
The Federal Reserve Bank of Boston: Our Mission Today and Our Vision for 2010

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The Federal Reserve Bank of Boston: Our Mission

As part of the central bank, the Federal Reserve Bank of Boston promotes sound growth and financial stability in New England and the nation.

- Committed to providing leadership and innovation in:
 - Contributions to local communities, the region and the nation
 - High quality research, regulatory approaches, and financial services
 - Actively engage with regional leaders and organizations to improve the quality analysis on important public policy issues.

FRB Boston Contributions

- Support the US Treasury
 - Internet Payment Platform
 - Stored Value Card
 - Cash Concentration
- Support Local Community and the Region. Examples include:
 - New England Public Policy Center
 - Supervision, Regulation and Credit Department
 - Depository Institution Outreach

Supporting the U.S. Treasury Internet Payment Platform (IPP)

- FRB Boston awarded project by US Treasury in 2004
- IPP is a web-based G2B solution for Federal agencies and suppliers
- Electronifies and links payment information between agencies and their suppliers
- Alleviates paperwork and processing delays by managing procurement transaction
 - And, added efficiency of ACH rather than checks
- Went “live” in November 2007



internet payment platform

Supporting the U.S. Treasury Stored Value Cards



- FRB Boston manages stored value cards for Treasury's Financial Management Service
- "Eagle Cash" cards support U.S. troops deployed in combat zones and on peace-keeping missions
 - Over 50 bases in 11 countries
 - Peacekeeping bases have self-service kiosks to load funds from domestic bank accounts via ACH
 - FRB Boston staff deployed Eagle Cash cards in Afghanistan in 2005; in Iraq and Kuwait in 2006
- "EZPay" cards at Army, Marine and Air Force basic training sites
- FRB Boston prepared ~400,000 Eagle Cash and EZPay cards in 2007



Benefits of Eagle Cash Cards for Military Personnel Overseas

- Provide personnel more secure access to personal funds
- Convenient for cardholders
- Reduces cost, time, and risk to move and handle currency overseas
- Reduces risk of counterfeiting US dollars
- Reduces impact of US dollars on local currency



Supporting the U.S. Treasury “Cash Concentration Initiative”

- September 2007, U.S. Treasury selected FRB Boston to develop and manage its Cash Concentration program
- New program will replace two systems, one currently operated by Reserve Banks and one operated by PNC Bank
- New system will serve as the Treasury’s sole system to concentrate cash from depository institutions
- Goal is to simplify and modernize cash concentration:
 - Eliminate inefficiencies, reduce Treasury costs, and provide savings to taxpayers

Supporting the Local Community and the New England Region

- Our mission and vision statement calls for:
“High quality research, regulatory approaches, and financial services.”
- Three examples that support this mission are:
 - New England Public Policy Center
 - Supervision, Regulation and Credit Department
 - Depository Institution Outreach

Supporting the Local Community and the Region: New England Public Policy Center

- Established in 2005, NEPPC is dedicated to enhancing access to high-quality analysis on economic and public policy issues that affect New England
- The New England Public Policy Center:
 - Conducts objective research on regional public policy issues
 - Supports regional research projects and requests for assistance
 - Provides data on the region
 - Builds a network of public policy analysts



Supporting the Local Community and the Region: Supervision, Regulation and Credit

- **Promotes safe and sound financial system through supervision and regulation of First District banking organizations, including 108 state member bank holding companies and 12 state member banks**
- **State member banks benefits include:**
 - Local Reserve Bank representative, familiar with local business environment, that serves as central point for supervisory and regulatory matters
 - Partnership with state regulators for unified regulatory environment
 - Advisory visits for compliance with Bank Secrecy Act, risk management, IT practices
- **Financial Institution Education**
 - “Director College,” training for bank directors
 - Reserve Requirement/Payment System Risk compliance training
- **Financial/Economic Reporting and Information Management**
 - Data for economic research, conduct of domestic and international monetary policy, computing balance-of-payments statistics, and supervision and regulation of financial institutions

Supporting the Local Community and the Region: Depository Institution Outreach

- Maintaining relationships with First District financial institutions is one of our primary goals
- We are committed to supporting all New England depository institutions
 - Advisory services, education and information sharing forums
 - Reserve Bank and industry payment trends
 - Reserve Bank products and services
 - Local and National economic and business trends
 - Merger and Acquisition support

Conclusion:

Boston Reserve Bank's Vision for 2010

In 2010, the Boston Reserve Bank will be:

- Critical source of supervisory and research expertise for the Federal Reserve System in the quantification of risk
- Premier provider of operational and IT development support for technologically advanced U.S. Treasury payment services
- Known for distinctive research in emerging payments and behavioral economics involving individual decision-making that draws out public policy implications
- Recognized for leadership role in industry payments standards