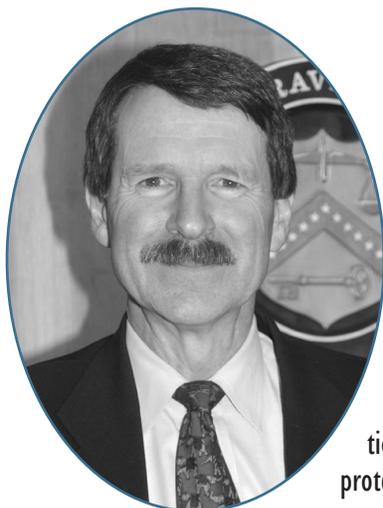
2004 Federal Reserve Note: The next generation of currency was released into circulation on October 9, 2003, beginning with the \$20 note depicted on the cover. The most noticeable difference in the new design is the addition of subtle background colors as a counterfeit deterrent feature.

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Message from the Director



This past year has been a historic time for the Bureau. For the first time in almost a century, the Bureau of Engraving and Printing is producing currency that features colors other than green and black with the introduction of subtle background colors on the \$20 note. The new “Color of Money” began circulating in October 2003. This achievement was the culmination of efforts led by Treasury’s Advanced Counterfeit Deterrence Steering Committee, the Federal Reserve, the U.S. Secret Service, and the Bureau of Engraving and Printing. The new design for the \$20 note reflects a coordinated strategy built around a state-of-the-art design that allows the new bill to be safer, smarter and more secure. The new currency is safer because it is harder to copy and easier to authenticate; smarter to stay ahead of tech-savvy counterfeiters; and more secure to protect the integrity of U.S. currency.

In 2003, the Bureau delivered 8.2 billion Federal Reserve Notes of which almost a billion were the newly designed \$20 notes. The production roll-out of the new \$20 note exceeded our expectations and performance results for the entire 2003 currency program were favorable. Facilitating the success of the currency program is our highly effective quality management system. This year the Bureau upgraded the certification of its currency manufacturing quality management system under ISO (International Organization for Standardization) 9001:2000 standards and expanded the certification to include all manufacturing operations supporting the production of currency.

As noted in this report, the Bureau performed well in all major program areas. In addition to the currency deliveries, the Bureau produced and delivered 9.9 billion postage stamps. Both programs ended the year under standard in terms of cost and spoilage. The Bureau also continued its efforts to improve worker safety and ensure environmental compliance. I am pleased to report our safety efforts resulted in a reduction in lost time due to injuries of over 30% in 2003.

The performance and financial data presented in this report are 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.

Looking back at the past year, the Bureau faced many challenges. Our employees in manufacturing, support and administrative areas met the challenges of this redesign effort with professionalism and ingenuity to fulfill the needs of our customers. With this highly skilled and proud workforce, the Bureau will continue to meet new challenges and pursue the opportunities that lie ahead. I look forward with high expectations for the future at the world’s premier security printer.

A handwritten signature in cursive script that reads "T. A. Ferguson".

Thomas A. Ferguson
Director



Message from the Chief Financial Officer



I am pleased to present the Bureau of Engraving and Printing Chief Financial Officer Performance and Accountability Report for 2003. This report is indicative of the Bureau's tradition of strong financial management and timely financial reporting. For the 19th consecutive year the Bureau received an unqualified opinion on its financial statements from an independent certified public accounting firm exemplifying our commitment to maintaining unparalleled excellence in financial reporting.

The Bureau's financial statement audit was completed on October 10, 2003, as a result of our efforts to streamline financial reporting while ensuring data accuracy and reliability. In addition to the accelerated year-end closing and audit, our financial management team completed the monthly close within three business days for the last two years.

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

In 2003, the Bureau delivered 8.2 billion notes to the Federal Reserve and 9.9 billion postage stamps to the U.S. Postal Service. This resulted in revenue of \$518 million and an excess of expenses over revenue of \$12 million. The excess of expenses over revenue was planned and funded out of working capital. The Federal Reserve has ordered 8.7 billion notes for 2004 and the U.S. Postal Service has ordered 7 billion postage stamps. In accordance with the interagency agreement between the Bureau and the U.S. Postal Service, stamp production at the Bureau will end in 2005 with the delivery of 5 billion postage stamps.

During the year, the Bureau focused on improving productivity, reducing costs and streamlining operations. The Bureau is offering employee separation incentives in 2004 to continue restructuring and streamlining efforts in light of the reductions in the postage stamp program and expanded automation in currency manufacturing.

Performance with respect to all major program areas was favorable in 2003. Direct manufacturing costs for both the currency and postage stamp programs were below established standards for cost and spoilage. During 2003, we continued to pursue and achieved improved operational performance for the benefit of our customers. Currency manufacturing costs were lower than expected, in part, because of lower than expected spoilage in the new next generation \$20 note and improved ink utilization realized from the continued fine-tuning of the Bureau's currency manufacturing operations. All customer delivery dates were met for currency and postage stamps, and the roll-out of the redesigned \$20 currency note was an unqualified success.

The Bureau of Engraving and Printing has positioned itself to meet our customers' need 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 black ink that reads "Gregory D. Carper". The signature is written in a cursive, flowing style.

Gregory D. Carper
Chief Financial Officer





Bureau Director Tom Ferguson (left); Secretary of the Treasury John W. Snow; Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System; Treasurer of the United States Rosario Marin; and W. Ralph Basham, Director of U.S. Secret Service, introducing the redesigned \$20 note.



New design \$20 notes in currency overprinting.



Redesigned \$20 note.



Highlights of the Year

Throughout 2003 the Bureau of Engraving and Printing focused its resources and efforts on producing the most secure currency for the Nation. The redesigned \$20 note, which began circulating on October 9, 2003, incorporates advanced counterfeit deterrent features to maintain the integrity of the Nation's currency. Most notably, the redesigned note includes the introduction of subtle background colors. A redesigned \$50 note is scheduled for introduction and release in 2004.



\$20 Federal Reserve Note, Series of 2004

In addition, the Bureau expanded the current certification of its currency manufacturing quality management systems under ISO (International Organization for Standardization) 9001 standards to include the critical currency manufacturing support functions of ink making, plate manufacturing and roller covering. As part of this expansion, the Bureau's ISO certification was upgraded to the more rigorous ISO 9001, 2000 standards.

Additional financial and operational highlights for 2003 include:

- Issued new series currency bearing the signatures of the new Secretary of the Treasury, John W. Snow, and the Treasurer of the United States, Rosario Marin;
- Completed both the currency and postage stamp programs below standard cost with lower than anticipated spoilage;
- Participated in the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) to evaluate the currency redesign program. OMB found the program to be highly effective, scoring it at 96%;
- Finished installation of offset printing presses in Washington, DC and Fort Worth, TX in support of the redesigned currency;
- Continued work on the expansion of the Western Currency Facility in Fort Worth, TX to accommodate the new public tour and visitor center scheduled to open to the public in the Spring of 2004;
- Reduced lost time due to accidents by over 30%;
- Received an unqualified opinion on Bureau financial statements from an independent certified public accounting firm for the 19th consecutive year;
- Issued a revised, comprehensive five-year strategic plan that focuses on customer satisfaction, quality manufacturing, counterfeit deterrence, resource management, and security and accountability;
- Received the Pretreatment Partnership Award from the City of Fort Worth for the 3rd consecutive year to honor the Western Currency Facility's creativity and innovation in protecting water quality, preserving environmental resources and minimizing by-product waste; and
- Served as the government-wide pilot for implementation of the Internet Payment Platform (IPP), an Internet-based, paperless procurement, invoice and payment system.

(All Dollars in Millions)

	2002	2003
Sales Revenue	\$443.4	\$518.1
Capital Investment	\$63.8	\$37.9
General and Administrative Costs	\$46.1	\$50.3
Research and Development	\$10.3	\$11.4
Total Assets	\$619.4	\$619.2
Excess of Revenue over Expenses	(\$29.0)	(\$12.1)
Federal Reserve Notes		
Delivered (Billions)	7.0	8.2
Postage Stamps		
Delivered (Billions)	12.2	9.9





The Western Currency Facility Visitor's Center will open to the public in the Spring of 2004.



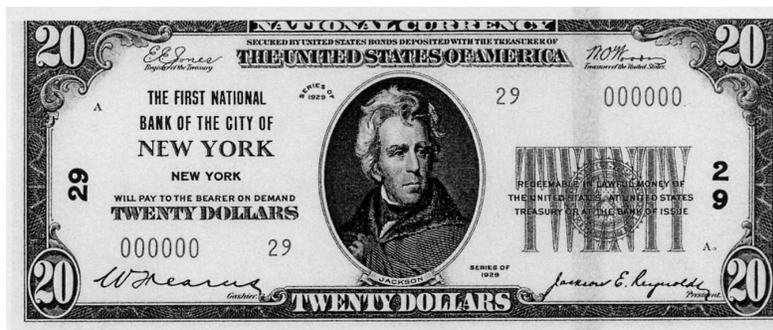
Profile of The Bureau of Engraving and Printing

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

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 also 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 secu-

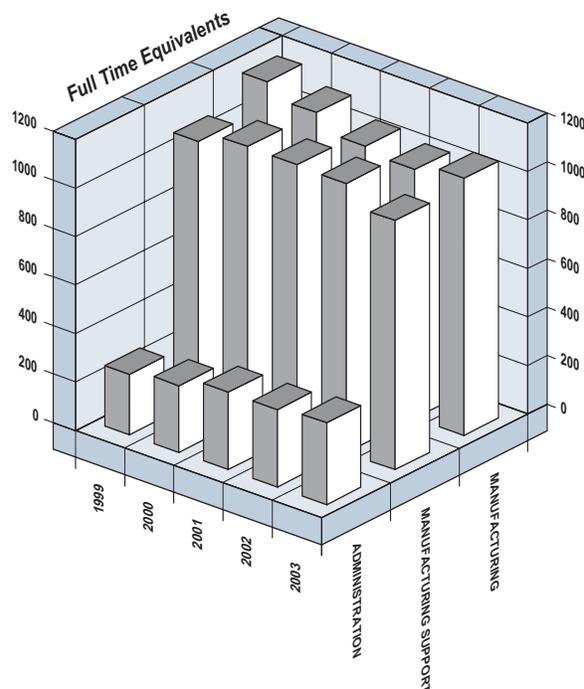


\$20 National Bank Note, Series of 1929.

urity products. The Western Currency Facility, located in Fort Worth, Texas, produces Federal Reserve Notes. The Main Building became operational in 1914, followed by the Annex Building in 1938. The Western Currency Facility began operations in 1991. The Western Currency Facility was constructed to provide increased production capacity, reduce transportation costs and enhance emergency preparedness.

In addition to housing production facilities, the Main Building in Washington, DC offers a free tour of currency

Staffing (FTE) by Function



Currency Production by Facility (Billions of Notes)



operations to the general public. The tour includes a Visitor's Center with currency manufacturing displays, interactive kiosks and other information about the history of our Nation's currency. A sales center that sells uncut sheets of currency, premium numismatic currency sets, and other collectibles and engravings is also open to the public. In addition to the on-site sales center, sales are available through mail order and through the Bureau's Internet site, www.moneyfactory.com.

As part of an expansion at the Western Currency Facility, the Bureau is constructing a raised viewing gallery for the public to observe currency manufacturing operations from above the production floor, as well as a Visitor's Center for the public to learn more about U.S. currency. The Fort Worth tour and Visitor's Center are expected to be open to the public in the Spring of 2004.

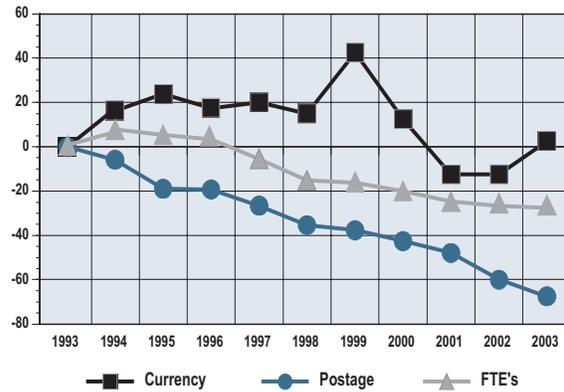
Manufacturing

On May 13, 2003, in an effort to stay ahead of currency counterfeiters the U.S. government unveiled to the public



Production floor at the Western Currency Facility.

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



a redesigned \$20 note. The new \$20 was released into circulation on October 9, 2003, with a new design for the \$50 note to follow in 2004. For the first time since the Series 1905 \$20 Gold Certificate, the new currency features subtle background colors. Different background colors will be used for different denominations. This will help consumers, particularly those who are visually impaired, to tell the denominations apart. While color is not in itself a security feature, the use of color makes it more burdensome for potential currency counterfeiters because it adds complexity to the note and thus makes counterfeiting more difficult.

The Bureau's quality management system for the production of U.S. currency has been registered as ISO 9001 compliant for three years. During 2003, the Bureau's registration was updated to the more stringent 2000 standard. The Bureau is initiating processes to obtain ISO 14000 certification for environmental management at the Western Currency Facility in Fort Worth, TX in 2005. Maintaining and updating ISO certifications exemplifies our commitment to product quality to current and potential customers.



Enjoying the Bureau's free public tour in Washington, DC.

In an effort to implement state-of-the-art printing technology, the Bureau initiated a project for intaglio press replacement for the Washington facility. Up to eight, 20-year old intaglio presses will be replaced with new presses over a three year period.

During 2003, the Bureau delivered 8.2 billion Federal Reserve Notes to the Federal Reserve System, including almost one billion of the next generation \$20 notes. The Washington, DC and Fort Worth, TX facilities both produced the redesigned note in 2003. The two facilities delivered 3.7 billion and 4.5 billion Federal Reserve Notes, respectively. For 2004, the Federal Reserve System has ordered 8.7 billion Federal Reserve Notes.

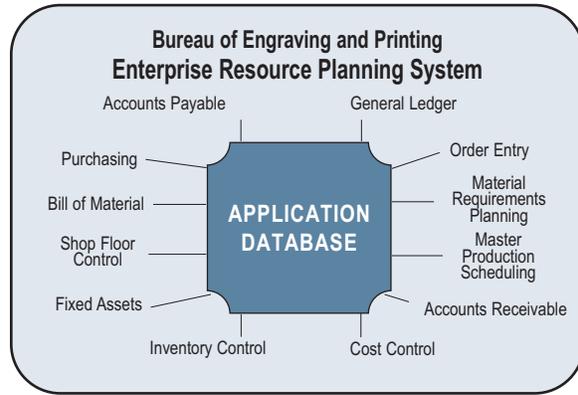
In addition to the currency deliveries, the Bureau delivered approximately 9.9 billion postage stamps to the U.S. Postal Service during 2003. The U.S. Postal Service has ordered 7 billion postage stamps for 2004. This is consistent with the five-year interagency agreement with the U.S. Postal Service 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 continues to enhance its 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, their operational processes and the information systems that support them. An EA formalizes the identification, documentation, and management of these interrelationships, and supports the management and decision processes. The EA will provide substantial support for the evolution of the Bureau as it anticipates and responds to the changing needs of its customers and will become a vital part of the Bureau's decision-making process.

During 2003, the Bureau participated in the Department of Treasury's Smart Card pilot. Over 100 employees currently use Smart Card technology for biometric identification and single sign-on. The Smart Card program will continue to expand throughout 2004. The Bureau continues to actively work with the Treasury Department with respect to the implementation of electronic signature capabilities.

In 2004, the Bureau will continue to make use of our Intranet by providing the capability for customers to submit and track request for IT services via web-based Help Desk and Request for Information Services (RIS) systems. The use



of web-based request systems will provide transparency of service and will enable customers to check on the status of their request on-line.

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.



Doug Gandy (left), Dave Smeltzer and James Brent of the Office of Currency Production discussing new offset printing technology.



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

Series 2004 \$20 Note

Watermark

- 1 A watermark, or faint image similar to the portrait, is visible when the note is held up to a light.

Security Thread

- 2 When held up to a light, a security thread that is embedded in the paper is visible. The words "USA TWENTY" and a small flag are visible upon close inspection of the thread.



Color-Shifting Ink

- 3 When the note is tilted, the color-shifting ink in the numeral "20" changes from copper to green.

Microprinting

- 4 The words "THE UNITED STATES OF AMERICA 20 USA 20" are printed in the border.
- 5 The inscription "USA20" is printed around the first three letters in "TWENTY USA" to the right of the portrait.

Symbols of Freedom

- 6 Two new American eagle "symbols of freedom" appear on the note.

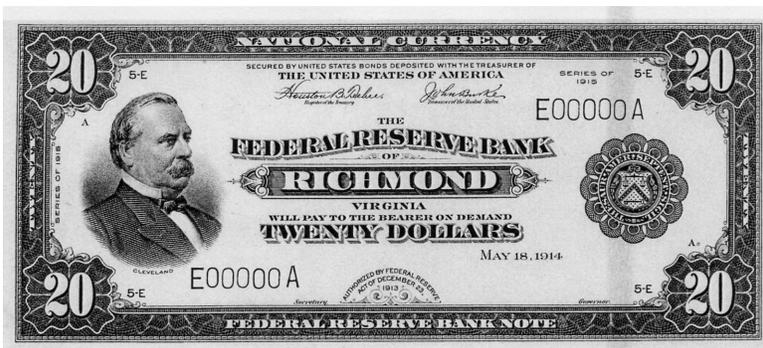
Yellow "20" Numerals

- 7 Small yellow "20" numerals appear on the back of the note.



The New Color of Money

On May 13, 2003, the U.S. Department of the Treasury and the Federal Reserve Board introduced the redesigned \$20 note at the Bureau of Engraving and Printing. The new design includes subtle background colors and enhanced security features as part of an ongoing effort to stay ahead of the technological advances available to counterfeiters.



\$20 Federal Reserve Bank Note, Series of 1915

The redesigned \$20 note was issued into circulation on October 9, 2003.

The \$50 and \$100 notes will also be redesigned over the next few years. Redesigns of the \$5 and \$10 notes are under consideration, while the \$1 and \$2 notes will remain the same. The introduction of the redesigned \$20 note has special importance because of its wide use in everyday commerce. It is, in the U.S., the most commonly used of the larger denomination notes and, therefore, the most popular target for would-be domestic counterfeiters.

“U.S. currency is a worldwide symbol of security and integrity. This new design will help us keep it that way, by protecting against counterfeiting and making it easier for people to confirm the authenticity of their hard-earned money,” U.S. Treasury Secretary John W. Snow said at the unveiling of the new \$20 note design to the public.

The most noticeable feature in the redesigned note is the subtle green, peach and blue colors featured in the background. These colors are added through the use of offset printing, a new step in the printing process for the Nation’s currency. Different colors will be used for different denominations, which will aid in distinguishing each denomination, particularly for those who are visually impaired. The new colors add complexity to the note, making counterfeiting more difficult.

The redesigned \$20 note is the same size and uses the same, but visually enhanced, portrait of Andrew Jackson on the face of the note and the historical image of the White House on the back. The redesign also features symbols of freedom on the front of the note - a blue eagle in the background, and a metallic green eagle and shield to the right

of the portrait. In addition, the back of the redesigned \$20 note includes small yellow “20” numerals as an additional counterfeit deterrent.

The redesigned \$20 note retains three important counterfeit deterrent features that were first introduced in the late 1990’s.

- 1) The watermark -- the faint image, similar to the large portrait, which is part of the paper itself and is visible from both sides when held up to the light.
- 2) The security thread -- also visible from both sides when held up to the light, this vertical strip of plastic is embedded in the paper. “USA TWENTY” and a small flag are visible along the thread.
- 3) The color-shifting ink -- the numeral “20” 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 designed notes.

Team work is a prerequisite for success and by all accounts the first note of the “next generation” currency program is an overwhelming success. The new design is the culmination of more than four years of hard work improving processes and productively incorporating technological advances into the Nation’s currency.



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.

WILLIAM W. WILLS
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.

CARLA F. KIDWELL
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.

CARROL H. KINSEY, JR.
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

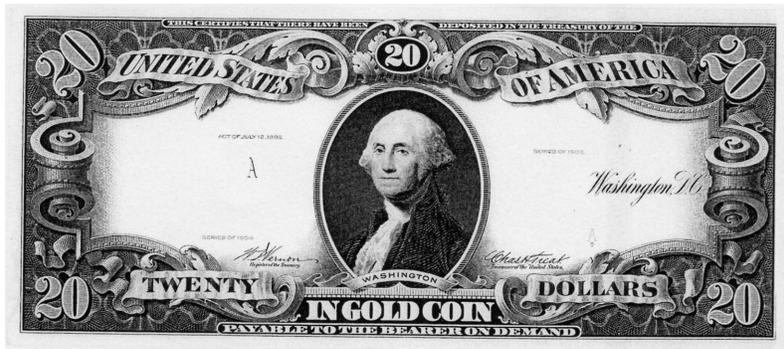
The Bureau's commitment to occupational health, safety and environmental management remains unwavering. The Office of Environment and Safety (OES) manages programs that protect individuals from injuries, and minimize the Bureau's impact on the environment. The Bureau's goals are to keep the occupational injury and illness rates below comparable industry averages and in a downward trend, and to minimize the impact that our air emissions, wastewater discharge and solid waste has on the environment.

Improving Worker Health and Safety

The Bureau's Joint Occupational Safety, Health, and Environment Committee (JOSHEC) and its injury subcommittee continued to take positive actions to reduce injuries, illnesses and lost workdays. The subcommittee has made several changes that resulted in the following reductions:

- Lost Workday Cases were down 11 percent;
- Lost Workdays were down 32 percent; and
- The lost Workday Case Rate was down 11 percent, from 4.95 to 4.38 per one hundred employees. The lost workday case rate of 4.38 is below the industry average for gravure printing according to the Bureau of Labor Statistics.

In addition to these injury reduction initiatives, the Bureau contracted for around-the-clock safety services and expanded inspection capabilities. As a result, injuries on the evening and midnight shifts were reduced. In addition, over 300 hazards were abated through the use of a new, automated maintenance and repair request system that prioritizes "safety" requests.



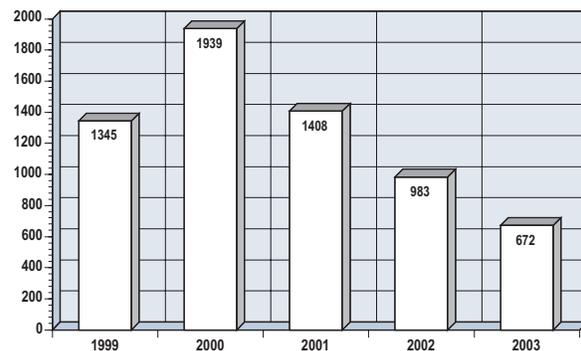
\$20 Gold Certificate, Series of 1906.

Protecting the Environment

The Bureau received the Pretreatment Partnership Award from the City of Fort Worth for the 3rd consecutive year to honor the Western Currency Facility's creativity and innovation in protecting water quality, preserving environmental resources and minimizing by-product waste.

The Bureau began the implementation of an environmental management system (EMS) that is planned to lead to ISO 14000 certification in 2005. Executive training was conducted at both the Washington, DC and Fort Worth, TX facilities. Implementation of this system in Fort Worth includes forming groups to identify the environmental aspects of key production activities and study their impacts.

Lost Work Days (Days Lost Due to Injury)



Reductions in Injuries and Lost Work Days in 2003

Facility	All Injury Cases	Lost Time Cases	Lost Work Days
Washington, DC Facility	-16%	-19%	-16%
Fort Worth, TX Facility	-1%	5%	-57%
Bureau Total	-11%	-11%	-32%

At the Washington facility, a multidisciplinary group was formed to seek ways to conserve printing process water and thereby reduce wastewater discharges. Water meters were installed and usage patterns were established and studied. Opportunities to conserve water wipe solution at the press side were identified. In addition, studies on how to recycle wastewater to process feed water commenced and indicated that a new wastewater pretreatment technology may enable our wastewater discharge to be reused. With regard

to air emissions, technical evaluation of low volatile organic compound (VOC) cleaners for intaglio presses was completed. The elimination of high VOC cleaners is scheduled to occur in 2004.

The Bureau is committed to minimizing its environmental impact. Additional research projects are planned in 2004 in support of this strategic commitment to reducing hazardous processes, hazardous materials and waste products.



Tim Moloney (left) and Jon Poulsen of Fort Worth with the ergonomically improved stack and rack delivery system.



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 on the Bureau's web site, www.moneyfactory.com. The Bureau has identified five goals in its Strategic Plan that focus on investment in people, products and processes.

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.

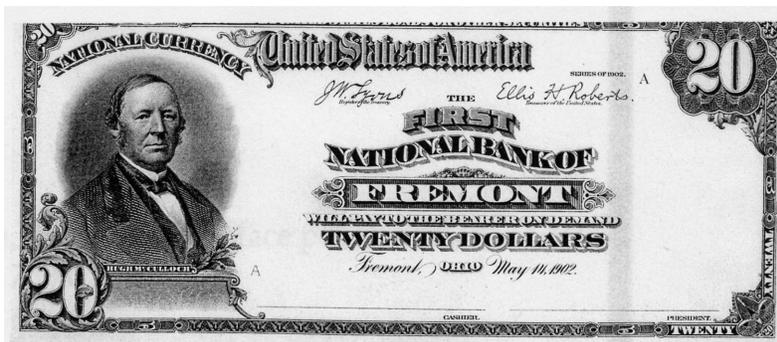
Counterfeit Deterrence: Produce state-of-the-art currency that deters counterfeiting, contributes to public confidence, facilitates daily commerce and extends the useful life of notes in circulation.

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

Resource Management: Manage the 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 deterrent features into currency as well as maintaining a secure physical environment at its facilities.

The Bureau also provides services to the public. The tour of BEP manufacturing operations and the Visitor's Center are among the most popular attractions in the Nation's Capital. A tour of the Western Currency Facility in Fort Worth, TX



\$20 National Bank Note, Series of 1902.

is scheduled to open in the spring of 2004. The Bureau also processes claims for redemption of damaged paper currency at its Washington facility at no cost to the public.

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.



Thomas A. Ferguson, Director of the Bureau of Engraving and Printing, introducing design and security enhancements for the new \$20 note.



Assurance Statement Fiscal Year 2003

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 2003. 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 nonconformances outstanding as of September 30, 2003. 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; and, continuity of operations planning in critical areas is sufficient to reduce risk to reasonable levels.

Ta Ferguson



Marion Osborne monitoring the electronic currency inspection system.

