The Federal Reserve is the central bank of the United States, with responsibility for overseeing the nation’s monetary system.

**Structure**

- Board of Governors in Washington, D.C.
- 12 regional Federal Reserve Banks

**Federal Open Market Committee**

- 5 Fed presidents vote
- 7 Fed governors vote
- 12 votes cast at each of the eight FOMC meetings during the year

**Functions of the Federal Reserve**

- Monetary Policy
- Payment Services
- Supervision & Regulation

**The Dual Mandate**

- The Federal Reserve sets its policies to promote the following two conditions:
  - Maximum employment: An unemployment rate of 5 - 5.2% (as modified by the FOMC’s Summary of Economic Projections)
  - Price stability: A target inflation rate of 2%

**Lender of Last Resort**

The Federal Reserve System serves as the lender of last resort, a role where banks with good credit ratings can borrow from the Federal Reserve to meet unexpected demands and keep the nation’s economy on track.

**Audit**

- Balance sheet published weekly
- Independent audit
- Government Accountability Office (GAO) audit

**Funding**

- Receives no public funds
- Shares are sold to stockholders
- Repurchases from the open market

**Banking**

- Federal Reserve Banks
- Federal Reserve District Bank
- Federal Reserve Branches

**Independence**

- The Federal Reserve board is independent of the executive branch
- Federal Reserve plays a role in government oversight
- Works independently

**Transparency**

- Federal Reserve monetary policy decisions are transparent
- Federal Open Market Committee (FOMC) meetings are open to the public
- Federal Reserve articulates its policies through public speeches and statements
- Federal Reserve Bank of New York's Board of Directors

For more information, visit [FederalReserve.gov](http://www.federalreserve.gov) or follow @Fed gov on Twitter.