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Payment Management Leads Change to Implement Treasury's All-Electronic Initiative

By Sheryl Morrow, Assistant Commissioner, Payment Management & Chief Disbursing Officer

I have been serving as the Assistant Commissioner of Payment Management for about 18 months. During this time, I have been impressed time and time again that the Payment Management organization continues to demonstrate a great tradition of providing outstanding customer service to customer agencies and the American people. Our operating values, including production efficiency and customer service, guide the outstanding work we do every day, which includes making payments on time – every time.

(Continued on page 3)



Direct Express® Debit Card Reaches New Milestone — 2 Million Enrollments

By Andria Harrington, Office of Legislative and Public Affairs

In June, Treasury's Financial Management Service (FMS) announced that it had reached an important milestone of 2 million enrollments for its Direct Express® Card program. In May 2010, FMS reached the milestone of one million enrollments, and now the program has more than 2 million enrollees. Today, we issue more than 1.5 million monthly payments to Direct Express® card accounts, and have cumulative deposits totaling more than \$16.6 billion since the inception of the program.

Strategy Division, in Payment Management, was also recognized earlier this spring as a leader in the area of government operations and received the "Excellence in Improving the Operations of Government" award from the American Council for Technology and Industry Advisory.

The Direct Express® card is an electronic payment option for people receiving federal benefits who do not have a bank account, or those who prefer to receive their payments on a prepaid debit card.

The program, managed by FMS's Electronic Funds Transfer (EFT)

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Direct Express® Debit Card Reaches Milestone—2 Million Enrollments

By Andria Harrington, Legislative and Public Affairs

(Continued from page 1)

Direct Express works as follows. Recurring benefit payments are loaded to an account linked to the card and multiple benefit payments can be sent to the cardholder's account. Benefit recipients can use the Direct Express® card just like any other prepaid debit card--to pay bills, purchase necessities or goods, or get cash at an ATM or cash back at a point-of-sale terminal. It is possible for cardholders to use the card for free, as most fee-based services are optional services, such as paper statements mailed each month, replacement of lost cards beyond the annual one free card, transfer of funds to a personal U.S. bank account, etc.

The Direct Express card is a major part of Treasury's All-Electronic Initiative to convert all federal

benefits to electronic payments. Earlier this spring, Treasury held a "Retire the Check" ceremony in which the Treasurer of the United States, Rosie Rios, signed a ceremonial check to the American taxpayers for \$1 billion dollars; the amount that will be saved over the next 10 years by making all benefit

payments electronic. In FY10, Treasury issued more than 130 million total benefit paper checks at \$1.02 per check. Taxpayers stand to save more than \$120 million dollars a year in costs associated with printing and mailing paper checks. News of the ceremony and other outreach efforts reached millions of Americans. Treasurer Rios conducted 21 radio interviews with top local and national news stations, and additionally, Treasury spokespeople Fiscal Assistant Secretary Richard Gregg, Financial Management Service (FMS) Commissioner David Lebryk, and EFT Strategy Director Walt Henderson conducted more than 40 interviews in the week following the "Retire the Check" ceremony.

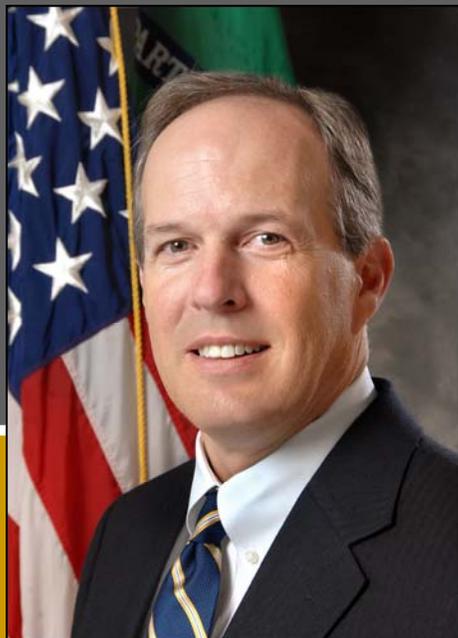
DIRECT EXPRESS



In further preparation for the March 1, 2013 deadline, when all benefits will

be made electronically, FMS is ramping up efforts to reach check recipients through media coverage and an expanded use of check stuffers in check envelopes to encourage beneficiaries to enroll for direct deposit prior to the deadline.

To learn more about Direct Express® visit their website at: www.GoDirect.org. 



FMS IN THE NEWS

Listen to FMS Commissioner David Lebryk's Interview on IBM's *Business of Government Hour* CBS Radio and Federal News Radio

In this interview Michael Keegan, of IBM's *Business of Government Hour*, talks with Commissioner Lebryk about FMS's strategic vision, key initiatives, and management challenges and successes.

<http://www.fms.treas.gov/news/media.html>



Rebroadcast with permission from the IBM *Business of Government Hour*



PM Leads Change to Implement Treasury's All Electronic Initiative

By *Sheryl R. Morrow*, Assistant Commissioner Payment Management & Chief Disbursing Officer

(Continued from page 1)

As enduring as the payment function is – a foundation of the Financial Management Service (FMS) – Payment Management employees understand the federal payment landscape is expected to change as we move into an All-Electronic environment. On December 21, 2010, FMS issued the regulations (31 CFR 208 and 31 CFR 210) which implement the All-Electronic Treasury Initiative. This was the final rule to extend the safety and convenience of electronic payments to all Americans receiving federal benefit and non-tax payments. So, anyone applying for benefits after May 1, 2011, will receive their payments electronically, while those already receiving paper checks will need to switch to an electronic payment by March 1, 2013. This is a monumental change to the payment business.

More than 80 percent of federal benefit recipients already use direct deposit, and now millions of additional retirees, veterans and other Americans will also receive their money in the safest, most reliable way – electronically. Moreover, this important effort will provide significant savings to American taxpayers who will no longer incur the annual \$120 million price tag associated with paper checks. It will mean that all federal benefits including Social Security, Supplemental Retirement Income, Veterans Affairs, Railroad Retirement Board, Office of Personnel Management benefits and other non-tax payments will be made electronically.

So, anyone applying for benefits after May 1, 2011, will receive their payments electronically, while those already receiving paper checks will need to switch to an electronic payment by March 1, 2013.



The payment trend we see internally is that our check production has significantly decreased over the past 10 years. In 2000, we produced 266 million checks, while in 2010 we only produced 189 million checks. In 2013, we expect to process less than 100 million. In addition, technology has played a significant role to our business over the past few decades, and it will continue to have major impacts well into the future. Our new consolidated Payment Automation Manager (PAM) – which you will read about in this special issue – will dramatically reduce the resources we need to process payments. About 85 percent of the manual payment processes in use today will be automated with full implementation of PAM. This effort will modernize more than 30+ legacy payment applications that FMS uses to disburse approximately one billion payments annually. Complete implementation of PAM will occur in about three years.

Other news within PM shows change is a constant. Over the past year, we have been repurposing our Austin Regional Financial Center (RFC) into a Debt Operations Center and transferring its payment and post payment processes to the remaining three RFCs in Kansas City, Philadelphia and San Francisco. This has been a huge undertaking, and we appreciate the support from our customers over the past year in assisting us with this transition. This effort will be completed by the end of Fiscal Year 2011.

These are just a few of the big changes currently impacting Payment Management. In this edition of the Financial Connection, in addition to reading more about the All-Electronic Treasury and PAM, you can also read updates about our Direct Express® Debit Card and Go Direct® campaign, our collaboration with federal program agencies on increasing medical payments electronically, how the purchase of savings bonds using tax refunds is being expanded and more. 



FPA's Collaborate on Efforts to Increase Medical Payments Electronically

By Matt Helfrich, EFT Strategy Division

In December 2010, a workgroup comprised of Federal Program Agency (FPA) representatives from the Department Of Labor (Labor), Department of Veterans Affairs (VA), Department of Health and Human Services (HHS)/Centers for Medicare and Medicaid Services (CMS), and the Financial Management Service (FMS) was organized to identify ways to increase the percentage of medical fee payments made electronically. Representatives from the Indian Health Service will join the workgroup later in the summer. Each year, Labor, VA, and CMS make millions of payments to medical providers, including sole practitioners and hospitals, to reimburse them for medical treatment and related services they provide to beneficiaries. Despite Treasury's Electronic Funds Transfer (EFT) rule that requires that all federal non-tax payments be made electronically, less than half of the federal government's medical payments are made by EFT.

The FPA workgroup agreed to collectively identify and resolve any impediments to making medical payments electronically by addressing operational, policy, and outreach-related issues. Since December 2010, the workgroup has been convening on a bi-weekly basis via conference call and has made significant progress towards its collective goal of increasing the percentage of medical payments made electronically.

Availability of Remittance Data

The workgroup's immediate focus was on identifying and

addressing operational issues, namely the availability of remittance data to medical providers for the reconciliation of EFT payments. Several FPA representatives reported that medical providers are resistant to receiving payments electronically because they need adequate remittance data to reconcile outstanding invoices with incoming federal payments. Both CMS and Labor make medical payment data, otherwise known as the



Explanation of Benefits, available electronically to medical providers. Additionally, each FPA participating in the workgroup confirmed that unless this medical payment data is available electronically, they will mail a paper remittance for each payment. Moreover, VA has committed to developing an online application where their medical providers can access remittance data electronically. The agency workgroup is currently collaborating with an important industry rules workgroup to stay abreast of the rules and standards being developed for EFT medical payments and remittance. In doing so, the FPA's will be aware of any changes they may want to make to their remittance data systems/processes to align with these standards and minimize operational

impediments to EFT.

Informing Medical Providers

After addressing operational impediments, the workgroup agreed to collaborate on the formidable challenge of informing hundreds of thousands of medical providers about the EFT requirement.

In the face of this challenge, the FPA representatives freely shared best practices and ideas with each other

in order to determine the most cost-effective way to inform the medical payment community of the Treasury EFT requirement. For example, the FPA representatives are working together to identify medical providers who receive a large volume of check payments from all three FPAs. In doing so, the workgroup will be able to collectively address these common providers about the EFT requirement and possible pilot opportunities, as opposed to dealing with them on a unilateral basis.

CMS, which has extensive experience working with the medical provider community through its Medicare and Medicaid programs, has offered to share its vast collection of contacts in the medical provider community with the workgroup. The workgroup plans to use the list to inform the medical provider community of the EFT requirement, through various communication mediums, including email pushes, social media outlets and newsletter editions.

These messages and articles will inform medical providers of the requirement to switch from check to electronic deposit of their fee payments, how to make this required change to EFT, and encourage providers to use available electronic remittance systems as a cost-effective alternative to paper statements.

(Continued on page 5)



(Continued from page 4)

Collaborative Efforts

The success of the medical provider workgroup is due to the collaborative teamwork of its FPA representatives. The workgroup looks forward to continued coordination and cooperation over the next several months as it pursues its collective goal to make their medical fee payments electronically and replace paper remittance statements with more cost-effective, electronic solutions. The FPAs will also continue to collaborate with an important industry workgroup on medical payments named the Council for Affordable Quality Healthcare; Committee on Operating Rules for Information Exchange (CAQH CORE). CAQH CORE has been designated by HHS to prescribe rules and standards on the use of EFT for medical payments and the delivery of medical remittance data. The FPA workgroup has fostered an effective working relationship with the CAQH CORE leadership, thereby allowing FPA participants to provide input into the rules and standards being developed and to prepare themselves for any rule changes that may impact them, such as the proposed standard that all remittance information be delivered to the medical provider within 3 days of the EFT payment. FPA compliance with the rules and standards being developed by the CAQH CORE will undoubtedly minimize many of the operational impediments the FPAs experienced with EFT payments to medical providers in the past.

For more information, contact Matt Helfrich at 215-516-8022. 



FMS Partners with VA to Broaden EFT Outreach

By Adam Martin, EFT Strategy Division

In December 2010, the Financial Management Service (FMS) issued its final rule, 31 CFR Part 208 (208), requiring electronic funds transfer (EFT) for all new beneficiaries applying for federal benefits beginning on May 1, 2011. The final rule also requires existing federal benefit check recipients to convert to EFT by March 1, 2013. Central to FMS's ability to inform the public of this new regulation and to provide EFT options to all federal benefit recipients are the Go Direct[®] campaign and the Direct Express[®] Debit MasterCard[®] card program. With this solid foundation, FMS has been able to accomplish some amazing milestones over the past year, including:

- The 6 millionth Go Direct[®] enrollment and the 2 millionth Direct Express[®] enrollment,
- A 7 state Direct Express[®], direct mail initiative targeted at Department of Veterans Affairs (VA) check recipients which yielded positive results on the use of a prepaid debit card for Veterans Compensation and Pension payments, and
- The implementation of a single toll-free phone number solution at the Federal Reserve Bank of Dallas' Treasury Electronic Payment Solution Center (TEPSC), which accommodates enrollments to both traditional direct deposit and to the Direct Express[®] card.

Issuing 208 made it easier for Treasury to move forward with its efforts to convert check payments to direct deposit, and to increase the number of new federal payments made electronically. VA has supported these efforts since 2008, when their Compensation and Pension paper check file was 700,000 per month. Amazing progress with the VA is evidenced by the most recent FMS Payments report (July 2011), where the VA Compensation and Pension file reflects 106,000 less checks with an approximately 594,000 check file.

VA broadened outreach plans in December 2008 with the printing of Go Direct[®] messages on the back of

Compensation and Pension check envelopes. Throughout 2009, check inserts were also included in VA Compensation and Pension check envelopes. In addition, the VA Regional Offices received tool kits with more information and educational materials. The VA offices were encouraged to use these materials to make their staffs aware of the Go Direct[®] campaign and to spread the word to their local Veterans Service Organizations (VSO). VA was also encouraged to:

- Discuss the Go Direct[®] campaign in staff meetings and with local VSOs or county veterans' service offices, encouraging them to promote direct deposit
- Distribute Go Direct[®] materials to VA Compensation and Pension benefit check recipients
- Include Go Direct[®] articles in internal and external newsletters or online
- Include information about the campaign in workshops, trainings, and other public speaking engagements
- Display Go Direct[®] materials such as posters and fliers in VA facilities, and make them available at veterans' events

VA continues to work with FMS to identify new opportunities to increase the use of EFT by veterans receiving federal benefit payments. Delving further into its goal of increasing VA direct deposit payments, FMS strives to replace cash and check payments for medical travel reimbursements at hospital and community locations. There have also been discussions with the Veterans Health Administration's (VHA) Memphis, TN, hospital and community-based clinic locations about doing an instant issue debit card pilot for veterans who travel to VHA hospitals and are eligible for a gas/travel reimbursement payment. Currently, late summer/early fall 2011 is being targeted for a pilot start date. For more information on the Go Direct[®] Campaign, visit www.GoDirect.org. 



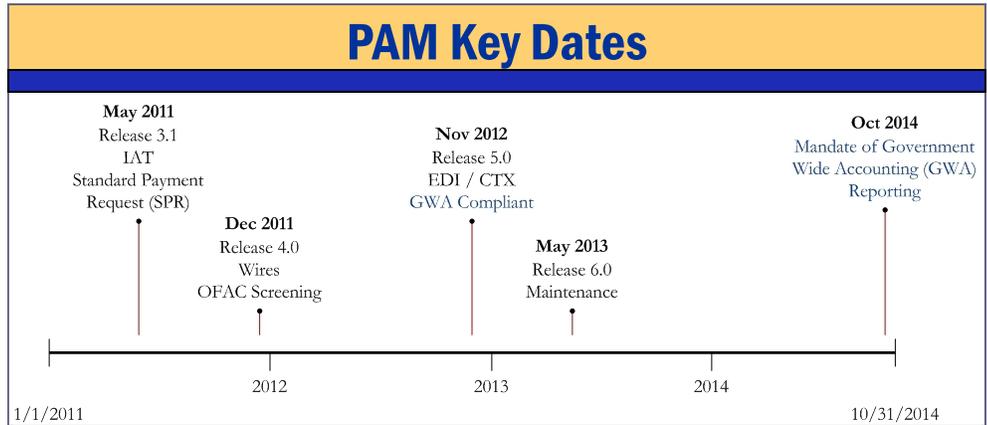
With 100% FPA Conversion, PAM Focuses Ahead to Release 4.0

By Gary M. Beets, Kansas City Regional Financial Center

Give pause for a moment and just think about the size of a project that would be responsible for updating and consolidating more than 30 different applications used to issue one billion payments per year by check, ACH, and wire. Mix into that new accounting requirements, new formats to carry those accounting requirements, and numerous interfacing applications—both internal and external to FMS. Now sprinkle in a large variety of federal agencies with an equally varied set of requirements that need to be converted to the new formats. What do you have? The ingredients for a major opportunity to improve the government's ability to issue payments along with enhanced accounting and reporting capabilities. This is exactly what the Payment Application and Modernization (PAM) Project is all about!

For the PAM Project, 2010 and 2011 have been eventful and the proof is in the significant accomplishments and milestones the Project Team successfully delivered. For example, the deployment of Release 3.0 into production in November 2010 is but one of many achievements over the life of the Project. Release 3.0 put into place the majority of the functionality needed to make conventional ACH and check types of payments such as salary, travel, vendor, and miscellaneous. The regional financial centers have been busy working with approximately 200 Federal Program Agency (FPA) customers to transition them to the new PAM payment process and as of mid-June 2011, 100% of FPAs have been converted to PAM.

Future releases of the software will accommodate additional functionality and other payment types such as wire transfers and CTX (Corporate Trade Exchange) payments. Both of these payment types are scheduled to be included



in the new PAM application by November 2012. This will also roughly correlate to the point in time by which agencies can begin using the payment application to report new accounting requirements to Government-wide Accounting (GWA). This also sets the stage for FPAs to comply with using the PAM standard format to report the new accounting requirements. The sunset date for FPAs to comply with this requirement is October 2014, as outlined in Commissioner Lebrzyk's letter (dated January 11, 2011) to FPA Chief and Deputy Chief Financial Officers.

With each new release and agency conversion to the PAM payment process, FMS becomes more efficient. This is already evidenced by the FPA conversions to date requiring less manual intervention to process and handle. It is estimated that as much as 85 percent of manual handling associated with the legacy payment process can be eliminated under PAM. An improved payment process means that FMS is not just meeting taxpayer expectations for efficiency--but exceeding them! 



Mark Your Calendar!
FMS Payment Modernization
Technical Sessions for 2011
Sept 13-14 • Oct 11-12
Washington, D.C.

Who Should Participate:

- Individuals who have direct knowledge of the current format used to send payment information to FMS
- Individuals responsible for making programming changes to your payment files
- Subject matter experts who understand the payment process

Why You Should Participate:

FMS is conducting one day sessions on information that FPAs must use to submit payment requests to FMS in the future. It will include detailed walkthroughs of GWA TAS/BETC requirements, SPS 440 format and PAM Standard Payment Request (SPR).

For more information or to register visit www.fms.treas.gov/kfc/register_forum2011.html.



The Go Direct® Campaign Reaches Out to ETASM Providers

By Shirley Hopkins, EFT Strategy Division

The Financial Management Service (FMS) originally issued 31 CFR Part 208 (Part 208) in September 1998 to implement the Electronic Funds Transfer (EFT) requirements of the Debt Collection Improvement Act of 1996 (DCIA). Part 208 stated that “any individual who receives a federal benefit, wage, salary, or retirement payment is eligible to open an Electronic Transfer Account (ETASM) at a financial institution that offers such accounts.” The ETA ensures that individuals who are required to receive federal benefit payments electronically have access to an account at a reasonable cost and with the same consumer protections available to other account holders at the same financial institution. Today, nearly 400 ETA Providers or financial institutions nationwide provide this service to more than 13,300 account holders.

Part 208 was amended in December 2010, to require that federal benefit payments be delivered by EFT or direct deposit. People newly enrolling for federal benefits must receive their payments



electronically, and people currently receiving federal benefits by paper check must choose an electronic payment option by March 1, 2013. Recognizing the importance of the ETA Program, FMS is working with ETA Providers throughout the country to spread the word about this new rule and the change to how

federal benefit payments are being delivered.

The *Go Direct*[®] public education campaign that provides Americans with the tools they need to transition to electronic payment options recently began reaching out to ETA Providers to update the online ETA database. The database can be found at www.eta-find.gov. Providers are asked to review their profile and confirm its accuracy. To date, more than 100 letters have been mailed in connection with this effort.

Maintaining accurate profiles ensures that federal beneficiaries looking to open an ETA can find a Provider in their area. As a trusted source of financial information, ETA Providers can join the campaign and help inform federal benefit recipients about their electronic payment options under the new rule and encourage them to switch promptly. 

From the Philadelphia Regional Financial Center

FMS Revises 150.1 Form Making ACH Non-Receipts Easy

Each year more than 140,000 tax refund recipients file claims with the Internal Revenue Service (IRS) alleging they did not receive their Automated Clearing House (ACH) payment, otherwise known as Electronic Funds Transfer (EFTs). The FMS Form 150.1 is used to confirm the receipt of ACH payments. Upon receipt of this form, a financial institution (FI) is obligated to provide the Financial Management Service (FMS) with a status of the payment. Often times, an FI's response to the FMS 150.1 form requires follow-up due to the need for additional information. In an effort to minimize the necessary follow-up work between FMS and the FIs, the Philadelphia Financial Center (PFC) recently made updates to the form. The updated FMS 150.1 form now offers FIs better options when sending a response to FMS.

- If the payment was misdirected (the name on the account does not match the intended payee's), the FI can indicate whether there are any funds available to return.
- The FI can specify if the funds were returned through ACH, and when the payment was returned.
- If the payment could not be sent back through ACH, the FI can indicate whether or not the funds were returned by an official bank check.

The revised FMS 150.1 also incorporates language from the recently amended Right to Financial Privacy Act of 1978 (*12 USC 3413 (k) - Disclosure Necessary for Proper Administration of Programs of Certain Government Authorities*), which allows FIs, at their discretion,

to include account-owner information for issuing Federal Program Agency (FPA) use only. This additional information allows the FPA an improved opportunity for collecting misdirected payments from unintended recipients.

The revised FMS 150.1 provides a more convenient mechanism for FIs responding to FMS, as well as reducing the additional follow-up steps FMS must take to resolve a claim, thus improving the speed at which FMS can provide the results of an investigation to the issuing FPA.

For more information on ACH Non-Receipts, please visit: <http://www.fms.treas.gov/greenbook/pdf/NonreceiptRevNov2009.pdf>. For specific questions, please contact the Philadelphia Financial Center's Help Desk at 215-516-8154 or philly@fms.treas.gov. 



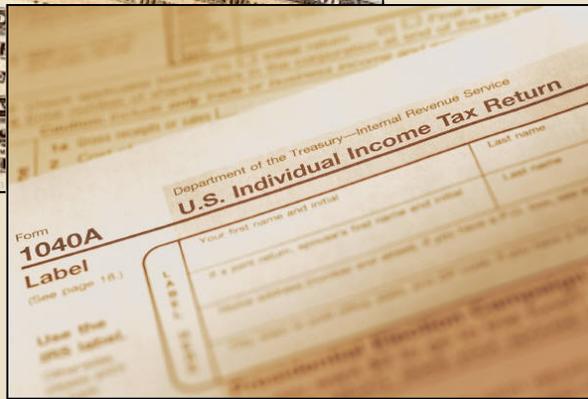
From the San Francisco Regional Financial Center

Treasury Expands the Purchase of Savings Bonds Using Tax Refunds

Three U.S. Treasury bureaus, the Financial Management Service (FMS) (San Francisco Financial Center), the Bureau of the Public Debt (BPD), and the Internal Revenue Service (IRS), joined with the Federal Reserve Bank (FRB) in an effort to expand the ability of taxpayers to use their tax refunds to purchase Savings Bonds for themselves or on behalf of others. The process, which was initiated in 2010, was expanded this year to allow taxpayers to customize their Savings Bonds registrations.

Expanded Opportunity for the Unbanked: To expand this Savings Bonds option to include those who may not have access to a bank account, taxpayers are given the

to make substantial changes to file formats and software programs under tight deadlines. The new file formats were tested for the 2011 changes and regression tested to assure that past functionality was unaffected. Extensive interagency interfaces were also thoroughly tested through the IRS tax refund processing, FMS payments, claims and offset systems, BPD and FRB savings bonds issue systems, which resulted in a smooth implementation.



Increased Purchases: This effort has resulted in an increase in the use of tax refunds for the purchase of savings bonds. As of April 1, 2011, the Savings Bonds Phase II implementation had already surpassed the

New features in 2011:

- Using Form 8888 on their tax return, taxpayers can split the refund and designate all or a portion of it to other accounts and/or purchase up to three Savings Bonds in someone else's name.
- Taxpayers can also designate a co-owner or beneficiary.

option to request any residual refund amount as a paper check.

Timely System changes: To make these expanded options possible the three agencies and the FRB needed

2010 Savings Bonds purchases. The results, to date, are as follows below. 

SAVINGS BONDS INFO:	2011 YTD (as of July 31, 2011)	2010 YTD
# of Self and Gift Registrations	44,934	22,229
# of Self and Gift Bonds	133,959	97,523
Total Dollar Amount	\$10,842,700.00	\$10,943,850.00

Receiving the latest news from FMS?



FMS issues bi-monthly news to Federal Program Agencies, financial institutions, ACH associations, advocacy groups and others. If you are interested in federal payment and collections, government-wide accounting, reporting, assets, cash and debt management— it's simply the best way for you to receive updates on all of FMS's products and services.

Subscribe online today for your free copy at www.fms.treas.gov/scripts/subscription.



EFTPS Sets New Tax Payments Record on June 15, 2011

By Melanie Rigney, Revenue Collection Group

The Electronic Federal Tax Payment System (EFTPS) is experiencing significant growth in fiscal year 2011, due in large part to the end of a paper-based system for paying business taxes.

EFTPS, part of the nation's critical infrastructure, is owned by the Financial Management Service (FMS) and operated on behalf of the Internal Revenue Service (IRS). Any federal tax can be paid using EFTPS.gov or a voice response system. In addition, there are special channels for payroll services, financial institutions, tax professionals, and other third parties who make payments on behalf of others.

On June 15, 2011, EFTPS settled a one-day record of 2,241,594 payments, surpassing the previous record of 2,235,306 set on April 15, 2009. The dollar value of the payments (which was not an EFTPS record) was \$44,013,386,116.82. The previous day, June 14, 2011, set a one-day record for payments scheduled, 1,365,846, breaking the previous record of 1,304,544 set on April 14, 2009. The dollar value of the payments was \$28,399,157,887.24.

June 14 also was the second-busiest day for payments scheduled through the EFTPS Web channel at 364,887, second only to March 14, 2011's 372,985 payments scheduled. On July 14, 2011, 360,728 Web payments were scheduled, the third-busiest day in EFTPS history. All top-five dates for Web payments have come in calendar year 2011.

The four busiest days for payments scheduled through the EFTPS phone channel also have occurred this calendar year: Feb. 14, 131,400 payments; March 14, 130,407; July 14, 128,714; and June 14, 127,098.

For fiscal year 2011 through July 8, EFTPS processed 99,753,193 payments, an 18.32 percent increase compared with the same period in FY2010. The payments had a dollar value of more than \$1.6 trillion, a 3.26 percent increase.

About 12.4 million taxpayers are enrolled in EFTPS (an increase of more than 25 percent from a year earlier.)

"Taxpayers are embracing the security, flexibility, and convenience of EFTPS," said Russell Kuehn, FMS EFTPS program manager. "EFTPS provides online access to sixteen months of payment history, and once you've enrolled, you can schedule a payment from anywhere there's a phone or Internet

connection."

Kuehn credited the gains to Treasury's all-electronic initiative, which included an end to Federal Tax Deposit (FTD) coupons as of December 31, 2010. Until that time, many businesses had the option of using EFTPS or taking coupons to a financial institution or mailing them to the IRS. IRS research had found that coupon users were 31 times more likely to make an error resulting in interest and/or penalties than those who pay electronically. The initiative resulted in cost-avoidance savings to the federal government of \$65 million over five years.

DATE	PAYMENTS	TOTAL
6/15/2011	2,241,594	44,013,386,116.82
4/15/2009	2,235,306	32,517,080,556.96
1/31/2011	2,180,785	13,114,857,137.90
1/31/2007	2,126,163	9,147,324,126.02
4/15/2011	1,971,919	27,161,219,906.43

"EFTPS in the fall of 2010 pre-enrolled 1.4 million coupon users to make the transition easier for them," Kuehn said. "It's a testimony to the interest in electronic payment that we've had another 1.4

million taxpayers begin using EFTPS in the past year or so."

Here is how EFTPS works: After a taxpayer enrolls at EFTPS.gov or via a paper form, and receives a personal identification number in the U.S. mail, he or she can begin scheduling payments via the voice response system.

To use the Web site, the taxpayer establishes a third credential—an Internet password—real time. Payments can be scheduled up to 120 days in advance of the due date for businesses, 365 days for individuals. Payments must be scheduled by 8 p.m. ET the day before the due date to reach the IRS timely.



"EFTPS has been around since 1996 and has processed more than 1 billion payments," Kuehn said. "But this is a new era for us. We're excited about working with the IRS on ways to make the system even easier for taxpayers." 



FMS Recognizes EPA for Achieving Goal of 100% Electronic Collections

By David W. Burgess, Agency Relationship Management Division

Federal Finance (FF) at FMS has been tasked with developing a complete understanding of Federal Program Agencies' (FPA) entire collections portfolios and recommending an integrated set of mechanisms to meet the FPAs' collection needs. This initiative, called the "Holistic Approach," is improving cash management practices government-wide and moving us ever closer to the goal of an all-electronic Treasury. FMS's comprehensive effort in this area is the Collections and Cash Management Modernization (CCMM) initiative. As FF moves to realize the CCMM end state by December 2012, we are working hard to ensure that all customers are well informed of and well prepared to meet the changes CCMM brings.

While all FPAs are working toward implementing CCMM and realizing its benefits, the Environmental Protection Agency (EPA) has truly "gone the extra mile" to streamline and modernize their financial transactions in line with the Holistic Approach and CCMM.

FF has been working closely with FPAs to develop a complete understanding of the FPAs' entire collection portfolio and is recommending an integrated set of mechanisms to meet an FPA's collection needs. Additionally, FMS has established relationships in the Chief Financial Officer's (CFO's) offices to develop and administer the agency-wide holistic approach (rather than working with an FPA on an individual program or ad hoc basis). Throughout the process, all FF program areas and FPA representatives work as one to achieve the goals of all parties involved.

CCMM is a multi-year effort to simplify and modernize FMS's collections and cash management

programs. It involves re-architecting processes that have built up over decades and it impacts over two dozen systems and services that process

coin sales, etc.), conduct more than 400 million transactions a year, and collect nearly \$3 trillion a year. Ultimately, CCMM will make federal cash management more efficient, minimize costs, and improve FMS's ability to meet the needs of FPAs in the years to come.

Central to the CCMM initiative is the consolidation of transaction and deposit reporting that FPAs currently receive from a myriad of programs and Treasury's cash concentration system, CASHLINK II. A new system, the Transaction Reporting System (TRS), will be the single touch point for FPA reporting needs. Under CCMM, TRS will provide agencies with a daily consolidated report of all collections, rather than requiring agencies to receive separate reports from multiple systems and banks.

CASHLINK II has been scheduled for decommissioning by the end of 2012. While this means that FPAs will be required to utilize

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Craig Sadick, Acting Director, Agency Relationship Management Division, commends EPA for reaching Treasury's goal of 100% electronic collections. (FMS Photo/Teri Hoehn)

collections for hundreds of FPA cash flows (taxes, customs duties,



(From the left) Rafael Stein, (EPA) Director of Financial Policy; David Burgess, (FMS) ARM; Corvelli A. McDaniel, (FMS) Director of the Revenue Collection Group; Renee Brooks, (EPA) Finance Staff; Craig Sadick, (FMS) Acting Director of ARM; Barbara Bennett, (EPA) Chief Financial Officer; Melvin Visnick (EPA) Deputy Director of Financial Policy. (EPA Photo/Morris Melvin)



CCMM 2011: On Track for All Fall Milestones

By Shalene Gupta, Modernization Planning Office

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TRS for their collections reporting, it also means that CA\$HLINK II deposit reporting capabilities will also be shut down. As a result, all FPAs with over-the-counter (OTC) deposits to commercial banks and Federal Reserve Banks must report them electronically through FMS's OTC Channel Application (OTCnet). To prepare for the transition away from CA\$HLINK II, FPAs must begin migrating all OTC deposits to OTCnet at the earliest opportunity.

The Environmental Protection Agency (EPA) was approached in February 2011 by FMS to discuss the implementation of the Holistic Approach and CCMM. EPA has historically been a close partner with FMS in the implementation of new systems and services designed to streamline and modernize financial transactions. EPA has now reached the pinnacle of financial management efficiency and excellence. They have fully embraced the holistic approach, the benefits of CCMM, and the conversion of "paper to electronic." With the commitment to implement OTCnet for checks accepted at local EPA offices now realized, and their usage of other FMS electronic mechanisms (e.g., Credit Gateway, ECP, ITS.gov) already implemented, EPA has guaranteed the collection of 100% of its applicable collections electronically; the first FPA to reach this goal.

On Thursday, June 16, 2011, Corvelli McDaniel, Director of the Revenue Collection Group within FMS, and Craig Sadick, Acting Director of the Agency Relationship Management Division, presented a plaque to Barbara Bennett, Chief Financial Officer of EPA, in recognition of this distinction. This accomplishment speaks to the commitment of EPA to ensure the federal government operates as efficiently and effectively as possible. There is no doubt that other FPAs will realize the same goal and ensure the federal government continues to modernize the way our nation collects its revenue. 

As the name implies, the Collections and Cash Management Modernization (CCMM) initiative is a multi-year effort designed to modernize and simplify the Financial Management Service's collection and cash management programs. Before CCMM began, many programs handled the receipt of collections transactions, the settlement of transactions, and reporting of transactions to Federal Program Agencies (FPAs) and Treasury systems.

Several of these programs had redundant functionality. However, under CCMM fewer programs will provide this same functionality. Each program will serve one purpose. Money will enter the government's systems through collection channels, gateway applications will handle settlement, and reporting will occur through Transaction Reporting System (TRS). The following is a summary of CCMM updates since the beginning of the year and upcoming information.

Updates

As of December 30, 2010, Federal Tax Deposit coupons are no longer processed by depositaries across the country. This marks the end of the Paper Tax System (PATAX) application and will lead to lower tax processing costs.

On February 5, 2011, the Over-the-Counter Channel Application (OTCnet) went into production. On March 22, the Over-the-Counter division transitioned FPAs off the Treasury General Account Deposit reporting Network (TGAnet) onto OTCnet, effectively shutting down TGAnet. Through the end of 2012, OTCnet will replace the Paper Check Conversion Over-the-Counter (PCC OTC) program as

well. An important step in this direction occurred in June, when OTCnet implemented offline check processing. FPAs that receive cash and check deposits from the public are encouraged to begin using OTCnet as soon as possible.

The Debit Gateway's release 1.3 went into production on April 11. This release contains function-

ality needed to process Electronic Check Processing (ECP) transac-

tions from the Internal Revenue Service (IRS) lockboxes. Over the coming months all of the IRS lockbox institutions will convert to using the Debit Gateway in conjunction with ECP.

Upcoming

In the fall, the Debit Gateway will implement the capability to handle more Check 21 agencies directly. Furthermore, it will also add the ability to handle corrections, adjustments and reversals. By March 2012, the Debit Gateway will be performing settlements for Pay.gov and ECP transactions with corrections/adjustments and reversals.

Also this fall, additional CA\$HLINK II reports will be available in TRS. Furthermore in early 2012, TRS will receive information on imaged check deposits from OTCnet and information on Financial Agent-settled items as well as summary tax information from ECP. By the end of the year, it is expected that all FPAs using CA\$HLINK II will be enrolled in TRS.

For more information about CCMM, please visit us online at www.fms.treas.gov/ccmm. 





FMS Prepares FPAs for CA\$HLINK II Shutdown in December 2012

By TRS Agency Outreach Team



Michelle Willoughby, TRS's New Project Manager

Is Your FPA Going to be Ready for CA\$HLINK II to be Shutdown? Are You a TRS User?

FMS's Collections and Cash Management Modernization (CCMM) initiative is streamlining the way Federal Program Agencies (FPAs) process collections. New FMS systems will take over the functions of CA\$HLINK II and FPAs are expected to transition to these new end-state systems before December 2012.

One of the biggest changes for FPAs relates to the Transaction Reporting System (TRS). TRS, which is replacing the deposit reporting functions of CA\$HLINK II, will contain detailed and summarized records of all revenue collections transactions processed by FMS systems. FPAs that currently receive deposit reporting information from CA\$HLINK II will instead receive that information from TRS. **Everyone who works at an FPA and uses CA\$HLINK II must enroll in TRS no later than September 30, 2012.**

Below is key information FMS is providing to help your FPA meet the deadline.

Will TRS have all of my collections data?

TRS is currently reporting collections data from nearly all collections sources, including Card Acquiring Service, Credit Gateway, Electronic Federal Tax Payment System (EFTPS), Pay.gov, Electronic Check Processing (ECP) and Over the Counter Channel Application (OTCnet) collections that result from Treasury General Account Depository (TGA) deposit reporting functions. The remaining collections sources will begin reporting to TRS in 2012 and include paper check capture collections from OTCnet, Stored Value Card (SVC) collections, and miscellaneous cash.

If we are already enrolled in TRS, are we done?

At this point more than 70 percent of all FPAs have enrolled their users in TRS and those remaining will get access by September 30, 2012. Gaining access to TRS is only the first step in the process of transitioning from CA\$HLINK II to TRS. It is not

sufficient to simply encourage enrolled users to utilize TRS. In fact, many FPA users enrolled in TRS have had their TRS access temporarily revoked because they have not used TRS enough to keep it active. It is important that FPA managers require users to login to TRS, take the Web-Based Training,

used for data elements. It is important that FPAs take advantage of the time before CA\$HLINK II is turned off to become familiar with TRS functionality and confirm that TRS has the data and functionality needed to perform daily job functions without using CA\$HLINK II.



Users who are enrolled in both CA\$HLINK II and TRS can review their collections in both systems and compare the similarities and differences in how their collection information is presented. They can then determine how their own individual daily work processes will need to change once CA\$HLINK II is no longer available.

Develop your action plans to stop using CA\$HLINK II

FPAs must develop and execute their own agency action plans to manage the transition of their staff from CA\$HLINK II to TRS and to ensure a smooth transition.

In developing their action plans, each FPA user should think about

and become familiar with how to find the collections information they need.

While TRS provides reports that are comparable to those available in CA\$HLINK II, there are differences in the way the data is presented and in some of the labels

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their typical work day with CASHLINK II –

Which reports are run in CASHLINK II, by whom, and how often?

- Determine which reports in TRS contain the data currently needed. TRS may display the data in a different order or with different labels.
- Work with your staff to confirm that everyone that uses the CASHLINK II reports understands how to use the reports from TRS.
- Determine the reports or automated data downloads that your agency may need to modify or develop.
- Review current policies and processes and determine what might need to change, including any internal training and documentation developed for your staff.
- Determine what budget modifications, if any, are required; this is especially important if you will require modifications to your

financial systems or to internal ad hoc tools, such as Microsoft Access databases or Excel spreadsheets.

- Work with your staff to integrate TRS into your regular financial management processes. As soon as possible, begin using TRS as your primary system for deposit reporting and use CASHLINK II only for the exceptions or for information that TRS does not yet provide.

To help in the transition to using TRS reports, in the Reports section of TRS, under the Agency Reports folder, there is a document called “CASHLINK II to TRS Report Crosswalk Document”, which lists the most common reports from CASHLINK II. For key fields on each report, it provides a field-by-field mapping to show you where in TRS reports you can find the data you use today from CASHLINK II. It will also provide you information on which data elements are no longer used, fields that are

renamed in TRS, and new data elements available to you in TRS that are not available in CASHLINK II.

FPAs are expected to be preparing now for CASHLINK II to be turned off. We recommend FPAs begin using TRS now for as many collections functions as they can. By October 2012, we would expect you to be able to use TRS exclusively for your deposit reporting functions. These preparations will help you get ready for December 31, 2012, when CASHLINK II will be turned off.

Be ready when CASHLINK II is turned off on December 31, 2012

We urge you to begin actively using TRS and give us feedback on your experiences. You can reach the TRS Agency Outreach Team at TRSAgencyOutreach@pnc.com or 301-699-6814. 



Where can I find more information about TRS?

A primary source of information for FPAs is the TRS website: <http://fms.treas.gov/trs>. Here you will find information about upcoming events and webinars, answers to common questions that FPAs are asking about the transition to TRS, and information about important TRS milestones and accomplishments.

In October 2011, TRS will be upgraded to include additional reporting features and functionality. With this release, TRS will have comparable reports to those available in CASHLINK II. The reports will also provide detail data that does not exist in CASHLINK II. Updates will be made to the existing reports (Voucher, Financial Transaction, Fedwire, Plastic Card, and ACH) and new reports will be available that are tailored for downloading data.

There will be pre-implementation learning sessions in October 2011 to inform agencies of upcoming changes with this release and demonstrations of the new and enhanced reporting features. Closer to the time of implementation, enrolled users of TRS will receive an email with the dates and instructions on how to register.

Throughout the rest of this year and next year, you should expect to see more information from FMS about plans for shutting down CASHLINK II, as well as how best to implement TRS into your operations.



Treasury News Release

Treasury Mandates Electronic Invoicing to Cut Taxpayer Cost, Improve Efficiency

WASHINGTON—In support of President Obama’s “Campaign to Cut Waste” across the federal government, the U.S. Department of the Treasury announced that it is mandating that all Treasury Bureaus implement the Internet Payment Platform (IPP), an electronic invoice processing solution, by the end of fiscal year 2012. Additionally, in fiscal year 2013, Treasury will require that its commercial vendors submit their invoices using IPP. This initiative will both improve government efficiency and cut costs for taxpayers. Moreover, vendors who use IPP will collect quicker payments for their services, receive greater assurances that their invoices are received and processed accurately, and have immediate online access to their invoice status for all agencies using IPP.

Treasury estimates that adopting IPP across the federal government would reduce the cost of entering invoices and responding to invoice inquiries by as much as 50 percent or \$450 million



annually. These government-wide savings equal roughly one quarter of the \$2.1 billion of the efficiency savings that the President’s 2012 Budget called upon agencies to identify.

“Electronic invoicing will mean lower costs for taxpayers and faster payments for private sector companies doing business with the federal government,” said Deputy Secretary of the Treasury Neal Wolin. “Treasury is continuing to move forward to identify innovative ways to use technology to cut waste and improve efficiency.”

“The U.S. Treasury’s announcement today is another positive step as we work toward improved government efficiency and transparency, and overall better governance,” said Sen. Tom Carper, Chairman of the Subcommittee on Federal Financial Management. “As we work to rein in our massive federal debt and deficit we have to look in every nook and cranny of the federal government to find ways to save taxpayer money while still delivering the services that Americans need and expect from the government. The Internet Payment Platform is a common-sense solution that utilizes technology to process, track and save money in the federal budget, benefiting the American taxpayer’s wallet and the federal government’s bottom line. I am encouraged that

agencies are making the smart administrative and financial management decisions that put us on a path toward a culture of thrift within the federal government. While there is no silver bullet to solve all of our nation’s fiscal woes, this action is just one of many silver darts that we can use to better manage scarce taxpayer dollars.”

IPP will reduce Treasury’s invoice processing costs by 50 percent, saving approximately \$7 million annually. The Treasury bureaus adopting IPP include the Alcohol and Tobacco Tax and Trade Bureau, Bureau of Engraving and Printing, Bureau of Public Debt, Financial Crimes Enforcement Network, Financial Management Service, Inspector General, Treasury Inspector General for Tax Administration, Internal Revenue Service, Office of the Comptroller of the Currency, Office of Thrift Supervision, U.S. Mint, and Departmental Offices.

“Electronic invoicing will mean lower costs for taxpayers and faster payments for private sector companies doing business with the federal government. Treasury is continuing to move forward to identify innovative ways to use technology to cut waste and improve efficiency.”
Deputy Secretary of the Treasury, Neal Wolin

Treasury’s announcement to adopt IPP comes just over a year after Treasury and the Office of Management and Budget (OMB) created the Office of Financial Innovation and Transformation (FIT) within Treasury’s Fiscal Service. FIT’s mission is to serve as a catalyst in deploying solutions to improve data quality and operational efficiency. Deploying a shared solution for the paperless capture of vendor data is one of FIT’s first priorities. Based upon work performed by FIT, Treasury will soon publish invoice processing data standards to submit data electronically to IPP. Treasury and the Department of Defense (DoD) are working together to identify a single-entry point for all vendors to go paperless and follow one set of government standards for invoice submission

instead of unique requirements for each agency. DoD’s agency specific solution, Wide-Area Workflow, is used by more than 92,000 vendors to submit more than 7 million invoices a year and is saving taxpayers more than \$250 million annually. Moving to a single entry point will allow the government to leverage DoD’s experience and accelerate vendor adoption at civilian agencies.

IPP is a web-based capability supported by the Treasury Financial Management Service, a Treasury bureau. The solution is available to all agencies and their vendors. In addition to the Treasury Department, current IPP customers include the Department of the Interior, several Treasury Bureaus, the Social Security Administration, and the Forest Service. The Department of Justice, the Executive Office of the President, and the Department of Commerce are currently evaluating the IPP program.

IPP adoption supports one of the Treasury Department’s High Priority Performance Goals to promote paperless transactions wherever possible. This goal is supported by a number of initiatives, including the conversion of check payments for federal benefits to electronic payments, electronic tax forms, and automating the process to purchase securities. These efforts, combined with a government-wide IPP implementation, could save almost \$800 million over five years. 



FMS and BPD Leverage Resources to Cut IT Costs and Increase Efficiencies

By Fiscal IT Staff

In 2009, the two bureaus comprising the Fiscal Service, the Financial Management Service (FMS) and the Bureau of the Public Debt (BPD), began to assess where improvements in the effectiveness and efficiency of their information technology (IT) infrastructures could be made. A primary goal of this effort was to determine if Fiscal Service could increase the effectiveness of the bureaus' combined IT assets, while reducing costs. Preliminary results of the review revealed significant similarities between the two bureaus' IT support services and architecture, as well as a fair share of distinct differences. This work resulted in the creation of the Fiscal IT project, whose goal is to leverage each bureau's experience, capabilities, and resources.

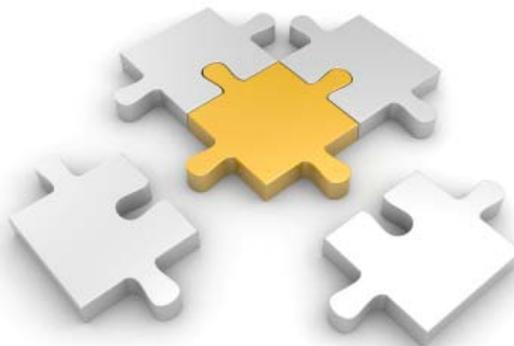
The Fiscal IT project team initially conducted an analytical review of each bureau's IT-related human resources, processes, infrastructures and related costs. In the end, the team made four main recommendations that were accepted by senior management: consolidate data centers; create a single corporate governing body to manage the IT infrastructure; in-source select contract functions; and consolidate application development methodologies and infrastructure.

A number of benefits are anticipated. Subsequent analysis revealed the potential for considerable savings. The combined cumulative savings from both bureaus is estimated at more than \$125 million over five years (FY 2012 – FY 2016). In addition to the cost savings, the project anticipates growth from Fiscal IT in the way of additional IT work, so the project will better position the Fiscal Service for the increase. Also, some work now performed by contractors will be repositioned to government employees, and provide additional work opportunities for them.

Currently FMS and BPD operate five data centers between the two bureaus – three at FMS and two at BPD. By the end of calendar year 2011, the five data centers will be consolidated into two –

one in Parkersburg, WV and the other in Kansas City, MO. These sites were selected because they are more mature, provide greater capability, and offer operational safeguards in terms of contingency planning. The end result will be two Fiscal Service Centers as one shared resource.

To manage the impacts of the transition for FMS's external customers to the Fiscal Service Centers, correspondence has been sent to all federal program agencies (FPAs), state governments and financial institutions that currently do business with FMS and have



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connectivity to the Hyattsville, Kansas City, and Philadelphia Data Centers. The correspondence informs them of the need to establish connectivity to the Parkersburg, WV, Data Center as well as ensure connectivity to the Kansas City, MO, Data Center. Most FPAs, states, and financial institutions already have connectivity to Kansas City. The deadline to have the connectivity in place at the Parkersburg Data Center is September 30, 2011.

BPD will assume responsibility for the day-to-day operations of the data centers, including network and platform operations and engineering, database administration, and service desk support. To accomplish this work, FMS personnel who currently perform this type of work for FMS will become BPD employees. FMS will have responsibility for coordinating and developing Fiscal IT policies,

including such areas as IT technical architecture, capital planning and security and will have other responsibilities as well. To accomplish and support these functions, BPD employees doing this type of work will become FMS employees. The transition of these employees is expected to take place shortly before the beginning of FY 2012.

To address the recommendation to consolidate common IT services, the Fiscal IT team has created committees to examine common services used by both bureaus. The committees are currently examining the various systems that might lend themselves to consolidation or sharing. A consolidated enterprise infrastructure will provide a more efficient utilization of resources and ultimately additional cost savings in the areas of common services such as identity management, configuration management, network operations, systems hosting, and telecommunications.

Standardization will allow for cost savings from volume pricing and elimination of duplicate systems.

Overall, the Fiscal IT project team is making great progress. The various IT infrastructure environments supporting critical business functions for FMS and BPD are being relocated from the three data centers to be closed to the two Fiscal Service data centers. Both FMS and BPD are effectively communicating and working on the transition plans for the employees switching bureaus. Lastly, the sub-committees are working on recommendations for the consolidation of the identified IT common services used by each bureau. The project team continues to work with business areas and their partners to ensure success. 



Secure Payment System Readies FPAs for GWA Changes in 2012

By Chris Garrett, Payment Operations Division



One of the Financial Management Service's (FMS's) most important functions is the production and delivery of federal payments and associated information. FMS uses advanced technologies to ensure that all such disbursements are made in a secure, timely and accurate manner. To help facilitate this goal, FMS implemented the Secure Payment System (SPS). SPS provides a mechanism by which federal program agencies (FPAs) can create payment schedules in a secure fashion, and with strictly enforced separation of duties. This application also allows SPS enrolled personnel at FPA locations to certify and submit schedules to FMS over the Internet or via a dialup connection. At the end of Fiscal Year 2010, there were more than 2400 SPS users, generating more than 288,000 Schedules, which contained more than 1 million payments. Through this activity, FMS disbursed more than a trillion dollars.

It takes two different types of users (again, strictly separated roles) to create and certify schedules at the FPAs. First, a Data Entry Operator (DEO) creates or uploads a schedule and submits the schedule for certification. Then a Certifying Officer (CO) examines the

schedule for content and accuracy. Upon verification, the CO certifies the schedule, which will result in the schedule being submitted to FMS for disbursement.

FPAs can create different types of schedules based on their individual needs. The various types include:

- Regular & Manual Checks
- Electronic Fund Transfers (EFT) – Automated Clearinghouse (ACH)
- EFT/Same Day Payment Requests (SDPR)- Fedwire
- Summary Schedule Certifications

Check and EFT are schedules that contain payment detail for each individual payment that is submitted through SPS. These individual payments are entered or uploaded by the DEO and certified by the CO. These payments are called "Type A" (Check, EFT) and are processed as next day payments.

Same Day Payment Request schedules typically contain low volume, high dollar payments that are processed electronically via Fedwire to the payee's bank account within minutes after the CO certification. These individual payments are entered or uploaded by the DEO and certified by the CO. These payments are also called "Type A".

Note: FMS strongly encourages FPAs to utilize ACH for EFT payments under \$100,000 that do not have to be paid same day. For high dollar payments, which must be made same day, FPAs should use Fedwire. This is in accordance with TFM Volume I, Part 6, Chapter 8000, Section 8040.

Summary Schedule Certifications are schedules that contain only pertinent item count, dollar total, and accounting information for a payment file that was received by

FMS via a bulk transfer mechanism (typically Connect:Direct) outside of SPS. The payment file will contain all of the individual payment information as well as the schedule number, and can contain either check or EFT (ACH only; SDPR/ FedWire can be submitted only as "Type A") payments. The Summary Schedule certified by the CO will be verified and matched with the payment file prior to processing. These payments are called "Type B" or "bulk."

Each schedule type, with the exception of SDPRs, can be further identified with a sub-type, such as vendor, miscellaneous, salary, travel, benefit, etc. In addition, ACH and Summary Schedule Certifications also have a "Pre-Note"

“Currently, FPAs enter an account symbol as a single string entry. Once GWA has been implemented, the FPAs will be required to enter their TAS/BETC by specific components. To accommodate this change, the SPS graphical user interface (GUI) will change to accommodate this new format. FMS will communicate to all of the FPAs through the RFCs and the GWA organization regarding what will be needed for FPAs to be ready for GWA.”

Chris Garrett, Payment Operations Division

feature that allows FPAs to submit zero dollar transactions to verify the banking information to individual bank accounts.

SPS was designed to utilize the Public Key Infrastructure (PKI) digital signature technology as its underlying foundation for

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authentication and integrity. All user activity and schedule information is positively identified, including when and who created the schedule, and when and who certified the schedule. Deliberate or inadvertent manipulation, modification or loss of data between the time the voucher is certified and FMS validates the schedule can be detected, will result in non-issuance of those schedules.



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There are more than 200 FPA locations submitting schedules through SPS for disbursement on a daily basis. Schedules are processed through the three FMS Regional Financial Centers (RFCs) located in Kansas City, MO; Philadelphia, PA; and San Francisco, CA.

What's coming next for SPS

As with most applications and programs, SPS is not immune to changes or modifications. These are usually brought on by FMS policy changes, industry changes and customer needs. One such change coming in the fall of 2012 will be the implementation of the new Government-wide Accounting (GWA) reporting requirements. To accommodate the GWA implementation, one of the needed changes for SPS will be how the FPAs will enter their Treasury Account Symbols (TAS) and their Business Event Type Codes (BETC) into their SPS payment schedule(s) so account reporting can take place with GWA.

Currently, FPAs enter an account symbol as a single string entry. Once GWA has been implemented, the

FPAs will be required to enter their TAS/BETC by specific components. To accommodate this change, the SPS graphical user interface (GUI) will change to accommodate this new format. FMS will communicate to all of the FPAs through the RFCs and the GWA organization regarding what will be needed for FPAs to be ready for GWA.

For additional information on GWA, visit the GWA website at <http://fms.treas.gov/gwa/ref> or contact

Luz Davila Lopez (luz.davila.lopez@fms.treas.gov or 202-874-8599), or Michael Norman (Michael.norman@fms.treas.gov or 202-874-8788).

FPAs may have heard of another FMS initiative, the **Payment Application Modernization (PAM)**. PAM provides a more efficient streaming process for SPS payment processing activity. All changes to SPS to accommodate FPA conversion to PAM are already included in the current SPS functionality. For additional information regarding PAM, contact the Kansas City Financial Center 816-414-2340 or pamhelp@fms.treas.gov.

For additional SPS information, please visit www.fms.treas.gov/spc or contact your Servicing Regional Financial Center listed below: Kansas City, MO 816-414-2340 kfc.sps.help.desk@fms.treas.gov

Philadelphia, PA 215-516-8034 pfc.eob.operators@fms.treas.gov

San Francisco, CA 510-594-7144 sfc.sps.help.desk@fms.treas.gov

Same Day Pay (SDP) Facts

Federal Program Agencies (FPAs) that send Same Day Payments through the U.S. Treasury's payment systems must use a valid Federal Reserve Bank (FRB) routing number(s) in order for the payments to reach the proper financial institution. The recipient may be charged a fee for this service by the financial institution.

U.S. Treasury customers are notified on a continuous basis that whenever possible, any payment under \$100,000 should be made as a next day FEDACH payment rather than a Same Day Fedwire.

Our customers are notified of this payment rule for Same Day Payment through training sessions, Customer Advisory Board (CAB) sessions, application notifications through the payment creation process and through the FMS Regional Financial Centers customer help desks that emphasize the correct usage of sending Same Day Payment.

For more information regarding Same Day Pay, please contact your Servicing Regional Financial Center.





FMS Investigates Forensic Document Challenges in a Check 21 World

By Heather Davis, Check Resolution Division

In 2003, when Check 21 was instituted and financial institutions (FIs) were permitted to destroy the original negotiated U.S. Treasury checks, forensic document examiners were faced with new challenges in their struggle to combat fraud. Prior to Check 21, examiners had access to the original documents to microscopically examine, image, and test for fraud using complex equipment and techniques such as ink analysis. However, as checks were phased out by electronic transactions, FMS's forensic examiners began to work with outside agency fraud investigators, FIs, and law enforcement to achieve our common goal: the prevention of fraud and abuse stemming from Treasury document schemes.



In FY2010, FMS Questioned Documents (QD) Staff identified more than one hundred counterfeit Treasury checks totaling more than \$700,000, and more than 200 altered checks totaling more than \$13 million. Using available QD staff resources and data, we assist outside agencies such as the United States Secret Service, Treasury Office of the Inspector General (OIG) and Social Security Administration in combating fraud.

Currently, the QD staff is assisting Treasury OIG investigators to identify trends in various stolen check cases. While FIs use the Treasury Check Verification Application (TCVA) system as a first step, Treasury OIG requested the assistance of the QD staff to track cases involving specific check cashing facilities. This was an effort to thwart fraud at the beginning of the check negotiating process, thereby allowing investigators to amass hundreds of thousands of dollars in prospective fraud cases for prosecutors. (These cases otherwise would have been overlooked due to their small dollar value as a fraud transaction).

In another case, QD staff used specific data points from several counterfeit checks and ran them against recently added fields in our databases. Doing so, allowed QD staff to provide numerous checks for the Social Security Administration's investigation and increased the dollar amount of their fraud case.

In addition to revealing U.S. Treasury check fraud involving stolen, forged, altered, and counterfeit checks, QD has worked to combat Treasury document fraud perpetrated through online scams. The QD staff daily receives inquiries from FIs, investment firms, and private citizens, regarding false Treasury items such as: Sight Drafts, Bills of Exchange, Treasury money orders, and "Private Trust" scams — all where citizens may have revealed personal information as well.

We recently received a new group of documents for examination called "Private Discharging and Indemnity Bonds," which are not examples of legal negotiable Treasury documents. All four were submitted for \$300,000,000 and were being used to establish a brokerage account with a FI. The FI, fortunately, contacted our office before accepting the payments which would have totaled \$1.2 billion.

These are just a few of the examples of the work the FMS QD staff investigates on a daily basis. By utilizing our valuable resources, establishing a strong relationship with other federal agencies and facilitating effective communication between investigators and the FIs, the U.S. Treasury continues to catch and prevent Treasury document fraud in a Check 21 world.

For more information about the work of the QD staff in the Check Resolution Division, please contact Heather Davis at heather.davis@fms.treas.gov. 



Korea Credit Information Association Visits FMS

By Marshall Kofler, Office of Legislative and Public Affairs

The Korea Credit Information Association visited the Financial Management Service (FMS) to meet with representatives of FMS's Debt Management Services (DMS) program this past July. During the visit, the FMS Office of Legislative and Public Affairs (LPA) provided a briefing on the primary FMS business lines:

- Issuing U.S. federal government payments in its capacity as the U.S. government's central disbursing agency.
- Processing U.S. federal government financial collections and manages the world's largest collections program.
- Providing the centralized government-wide accounting and reporting function for the U.S. federal government, including maintaining the U.S. government's books, overseeing the central accounting and reporting system, and keeping track of U.S. federal government operating cash and monetary assets.
- Collecting delinquent U.S. federal government debt, under the Debt Collection Improvement Act (DCIA) of

1996, which centralized the collection of delinquent non-tax debt owed to the U.S. federal government and gave the U.S. Treasury Department responsibilities for collecting this debt.

Focus on the FMS Debt Collection Program

The primary focus of the Korea Credit Information Association was the FMS debt collection program. Ronda Kent, (then) Acting Deputy Assistant Commissioner for DMS and Richard Burnham, Director of the DMS Private Collection Division, briefed the group on the history of the debt program and key aspects of the program. Key topics included:

- Treasury Offset Program (TOP) – Compares the names and taxpayer identification numbers (TINs) of debtors with the names and TINs of recipients of federal and some state payments and if there is a match, the payment is reduced (or "offset") to satisfy the debt.
- Cross Servicing Program – Federal agencies refer delinquent non-tax debt to FMS for collection by means of a variety of tools,

including offset, demand letters to debtors, repayment agreements, administrative wage garnishment, referrals to the U.S. Department of Justice, credit bureau reporting, and the use of Private Collection Agencies (PCAs).

- FMS has used PCAs to collect delinquent debt since 1998, working with them to utilize their expertise in locating debtors, establishing payment agreements, and administratively resolving debts.
- Other debt management initiatives and issues.

The visit was arranged as part of the FMS International Program. FMS frequently hosts international delegations to provide information and technical assistance in areas related to the bureau's role as the U.S. government's central financial manager.

To learn more about FMS's International Program, contact Marshall Kofler, Deputy Director, LPA at 202-874-0966. 



(From left) Ty Moore and Violet Richardson (FMS) Office of the Chief Counsel; Julie Slaughter (FMS) DMS Private Collection Division; Ronda Kent (FMS) Office of the Chief Counsel, formerly Acting Deputy Assistant Commissioner DMS; Richard Burnham (FMS) Director of DMS Private Collection Division; Marshall Kofler (FMS) Deputy Director Legislative and Public Affairs. (From center to the right) visiting Chief Executive Officers with the Korea Credit Information Association. FMS Photo/Teri Hoehn



Financial Management Service - 2011 Contact Directory

<u>PROGRAM/SERVICE</u>	<u>PHONE</u>
Administrative Wage Garnishment	202-874-8700
Agency Cross-Servicing Policy	800-858-8700
Federal Program Agency Inquiries	800-858-0725
Agency Location Code	
Check Reconciliation Branch (4 digits)	202-874-8150
Cash Accounting Division (8 digits)	202-874-7752
Automated Standard Application for Payments (ASAP)	816-414-2100
Agency Implementation	202-874-6542
Development	202-874-6467
Operations	215-516-8021
	816-414-2100
Automated Clearing House (ACH)	
Payments and Claims Formats	202-874-6781
Treasury Disbursed Payments Inquiries (and Notification of Change)	
Kansas City RFC Help Desk	816-414-2100
Philadelphia RFC Help Desk	215-516-8154
San Francisco RFC Help Desk	510-594-7300
Treasury Collections	202-874-1251
Business Architecture	202-874-3707
Card Acquiring Service	202-874-0807
CA\$HLINK II	800-346-5465
Cash Management Improvement Act (CMIA)	202-874-6751
Check Claims	202-874-8445
Check Inserts	202-874-7133
Check Payment Inquiries (Treasury Disbursed)	
Kansas City RFC Help Desk	816-414-2100
Philadelphia RFC Help Desk	215-516-8154
San Francisco RFC Help Desk	510-594-7300
Check Reconciliation	202-874-8150
Child Support	202-874-0540



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<u>PROGRAM/SERVICE</u>	<u>PHONE</u>
Collateral	202-874-7018
Credit Bureau Reporting	202-874-8580
Credit and Debt Management Policy	202-874-6600
Credit Gateway	202-874-3720
Cross-Servicing Debt Exemptions	202-874-6600
Current Value of Funds Rate	202-874-9428
Debit Gateway	202-874-1251
Debt Check	202-874-0540
Debt Collection Agency Training & Education	202-874-8580
Debt Collection Center Designation	202-874-6600
Debt Collection Performance	202-874-8580
Debt Management Agency Facilitation	202-874-8580
Debt Write-Off	202-874-6600
Debtor Inquiries	800-304-3107 888-826-3127
Department of Justice Debt Referrals	202-874-8700
Direct Express	202-874-7118
Document Examination	202-874-8084
Electronic Check Processing (ECP)	202-874-6656
Electronic Federal Tax Payment System (EFTPS) Development/Operations	202-874-5784
Marketing	202-874-6763
Electronic Transfer Account (ETA) Policy	202-874-6926
Enterprise Business Information Management	202-874-3707
FedDebt	800-858-0725
Federal Agencies Centralized Trial Balance System 1 (FACTS I)	202-874-9909



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<u>PROGRAM/SERVICE</u>	<u>PHONE</u>
Federal Agency Liaison (Collections)	202-874-7491
Federal Finance Modernization Planning Office	202-874-6935
Financials, Accounting, Collections, Disbursements & Reconciliation System (FACDR)	202-874-8580
Financial Accounting and Services Division (FASD)	
Credit Accounting Branch	202-874-8740
Judgment Fund Branch	202-874-6664
Surety Bond Branch	202-874-6850
Financial Connection, The	202-874-6694
Financial EDI Payments	816-414-2333
Financial Data Architecture/XML Standards	202-874-7039 202-874-6838
Financial Organization Master File (FOMF)	816-414-2204
Financial Report of the U.S. Government (FR)	202-874-6389
Foreign Check Issues	202-874-7041
Foreign Currency Accounting	202-874-7994 202-874-8004 202-874-8001
General Lockbox	202-874-7026
Go Direct Program	202-874-6558
Go Direct Marketing	202-874-6786
Gold Book	202-874-7770
Government On-Line Accounting Link System (GOALS II)	202-874-8788
GWA – Central Accounting and Reportings System (CARS)	202-874-8788
Governmentwide Financial Report System (GFRS)	202-874-8923
Green Book	202-874-7118
Imprest Fund Management: Policy	202-874-9428
Intra-governmental Payment and Collections (IPAC)	202-874-9816



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<u>PROGRAM/SERVICE</u>	<u>PHONE</u>
International Treasury Services (ITS.gov)	
Policy	202-874-6762
Operations	816-414-2102
Internet Payment Platform	202-874-3685
Intragovernmental Fiduciary Confirmation System (IFCS)	202-874-6389
IRS Lockbox	202-874-6554
Limited Depository Accounts	816-414-2102
OTCnet	202-874-2138
PACER On-Line:	
Treasury-Disbursed Agencies	202-874-9138
RDO Accounting	202-874-7108
Pay.gov	202-874-6940
Payment Application Modernization (PAM)	816-414-2108
Payment Policy	202-874-6576 202-874-6781
PCC OTC	202-874-6893
(Paper Check Conversion Over-the-Counter)	202-874-2138
Postage Payments	202-874-7041
Private Collection Agencies	202-874-8700
Prompt Payment	202-874-9428
Repurchase Agreement (Repo)	202-874-7150
Salary Offset	202-874-0540
Secure Payment System	202-874-6947
Seized Currency	202-874-8906
Shared Accounting Module (SAM)	202-874-8947
State Income Tax Debt	202-874-0540
State and Local Government Tax Withholding Agreements	202-874-9428



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<u>PROGRAM/SERVICE</u>	<u>PHONE</u>
State Reciprocal Agreement	202-874-0540
Stored Value Cards	202-874-1845
Tax Levy	202-874-0540
Tax Refund Offset	202-874-0540
TGA Bank Network	202-874-7496
Treasury Offset Program (TOP)	202-874-0540
TOP Call Center	800-304-3107
TOP Payment Exemptions	202-874-0540
Transaction Reporting System (TRS)	800-346-5465
Treasury Check Information System (TCIS)	202-874-9582
Treasury Check Offset	202-874-9061
Treasury Investment Option	202-874-7150
Treasury Investment Program (TIP)	202-874-7150
Treasury Receivable Accounting and Collection System (TRACS)	202-874-7920
Treasury Report on Receivables (TROR)	202-874-8580
TRUFACS	202-874-6955
Treasury Tax & Loan (TT&L) Plus	202-874-7150
Unclaimed Moneys	202-874-8262
U.S. Debit Card Program	202-874-6955
U.S. Citizenship & Immigration Services (USCIS) Lockbox and e-Filing	202-874-0275
U.S. Standard General Ledger Division (USSGL)	202-874-9963



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