

EMBRACING REGIONAL AND NATIONAL ROLES

I joined the Federal Reserve Bank of Richmond last June and wish to convey what a privilege it is to work with such a committed group of central bankers in this, the centennial year of the Federal Reserve. I also would like to congratulate my predecessor, Sally Green, on her mid-2013 retirement and her many contributions as first vice president and chief operating officer of this Bank and in other key roles during her 36-year career with the Federal Reserve System.



PHOTO: MICHAEL BATTIS

Mark L. Mullinix

First Vice President and
Chief Operating Officer

One of the enduring strengths of the System is its regional structure, which contributes to banking supervision, payments services, and monetary policymaking in a variety of ways. Most importantly, the regional structure ensures that diverse views are brought to bear on issues that are critical to the nation's economy and the Federal Reserve's central banking mission. The preceding pages of this annual report are a prime example. The essay by President Jeffrey M. Lacker and Research Publications Content Manager Renee Haltom questions the System's increasing role in financial stability. They make a good case for ending crisis lending and focusing on monetary stability, but there are economists at other Reserve Banks who might disagree. This is one example of our ability to discuss and deliberate freely, which is perhaps the greatest strength of our regional structure.

Notwithstanding our differences of opinion on some economic and policy issues, Reserve Banks have joined together to deliver services to financial institutions more efficiently and to centralize common support services across the System. Our aim for some time has been to present a consistent national face to our customers in product offerings and support services. As a result, our organization today is designed to provide national leadership and direction to our payments services and to meet our obligations as fiscal agents for the U.S. Treasury Department. Reserve Banks also are sharing banking supervision expertise and key national support services. By leveraging the benefits of technology and by sharing the talents of staff across the System, Reserve Banks are increasing their ability to build value and gain efficiencies.

At the Richmond Fed, we have the privilege of hosting and providing leadership to business operations for four nationally provided support services: Centralized Payroll Operations, the National Procurement Office, the Currency Technology Office, and Federal Reserve Information Technology (FRIT). Each of these national support functions operates and performs essential services for Reserve Banks. The payroll group provides payroll services to the Reserve Banks' employees, while the national procurement group leverages the combined buying power of Reserve Banks.

The Richmond Fed plays a significant technology role in the Federal Reserve System. The Currency Technology Office is responsible for providing the equipment, software, and support for the Reserve Banks' currency-processing equipment and the currency sensors that reside on those machines. The currency-technology team has provided this centralized service to Reserve Banks for more than three decades. Today, the team gives the Reserve Banks an efficient and highly effective platform to process and authenticate more than 34 billion pieces of U.S. currency annually as they support and distribute more than \$1.3 trillion in currency circulating globally.

Another major technology responsibility rests with FRIT, a group that is led in Richmond by the Federal Reserve System's chief information officer. FRIT is responsible for providing enterprise information technology architecture and standards, enterprise information security policy and assurance, computing and network operations, project services, and end-user services to all the Reserve Banks and their national product and support offices. FRIT also provides services to the Federal Reserve's Board of Governors and the U.S. Treasury.

Although not a national support function, another role we are proud to have taken is coordinating the federalreservehistory.org site on behalf of the Federal Reserve System. This site commemorates the Federal Reserve's centennial by allowing scholars and the general public to access archives, essays, biographical information, and other facts about our nation's central bank. We will continue to work with colleagues at other Reserve Banks and the Board of Governors to add content, so I encourage you to visit and revisit the site to learn more about the Fed's first 100 years.

In 2013, the Federal Reserve Bank of Richmond continued to deliver on commitments we believe are vital to our region, our nation, and the communities we serve. The Fed's regional structure has proven flexible in meeting the needs of customers and improving the overall effectiveness of our operations. One hundred years after our founding, the Richmond Fed remains committed to maximizing its contributions to both the Fifth District and the Federal Reserve System.



MARK L. MULLINIX
First Vice President and Chief Operating Officer