Collections Chronicle

News You Can Use

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Fiscal Service
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Revenue Collections Management

Spring 2023

Digitizing the General Lockbox Network

As consumer demand for digital capabilities grows, Treasury embraces the opportunity for modernization and innovation. One area for growth is the General Lockbox Network (GLN), a program offered by Fiscal Service to help federal government agencies process non-tax paper checks and other remittance documents received through the mail. Treasury aims to replace paper transactions collected through the GLN with convenient and secure electronic solutions as part of the ten-year vision for the Future of Federal Financial Management.

Processing payments through the General Lockbox Network is significantly more expensive and resource-dependent for agencies than the electronic collection methods offered by Fiscal Service. The extensive paper and labor resources used in the GLN lead to operational inefficiencies in the payment process.

Due to these increased risks and expenses, the banking industry is rapidly transitioning away from providing lockbox services and shifting their focus to more innovative solutions.

We owe the American taxpayer our best effort to implement electronic collection channels that are less expensive and more efficient than paper-based processes, and provide customers with a more secure, modern, transaction experience. Fiscal Service and the GLN highly recommend expanding the use of Pay.gov and the adoption of other e-Commerce solutions, such as Online Bill Payment (OLBP) and Mobile Check Capture. These services provide federal agencies with improved fraud prevention, faster payment reconciliation, and reduced manual processing, while offering customers a simple, easy-to-follow payment process and enhanced data security.

Fiscal Service will also support agencies implementing a "No Cash No Check" policy and assist agencies with communication materials to ease the transition experience of customers. Please refer to the TFM Part 5 Chapter 2000 Section 2025 in the Treasury Financial Manual for more information.

Join us in our effort to provide customers with the most secure, convenient, and efficient payment methods.

For questions about GLN or adopting electronic collection methods, or to be provided with communication materials to promote electronic methods to your customers, please contact:

Agency Relationship Management Division
arm@fiscal.treasury.gov
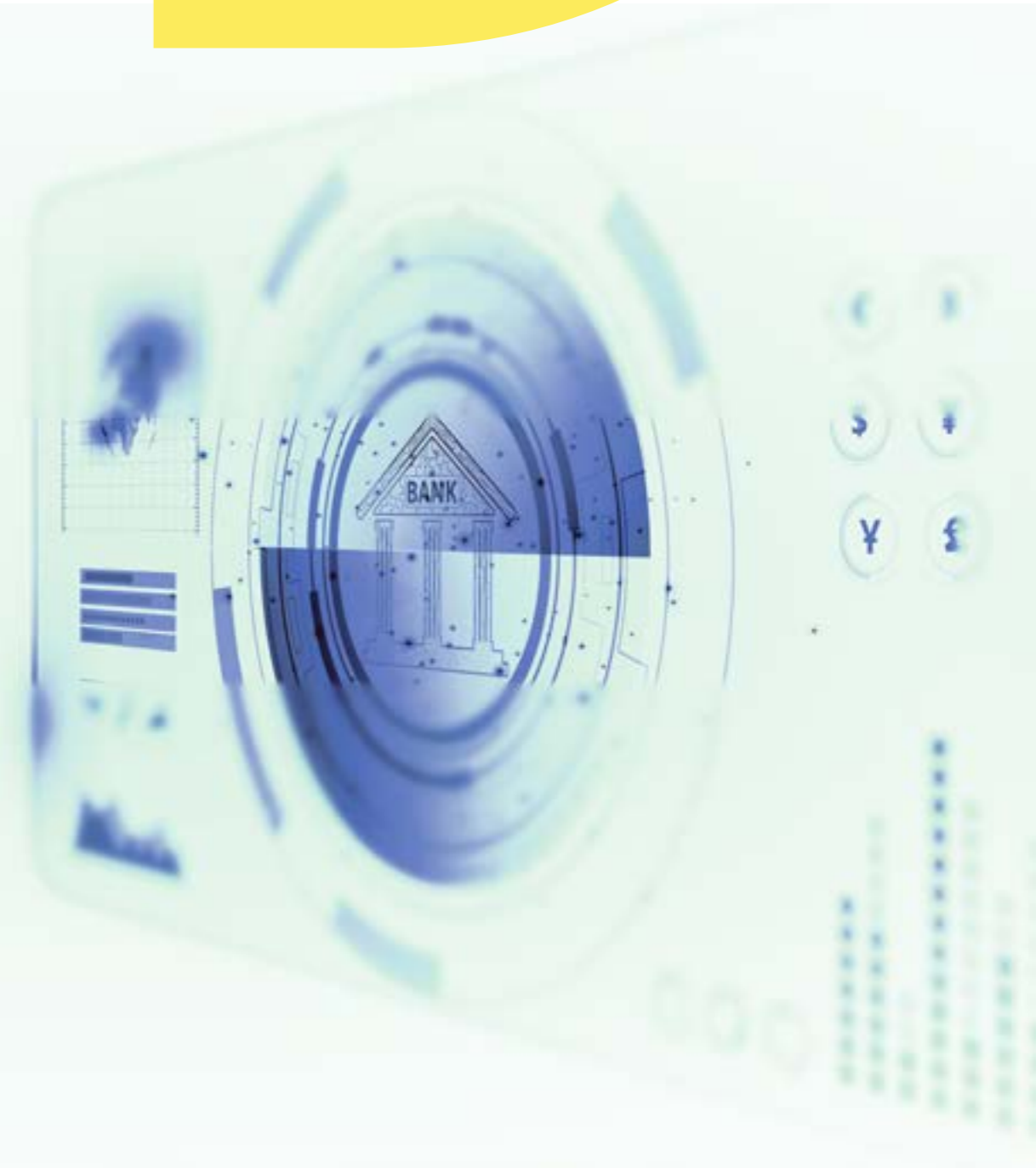
Discover Tomorrow's Solution with OTCnet

OTCnet Essentials:
Meet the Payment Methods for Every Task

Card Processing

The Card Processing terminal can be plugged into your existing workstation and accept debit, credit, and gift card payments. OTCnet Card Processing streamlines payment processing and reporting within one application.

Want to enable customers to make self-assisted payments? The OTC Kiosk Tablet integrates the card terminal with a plug-and-play Check Processing scanner. The Kiosk Tablet is a lightweight and modern touch screen device that is ideal for locations with a small footprint. Interested in modernizing your payment collections? Get Started with Card Processing today!

Self-Service Kiosk

For a full suite of payment methods, the OTC Self-Service Kiosk allows a customized combination of all collection types. Agencies can host a large footprint of users and support Card Processing, Check Processing, and Deposits. The OTC Self-Service Kiosk comes with the added benefit of outdoor capabilities, custom receipt printing, custom agency logo placement, and top tier security provisioning. Visit the Getting Started: **OTC Kiosk page** for more information.

Check Processing

Agencies will find that Fiscal Service offers streamlined options to process payments electronically (Pay. gov, Online Bill Payment, ACH, and more!) and prefer directing customers to these quick payments. If you receive paper checks, we still want you to convert paper checks to electronic payments. OTCnet Check Processing allows for a convenient way to conduct check scanning.
The RDM and Panini scanners facilitate single or multi-feel check scanning.

New Check Scanners: OTCnet now supports the RDM 9600i and 9700i series check scanners.
For information on the latest check scanner updates, see the **Hardware Overview**.

Mobile Solutions

For agencies that want to process checks on the go, consider the OTCnet Mobile Check Capture solution. You can accept payments anywhere, anytime! Mobile check capture users benefit from enhanced security, one-step check capture, logo customization, fast processing time and more. Contact the **Agency Relationship Management team** to learn more.

Foundations for Success: Being an OTCnet PLSA/LSA

Do you support your agency as an OTCnet Primary/Local Security Administrator?
As an LSA, you maintain users access by assigning and removing user roles and OTCnet hierarchy access. LSAs can also view security reports. PLSAs have the same functionalities as LSAs with the additional capability of creating and modifying LSAs.

Want to see which user roles you can provision? Refer to **Topic 2. OTCnet User Roles in OTCnet Participant User Guide for Administration**. Your Deployment Specialist can help you navigate any user role provisioning.

Looking to create user accounts? No problem! (P)LSAs will use the Fiscal Treasury ISIM page and log in with their Treasury Single Sign On (SSO) ID and navigate to "New External User Identity" from the ISIM menu. If you need any assistance, please reach out to the OTCnet Deployment Team: **Fiscalservice. otcdeployment@citi.com**

Agency Spotlight: U.S. Courts Accepts Card Payments

OTCnet is proud to support the United States Courts through launching card processing at over five locations across the United States. U.S. Courts has successfully used OTCnet card processing across district and bankruptcy courts to collect payments.

Contact the **OTCnet Deployment Team** to learn more about how your agency can integrate card processing into their collections suite.

Looking Ahead: Meet the New OTCnet Log In System, CAIA

In August 2023, OTCnet will be transitioning their Single Sign On (SSO) system and user provisioning process from IBM Security Identity Manager (ISIM) to CAIA, Common Approach to Information Assurance.

Users will be able to log in and access OTCnet via three new options:

- **Log in with Login.gov**

- **Log in with ID.me**

- **Log in with your PIV or CAC**

Having multiple ways to log in to OTCnet gives agency users an added layer of security protection. Plus, you will be in compliance with new federal requirements for multi-factor authentication sign-in methods. Look out for webinars on how to navigate the new system!

Haven't linked your PIV or CAC to your Fiscal Service SSO account yet? Follow the **OTCnet Connection Guide for step-by-step instructions**.

Moving from Paper (Cash/Check) Collections to Electronic Collections
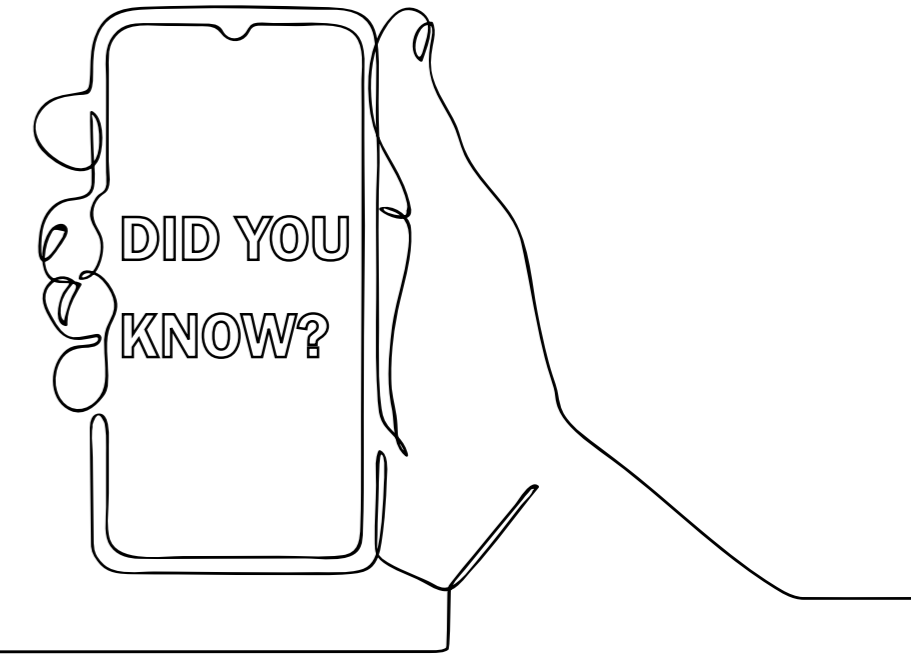
The U.S. Treasury is strongly recommending agencies move away from collecting cash and checks and toward electronic solutions (i.e., Pay.Gov, Digital Wallet (PayPal/Amazon Pay) Online Bill Payment, ACH Credit/Debit) for collections. The OTCnet team has a goal of reducing paper deposit volume by 25% by 2025. For any assistance on this transition, please contact your **Agency Relationship Manager** to discuss your agency's electronic collections options.

We understand that after all efforts have been exhausted there will be a need to provide banking services for cash collections that cannot be moved to an electronic solution. Here are some helpful reminders on what is necessary when making physical deposits:

- If an agency wants to deposit Treasury General Account (TGA) funds at a financial institution, the deposit arrangement must be authorized by the Federal Reserve Bank of St. Louis (acting as agent for U.S. Treasury). In order to obtain authorization to deposit at a financial institution, the agency must submit an Agency Profile Sheet (APS) to the Federal Reserve Bank St Louis Treasury General Account team.

- Verify with your approved TGA depositary for their business day cut-off time to avoid processing delays. However, your agency's TGA deposits (funds and printed OTCnet deposit ticket) should be received on the same date by the approved financial institution. Failure to do so may cause the accepting financial institution to incur unnecessary penalty fees from Treasury.

- Work with your approved TGA financial institution to order bank-specific deposit slips (if required by that financial institution).

CIR
is moving to the cloud!

The Collection Information Repository (CIR) is in the early planning stages of transitioning to a cloud hosted infrastructure by 2025.

By mid-summer 2023, CIR representatives will be reaching out to users to get a more detailed understanding on how users are communicating with the CIR and how they are consuming CIR data.

Transforming Our Operations to Better Serve Our Customers

Americans expect that their government:

- is an efficient steward of its financial resources;
- provides financial information that is accurate; and
- offers financial interactions that are modern, seamless, inclusive, and secure.
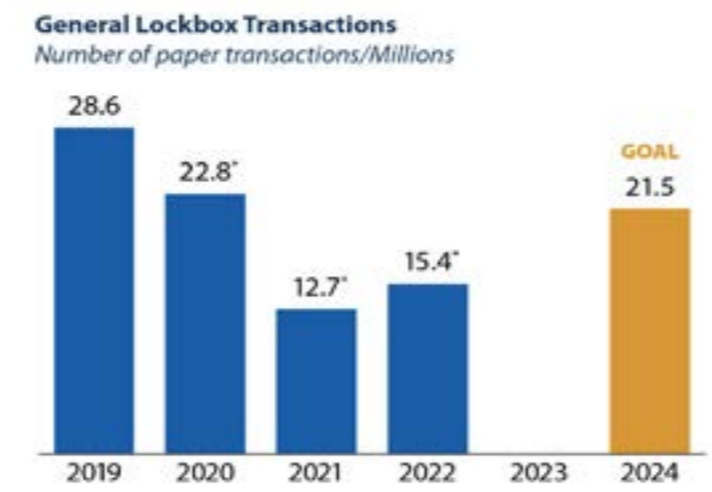
Collecting

Provide citizens a variety of modern electronic options for paying federal taxes, charges, and fees. Minimize lockboxes and paper processing.

- 488 agencies used Fiscal for financial management, travel, and human resources shared services.

2024

Increase Digitization of Paper Collections

Reduce paper volume processed through the General Lockbox Network by 25 percent by 2024.

General Lockbox Transactions
Number of paper transactions/Millions

2019	2020	2021	2022	2023	GOAL 2024
28.6	22.8*	12.7*	15.4*		21.5

Treasury lockboxes collect and process checks and paper forms for federal government agencies. To improve efficiency, Fiscal Service consolidated lockbox operations and automated manual processes. Fiscal is now working with federal agencies to replace paper checks and forms with modern online options for people making payments to the government.

* General Lockbox Network transaction volume decreased during the pandemic (FY 2020–FY 2022) because some agency billing obligations were suspended.

2025

Increase Digitization of Paper Collections

Convert 25 percent of Treasury General Account (TGA) Network transactions from cash and check bank deposits to electronic by 2025.

TGA Network Cash and Check Transactions
Number/Thousands

| 2019	2020	2021	2022	2023	2024	GOAL 2025
275.5	242.7*	223.3*	225.2*			206.7

The TGA Network provides banking services to federal agencies around the world, including deposits of cash and checks. Fiscal Service is converting paper processes to electronic solutions to better meet customer agency needs while maintaining operational stability.

* TGA Network transaction volume decreased in FY 2020–FY 2022 due to fewer customer over-the-counter transactions during the pandemic.

Promote E-Commerce Adoption

Increase agency adoption of e-commerce digital solutions across federal agencies by 12 percent by 2025.

Federal Agencies Using E-Commerce Suite
Average number

2021	2022	2023	2024	GOAL 2025
76	85			105
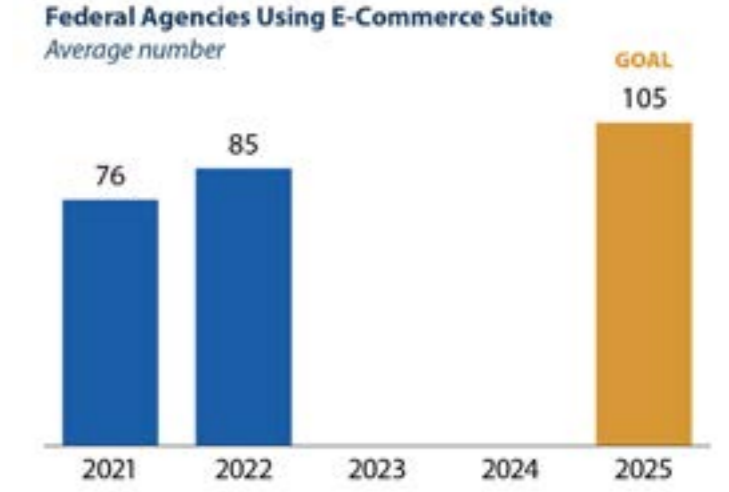
Fiscal's e-commerce suite includes online bill payment, digital wallets, and mobile applications.

To learn more about the Future of Federal Financial Management Vision, visit **fmvision.fiscal.treasury.gov**

Instant Payment Use Cases

- Bill Payment

  - Agency customers can pay bills, such as loan payments, fees for services, licenses and the purchase of agency products

- Agency to Agency

  - Agencies can pay other agencies and include detail remittance information with the payments

FedNow Features

Costs

- No cost to agencies to receive transactions
- Sending bank may charge their customer's a fee to send (up to each bank to set their own pricing)

Transaction limit

- FedNow transaction will have a limit of $500K
- Future increases of the limit are expected

Reporting

- End of day reporting in Collections Information Repository (CIR)
  - Summary level vouchers
  - Transaction detail records
- Real-time reporting planned for the future
- Future API calls for agency data

Enrollment

- Agency enrollment required for collection of instant payments
- Setup a Credit Gateway account to receive instant payments

Instant Payment is a method of exchanging money and remittance data in near real-time with immediate confirmation to sending and receiving parties. It is a new payment mechanism taking its place alongside cash, check, the automated clearing house (ACH), and wire transfer.

Financial institutions participating in the FedNow Service will provide businesses and individuals the ability to send and receive instant payments with immediate settlement of funds 24/7/365.

The FedNow Service is a new instant payment service that the Federal Reserve Banks have developed to enable financial institutions to provide safe and efficient instant payment services in real time, around the clock, every day of the year.

The Fiscal Service's Credit Gateway will be adding this new payment service providing agencies with the ability to collect payments in real-time.

7

eCommerce At-A-Glance April 2023

Digital Wallets

PayPal
implemented May 2013

10,421,950 transactions, $500,243,933
167 agencies, 1,249 forms

amazon pay
implemented June 2016

75,440 transactions, $3,702,638
153 agencies, 1,136 forms

Online Bill Payment

implemented November 2013

75,157,052 transactions

● 62 cash flows

● 19 agencies

$18,349,268,740

Mobile Program

	Agencies	Cash flows	Transactions	Dollars
Agency Facing (FedRevCollect)	66	164	100,960	$206,088,968
Public Facing	19	23	637,942	$121,818,431

implemented July 2016

Near Field Communication (Contactless)

Card Acquiring Service
(~3,000 NFC-capable terminals)

- 46 Agencies
- 50,448,303 Transactions
- $1,676,600,529

implemented November 2013

Thank You for Reading The RCM Collections Chronicle!

For information about RCM's programs and services, please contact your Agency Relationship Manager or the Agency Relationship Management (ARM) Division via the ARM mailbox: **ARM@Fiscal.Treasury.gov**

For a complete listing of Revenue Collections Management programs and services, please click here.

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