



## Office of Inspector General

Board of Governors of the Federal Reserve System  
Consumer Financial Protection Bureau

Executive Summary, 2025-FMIC-B-015, December 17, 2025

# The Board Has Generally Effective Processes for Approving and Monitoring the Currency Budget's Multicycle Projects but Can Better Document Those Processes

## Findings

Division of Reserve Bank Operations and Payment Systems (RBOPS) processes for approving and monitoring the multicycle project budget have been generally designed and operated effectively to ensure that the U.S. Department of the Treasury's Bureau of Engraving and Printing (BEP) has sufficient resources to cover multicycle project obligations and promote effective stewardship of the Board of Governors of the Federal Reserve System's funds. However, RBOPS has not incorporated all its processes into its memorandum of understanding (MOU) with the BEP.

Incorporating multicycle project budget roles and responsibilities for these key approval and monitoring processes into the MOU supplemental schedules will promote adherence to the roles and responsibilities outlined in the MOU. It will also help the Board to clarify and memorialize its role in the Federal Reserve note (banknote) production process.

## Recommendation

Our report contains one recommendation for the Board to incorporate into its MOU with BEP the roles and responsibilities for approving and monitoring the multicycle project budget. In its response to our draft report, the Board concurs with our recommendation and outlines its planned actions to address the recommendation. We will follow up to ensure that the recommendation is fully addressed.

## Purpose

We assessed the effectiveness of RBOPS's processes for approving and monitoring the multicycle project budget for the BEP's expenses related to banknote production.

Our scope covered RBOPS's activities related to the approval and monitoring of two full multicycle project budget cycles in 2023 and 2024, as well as the approval of the 2025 multicycle project budget.

## Background

In accordance with the Federal Reserve Act, the Board (1) is the sole issuing authority of the nation's currency, or banknotes, and (2) pays the BEP for necessarily incurred expenses of producing banknotes. The Cash Program, within RBOPS, performs the Board's activities for developing and approving the currency budget's multicycle projects and monitors the BEP's spending against the approved budget. As of 2025, the Board of Governors has approved a budget of \$3.3 billion for three multicycle projects.