

MEET BILL

by Amanda Yskamp and Andrew Matthews

Every year, people cash in more than \$30,000,000 in damaged or mutilated currency for new bills. Where does the new money come from? It comes from the Bureau of Engraving and Printing (BEP). The people who work at this arm of the U.S. Department of the Treasury print all the paper bills in the United States. They also shred the redeemed damaged bills.

The BEP began in 1862 in the basement of the Treasury Building in Washington, D.C. During the Civil War (1861–1865), the government needed to raise funds to support the cost of the war. It decided to issue paper money—IOWs, really—for the first time since the Revolutionary War’s Continentals had been introduced (see page 7).

At first, the bureau relied on private companies to provide the preprinted United States notes. Presses were installed in the Treasury Building’s basement to handle imprinting the notes with the Treasury’s seal. Clerks hand-signed the notes, and workers hand-cut and trimmed the sheets into individual notes. It wasn’t until 1877 that the bureau was solely in charge of producing all the paper currency for the U.S. government.

Over time, paper money, or notes, became more widely circulated and accepted. Today Federal Reserve notes are the most common and widely

circulated forms of legal tender. For more about the Federal Reserve, see page 30.



FAST FACT

by 1957, improved technology and smaller bill sizes enabled the bureau of engraving and printing to go from its original 4 notes to 32 notes per sheet.

The Process

Today there are more than 65 steps to making paper money. First, specific elements to be incorporated on a bill—both on the front and on the back—are designed. Once approved by the secretary of the Treasury, the final



designs are transferred to metal plates for printing. Ink specially formulated at the BEP is applied to the engraved plate. Green ink is used for the back of the bills, black and color-shifting ink for the front. Large, blank sheets of paper are fed through high-tech printing presses, where heavy pressure is used to imprint the blank paper with the ink from the plate.

Once both the back and the front of the sheets have been imprinted, the bills go through special presses that add two serial numbers, the seals of the Treasury Department and the Federal

Making money is a complicated business.



A paper band is used to hold together 100 notes. This is called a strap.



Reserve, and a Federal Reserve identification number. Throughout the process, the sheets of money are dried at different stages and examined many times by both BEP personnel and state-of-the-art machines for problems, mistakes, and small blemishes. With 65 steps, there is a lot of room for error. Finally, the sheets are cut down to size by huge machines, resulting in individual notes for the first time.

The BEP Today

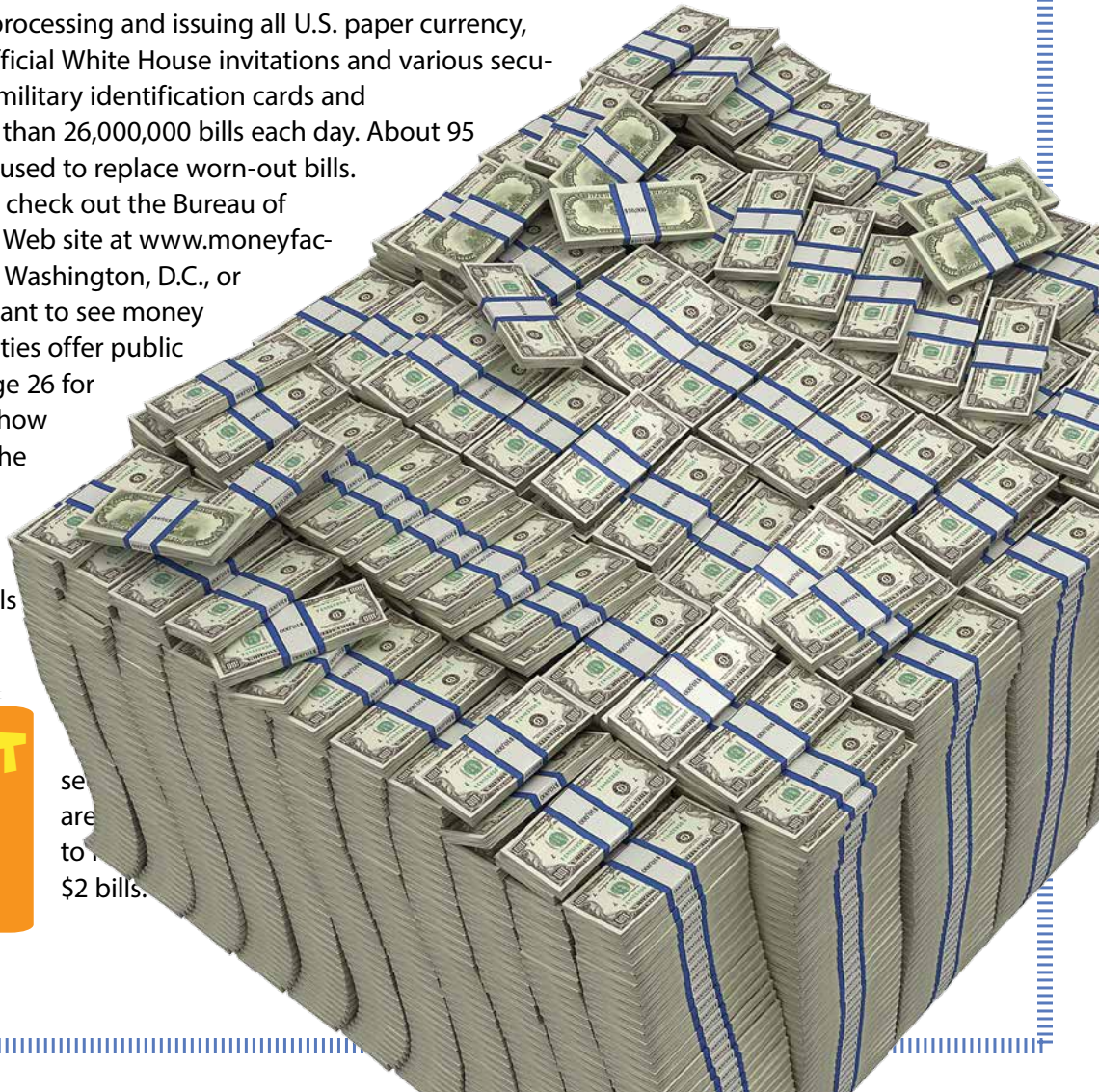
The bureau's main building was completed in Washington, D.C., in 1914. It sits on five acres of land a few blocks southwest of the National Mall. In 1938, to accommodate the bureau's growth, an annex was completed nearby. An underground tunnel connects the two buildings. On April 26, 1991, a new facility, the Western Currency Facility, was opened in Fort Worth, Texas. The BEP wanted a site west of the Mississippi River to help with increased production needs and to more easily ship printed currency to locations in the western half of the country.

Today, in addition to processing and issuing all U.S. paper currency, the BEP also produces official White House invitations and various security documents, such as military identification cards and passports. It prints more than 26,000,000 bills each day. About 95 percent of this money is used to replace worn-out bills.

For more information, check out the Bureau of Engraving and Printing's Web site at www.moneyfactory.gov. If you're ever in Washington, D.C., or Fort Worth, Texas, and want to see money in production, both facilities offer public tours. And check out page 26 for a more in-depth look at how the U.S. Department of the Treasury is taking steps to protect against counterfeiting. The \$20, \$50, \$10, \$5, and \$100 bills

DID YOU KNOW?

Bills first appeared in today's standard size in 1929—before this, bills were larger. Denominations of bills printed today are \$1, \$2, \$5, \$10, \$20, \$50, and \$100. Bills for \$500, \$1,000, \$5,000, \$10,000, and \$100,000 exist, too, but no new bills in these larger denominations have been printed for many years. In fact, the \$100,000 bill was never released for general circulation—it was used internally between banks. In 1969, the Federal Reserve began removing the larger notes from circulation.



FAST FACT

the life of a \$1 bill is less than two years, while \$100 bills last more than seven years.

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are
to
\$2 bills.