

## 2010 OPERATIONAL HIGHLIGHTS

*As 2010 ushered in sweeping reforms to the U.S. financial regulatory structure, the Federal Reserve Bank of Cleveland geared up to implement the impending changes. At the same time, the Bank reaffirmed its commitment to excellence in core responsibilities, including central banking, financial and Treasury services, banking supervision and regulation, and outreach. Guiding these efforts were the Bank's refreshed strategic goals: financial system stability, economic growth, and payments transformation.*



## Contributions to Regional and National Policy Issues



Vice President and Community Affairs Officer Ruth Clevenger, 2010 President's Award recipient, is shown here with President and CEO Sandra Pianalto and First Vice President and COO Dale Roskom.

Throughout 2010, the Bank advanced its work on housing policy and neighborhood stabilization through applied research and leadership of System and District policy summits. The **Community Development** function worked proactively to recognize and respond to the housing and foreclosure issues emerging in the Fourth District.

Led by Vice President and Community Affairs Officer Ruth Clevenger, Community Development expanded the Bank's collaboration with nonprofit organizations, government agencies, academics, and other Reserve Banks. These efforts yielded a national vacant property conference showcasing a presentation of the Bank's Neighborhood Stabilization Program research.

The function also provided key insights into the development of a Community Reinvestment Act (CRA) proposal, contributing early versions of the language and approach to the proposal that was put out for public comment, and collaborated frequently with Research and Supervision staff to design public outreach programs. Throughout the financial crisis and its aftermath, the team maintained strong communication channels with its stakeholders, hosting conferences and small group meetings throughout the District to address issues concerning housing policy.

Community Development has become widely regarded as a leader in the Federal Reserve System for its expertise on housing issues associated with vacant and abandoned properties and for its proactive outreach efforts. As a result, the Federal Reserve Bank of Cleveland became one of two Reserve Banks to lead a Systemwide initiative on how to deal with distressed properties, which led to a significant conference held at the Federal Reserve Board.

For her leadership, commitment, and ability to deliver results in addressing the aftereffects of the financial crisis, Clevenger was awarded one of two 2010 President's Awards, the Bank's highest employee honor.



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## Achievements in Payments Operations



The Bank's Debit Gateway team received a 2010 President's Award for successfully streamlining business processes that resulted in significant savings for the U.S. Treasury and the Federal Reserve.

The Bank continued to play a crucial role in supporting the U.S. Treasury's efforts to further streamline its electronic payments processes by successfully implementing the Debit Gateway. The Debit Gateway project consolidated the processing of check and ACH debit transactions into a single centralized system that resulted in greater efficiency.

Over the course of 15 months, the Debit Gateway team—comprised of members of the Bank's **eGovernment** function—successfully designed, tested, and implemented two significant software releases. By second quarter 2010, the Debit Gateway was successfully launched, and payment processing began. The system processes more than 250 million transactions totaling over \$2 trillion annually.

The successful implementation was an important milestone for both the Cleveland Fed and the Treasury. A highly visible project, the Debit Gateway became the first new application to be integrated as part of the Treasury's strategic vision, and signifies the future of collections.

For their efforts in streamlining business processes and continuing to provide critical services and support to the Treasury, the Debit Gateway team was awarded the second of the Bank's 2010 President's Awards. The eGovernment Department also received the Treasury's highest performance rating for the third consecutive year.

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## Innovations in Public Outreach



Todd Morgano, assistant vice president in Public Affairs, was presented with the 2010 Chris Moore Spirit of Innovation Award for developing and executing the Drawing Board concept.

The Bank's public outreach initiatives focused on such issues as small business lending, housing finance, and systemic risk. In 2010, key messages from the Bank's research were shared more broadly across communication channels and media outlets and were widely cited in the press. In particular, the Bank's work on inflation, the median CPI, Federal Reserve balance sheet developments, and economic trends received considerable public attention.

Realizing the public's desire to better understand the complex economic issues confronting them every day, the **Public Information** function saw a unique opportunity to provide those sought-after answers while delivering key Bank messages in a creative way. Working cross-functionally with the **Research** function, the team—led by Assistant Vice President Todd Morgano—developed the Drawing Board, a series of videos comprised of “really bad drawings and real simple explanations.”

The first installment in the series featured the Federal Reserve Bank of Cleveland's proposal for regulating systemically important institutions. A comprehensive media campaign that targeted both traditional and social media channels was launched, which garnered significant attention from national and local media for the video. Another video in the series, which focused on Federal Reserve independence, drew critical acclaim from the media. Both videos continue to be viewed regularly on YouTube.

The Drawing Board series and media campaign conveyed the Bank's key messages clearly and accurately using common-sense language, which allowed the Fed to reach new audiences. For pioneering this new dimension of the Bank's communications strategy, Morgano was presented with the 2010 Chris Moore Spirit of Innovation Award. The annual award, which honors the legacy of the Bank's late first vice president, recognizes a commitment to innovation through the implementation of creative ideas that contribute to the Bank's strategic goals.



Find the Drawing Board series at [www.clevelandfed.org/drawingboard](http://www.clevelandfed.org/drawingboard).

## Response to Financial Regulatory Reform

With the passage of the Dodd–Frank Wall Street Reform and Consumer Protection Act in July 2010, several Federal Reserve System banking supervision practices were revised to focus on strengthening processes for systemically important and large banking organizations. The Bank’s **Supervision and Regulation** function successfully incorporated these changes and enhanced its large-bank capital assessment processes. The Bank also piloted elements of its enterprise risk management framework at a large District banking organization.

The **Office of Minority and Women Inclusion (OMWI)** was established consistent with the parameters outlined in the Dodd–Frank Act. Although the legislation is new, the Bank’s commitment to diversity and inclusion is not. OMWI supports the Bank’s existing efforts to foster a more inclusive work environment, build a workforce that is representative of our

communities and is consistent with the applicable job market, and promote the Bank as an organization that values a collaborative and diverse environment.

To support OMWI’s goals, the **Contracts and Procurement** function expanded its supplier diversity program. **Human Resources** reviewed its recruiting practices to confirm that diverse slates of candidates are considered for Fourth District employment opportunities. The **Community Relations** function incorporated additional diversity and inclusion practices into its strategic plan for education and outreach efforts, expanding the concept of community and allowing the Bank to engage more diverse stakeholders.



Office of Minority and Women Inclusion

In all of their endeavors, employees continued working toward the Federal Reserve Bank of Cleveland's renewed vision of promoting financial stability and prosperity in our neighborhoods, region, and country.

