DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

April 11, 2013

MEMORANDUM FOR ALL CFOs, DEPUTY CFOs and CIOs

FROM: David A. Lebryk, Commissioner
Bureau of the Fiscal Service

SUBJECT: Upcoming Bureau of the Fiscal Service Systems Changes and Timelines

In each of the past two years, I have sent agencies a memorandum on Treasury's efforts to modernize our payments, collections, and central accounting and reporting systems. In collaboration with agencies, we have made significant progress in these efforts, which will help streamline Federal financial systems, increase efficiency, reduce costs, promote standardization, and increase transparency. As in past years, I would like to provide you with an update on the status of our modernization initiatives and how these initiatives affect your agency.

I am pleased to announce that we have successfully completed modifications to our payments, collections, and accounting systems, which were scheduled to be completed by the end of calendar year 2012. These systems are now ready to accept the new transaction reporting formats from agencies, and legacy applications/systems are being decommissioned. Agencies have also made significant progress toward implementing the changes necessary to comply with the new standard reporting formats and are conducting testing necessary to prepare for the decommissioning of legacy applications/systems.

We remain committed to working with agencies to implement these changes. As in past years, I will be scheduling a series of CFO, Deputy CFO, and CIO meetings to discuss the upcoming milestones and identify and resolve any agency implementation challenges. Recognizing the importance of good working relationships to achieving success, we have recently established the Office of Agency Outreach. This new office is dedicated to enhancing customer outreach and applying best practices to agency onboarding.

Below is a summary of the financial management modernization initiatives followed by a list of the upcoming key milestones and agency requirements. Please note that the agency requirements have not changed since my March 23, 2012 Memorandum. Also included is information on how these milestones will help your agency reduce improper payments and implement the requirements under the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).

Finally, I am pleased to share that, on October 7, 2012, the Financial Management Service and the Bureau of the Public Debt were consolidated into the new Bureau of the Fiscal Service (Fiscal Service). The new Bureau is committed to providing leadership in financial management operations and the delivery of shared services. Additionally, the Fiscal Service is committed to providing agencies with low-cost and efficient solutions to financial and administrative operations so that agencies can better focus on their core missions, especially during this time of declining budgets.

I appreciate your continued confidence and partnership as we further improve financial integrity, shared services, and operational efficiency of the U.S. Government.

A copy of this memo, along with the new mission and vision of the Fiscal Service, are available on the Fiscal Service website at http://fms.treas.gov/cfo_lttr.html

cc: Danny Werfel
Richard L. Gregg

SUMMARY OF FINANCIAL MANAGEMENT MODERNIZATION INITIATIVES

Government-wide Accounting and Reporting (GWA)

Central Accounting and Reporting System (CARS): Fiscal Service has completed the modifications necessary to modernize CARS, transforming current government-wide central accounting into real-time, event-driven processes, and enabling better financial management across the Federal government.

To meet the October 1, 2014 deadline for CARS reporting, agencies should:

- Contact the GWA Customer Relationship Management (CRM) Division at GWA-CRM@fms.treas.gov for transitioning and piloting assistance, well in advance of the deadline.
- Complete the necessary changes to become a CARS reporter for Intragovernmental Payment and Collection system (IPAC) by submitting valid sender and receiver component Treasury Account Symbol/Business Event Type Code (TAS/BETC) information on all on-line IPAC transactions and on all bulk files.
  - IPAC will convert to supporting only the component TAS format by January 2014. You can find bulk file specifications for IPAC at *www.fms.treas.gov/ipac/bulk_formats*

For more information on CARS, please visit our website at *www.fms.treas.gov/cars/* or call the GWA CRM Division at (202) 874-9776, if you have questions.

Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS): GTAS will replace the functionality of FACTS I, FACTS II, IFCS, and IRAS reporting systems as the primary means of reporting agency trial balance data. GTAS ensures data consistency by integrating CARS data and authoritative fiduciary data, while concurrently reducing the number of central reporting systems agencies access. GTAS will be implemented and legacy applications will be decommissioned by December 2013.

To prepare for the decommissioning of GTAS, agencies should adhere to the modernization schedule outlined on page 7 and 8 of this letter.

Payments

Payment Application Modernization (PAM): The Fiscal Service PAM project will consolidate more than 30 legacy applications into a single application that will process agency payment requests using a standard format in a more efficient and cost-effective manner. By utilizing the PAM standard format when submitting bulk payment file requests to the Fiscal Service, your agency will provide TAS/BETC information along with your payment files, satisfying new GWA reporting requirements. Agencies will use the standard format to prepare both check and electronic payments (ACH), and submit these payments to their servicing Fiscal Service Regional Financial Center (RFC).

In the coming months, Fiscal Service will continue to meet with agency customers to discuss conversion implications and a transition timeline for your agency. The current version of the PAM standard format can be found at *http://www.fms.treas.gov/pam/formats.html.*

Secure Payment System (SPS): The SPS, which agencies use to certify payment requests, was changed in August 2012 to support GWA TAS/BETC reporting.

International Treasury Services (ITS.gov) and the Automated Standard Application for Payments (ASAP): Changes have also been made in ITS.gov and ASAP systems to incorporate TAS/BETC reporting.

Payment Information Repository (PIR): For Non-Treasury Disbursing Officers (NTDOs), Treasury developed the PIR, for reporting payment transactions to Treasury. The PIR provides payment related summary information to NTDOs for reconciliation purposes. Treasury-disbursed payments will also be reported to the PIR.

NEW INITIATIVE:
Do Not Pay (DNP) Business Center: The Fiscal Service's DNP Business Center supports the government's efforts to reduce improper payments in federally funded programs by making various data sources available for eligibility and payment verification purposes. The recently enacted IPERIA requires executive agencies to review all payments and awards for all programs against designated data sources to verify payment eligibility. To facilitate agencies' compliance with IPERIA, and in collaboration with the Office of Management and Budget (OMB), Treasury will implement a centralized pre-payment verification process that will match agency-submitted PAM payment records with specified DNP data sources (e.g., the Death Master File). This strategy will enable the Fiscal Service to centralize the DNP matching process for agencies to better ensure that paying agencies do not certify improper payments.

It is imperative for agencies to implement the PAM formats as specified on page 7 and 8 of this letter, to take advantage of this centralized process. In addition, we will be partnering with agencies to identify standardized business rules to define the circumstances under which the paying agency determines a DNP match is indicative of an improper payment.

The DNP team will assist your agency with implementing DNP, selecting optimal data sources for your program, establishing a standard business rules for adjudication, and engaging our analytics services to analyze payment files for irregularities. For more information about DNP, please visit our website at *www.donotpay.treas.gov* or contact us via email at donotpay@stls.frb.org.

Revenue Collections

Collections Information Repository (CIR): In January 2013 the Transaction Reporting System (TRS) was renamed the Collections Information Repository (CIR). The name change will not affect the functionality of the system; the application link will not change and the system will continue to operate in the same manner. With all collections data now being housed in CIR, we will be shifting our attention toward analyzing this data to identify trends in revenue collections as well as additional opportunities to increase, and expedite, the flow of funds into the Treasury General Account.

In April 2013 – Your agency should have a plan to submit collection data using TAS/BETC or Classification Key (C-Key) for the PAY.gov, OTCNet, ECP, EFTPS, and Credit Gateway. Please contact GWA CRM office for assistance at (202) 874-9776.

NEW INITIATIVE:
Non-Tax Paperless Initiative (NTPI): To continue on our path toward an all-electronic Treasury, Fiscal Service has launched the NTPI, which aims to increase the volume percentage of electronic collections received to 70 percent by 2017 – resulting in estimated annual savings/cost avoidance of $13 million after full implementation. An independent analysis conducted in 2012 found that, while Fiscal Service settles 96 percent of collections transactions electronically in terms of dollars, only 55 to 60 percent of non-tax collections and remittance transaction volume is received electronically.

Moving from paper to electronic collections and remittances will benefit your agency and the public in the following ways:

- Expand collections functionality into e-commerce areas such as online banking bill pay and e-wallets;
- Meet citizen expectations by enhancing Pay.gov functionality, and ensuring agency revenue collection processes meet their customer needs efficiently and effectively; and
- Free agency personnel for core missions by moving paper collections and remittances to electronic receipt, reducing or eliminating paper and improving Pay.gov interfaces for e-billing, forms, and reconciliation.

For more information about NTPI, please contact the Director of the NTPI, Olu Faokunla, via email at olu.faokunla@fms.treas.gov .

Treasury Financial Manual

Fiscal Service is updating the Treasury Financial Manual (TFM) to ensure that agencies have the necessary requirements and guidance to carry out their responsibilities with respect to these and other initiatives. We expect to have an updated and more accessible TFM for agency use by December 31, 2013. If you have any questions regarding anything in the existing TFM, please contact us via email at tfm@fms.treas.gov.

Bureau of the Fiscal Service
Financial Management Modernization
SCHEDULE

May 2013
To meet the October 1, 2014 deadline to transition to the new systems, agencies need to meet the following deadlines:

- To meet the December 2013 deadline for Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) reporting, all agencies are required to submit bulk file test data to GTAS during the mandatory October 2012 through June 2013 test window. If your agency has not submitted test data, please call your agency contact found on the GTAS website *www.fms.treas.gov/gtas* for submission instructions.
- All TASs must pass all validations and fatal edits to successfully meet the mandatory test requirement.
- If your agency is not testing by May 1, 2013 in preparation for the decommissioning of legacy systems (FACTS I, FACTS II, IRAS, and IFCS) on December 2013, please reach out to your GWA CRM office for assistance at (202) 874-9776.

In addition, agencies are advised to mitigate schedule risks by developing a transition plan on addressing the conversion to each modernization initiative:

- We recommend your agency develop a plan by May 31, 2013 to submit payment data in the new standard format for the Secure Payment System (SPS), the Payment Automation Manager (PAM), the International Treasury Services (ITS.gov) system, and the Automated Standard Application for Payments (ASAP) system. Please go to *http://www.fms.treas.gov/pam/outreach.html#preparedness* or *http://fms.treas.gov/asap/fpa_training.html* to register for a training session on the TAS/BETC changes implemented within Treasury's payment application systems.
- If you are a NTDO agency, your agency should complete a transition plan for reporting to TAS/BETC information for your disbursement transactions through the new PIR SRF by May 31, 2013. Please go to *http://fms.treas.gov/pir/report-format.html* to acquire more information on the SRF.
- Your agency should review the bulk file specifications for IPAC by May 31, 2013. Please go to *www.fms.treas.gov/ipac/* Treasury Support Center (TSC) (866) 809-5218 for assistance.
- Your agency should have a plan by May 31, 2013 to submit collection data using TAS/BETC or Classification Key (C-Key) for the PAY.gov, OTCNet, ECP, EFTPS, and Credit Gateway. Please contact GWA's Customer Relationship Management (CRM) office for assistance at (202) 874-9776.

December 2013

- GTAS goes live in December 2013

- Legacy systems will be decommissioned December 2013
  - Federal Agencies' Centralized Trial-Balance Systems (FACTS I & FACTS II)
  - The Intragovernmental Reporting and Analysis System (IRAS)
  - The Intragovernmental Fiduciary Confirmation System (IFCS)

- For more information on GTAS, please visit our website at *www.fms.treas.gov/gtas* or call the TSC at (877) 440-9476, if you have questions about enrollment or technical GTAS questions.

October 1, 2014

- Legacy payments and collections formats will be decommissioned. All Federal agencies will be required to:
  - Submit valid component TAS/BETC information in IPAC on the sender and receiver side.
  - Submit payment data in a new standard format for the SPS, PAM, ITS.gov, and ASAP.
  - NTDOs must transmit check and electronic payments with TAS/BETC information to the PIR. The PIR will be the only method available for NTDO initiated disbursements to be reported to the CARS.
  - All Federal agencies will be required to submit collections data using a TAS/BETC or C-Key–(a unique agency accounting code or identifier that maps to Treasury accounting classifications). Once agencies have successfully transitioned to the Transaction Reporting System (TRS)/Collections Information Repository (CIR), please contact GWA's office at (202) 874-9776 to discuss conversion implications and a transition timeline for your agency.