

Wednesday, July 27, 2011

CAB Chair Gloria Owens, Environmental Protection Agency (EPA) and Vice-Chair Kathi Moore, Social Security Administration (SSA), welcomed the group and thanked everyone for attending the July 2011 CAB meeting. KFC Financial Center (KFC) Director Gary Beets followed with his welcoming remarks.

Round Table – Introductions – CAB Members

After all introductions were made, Gloria mentioned the meeting minutes from the February 2011 CAB have been provided in this year's CAB binder. There was a call to review the minutes and the CAB members were asked for any changes or revisions. There were no changes made to the minutes. There was a motion to accept which was seconded and approved.

Presentations

**Payment Application Modernization (PAM) –
Jesse Chavez, FMS, KFC**

Jesse provided an informative presentation on the status of the PAM project and upcoming releases.

Q. When bulk files are sent to FMS, has that Connect Direct process changed?

A. No, that has not changed at all.

Q. When we have a situation where we have already certified, but find there is a problem, can we still call FMS to stop the payment from being disbursed?

A. Yes there is a possibility that we can still stop that payment. The time frame is shorter now, but we will try to catch that. We now have less time to intervene, but you should still let FMS know and we may be able to orchestrate something with the FRB or the financial institutions. When those payments come in, they are immediately sent to TOP for offset processing and a reversal would take some time to back those out.

Q. When you say a separate file, is the only difference the designation of IAT?

A. There are a few additional fields and when you look at the standard format you'll see some additional information. You, as the agency, will need to designate it is as an IAT which allows the payment to go through the OFAC.

Q. So you're anticipating that sometime in the future, the agency will be notified that the person has been cleared and they can be moved to a different file?

A. The agency does not need to do anything to move people to different lists. FMS will call the agency to request additional information (date of birth, etc) in order for us to add someone to a "white list", which clears them for payment. This is simply a new format that replaces the current file format; it just has additional fields that require additional information.

Q. Will the people remain on this list unless they change their address?

A. They will be able to get around this if they change their address, yes.

Q. This is the first time that I've heard that ASAP is a part of this process.

A. It's not a part of PAM, I'm just addressing that ASAP is also making modifications to accommodate the GWA reporting requirements per the Commissioner's memo.

Q. I'm concerned because no one has given us any knowledge about ASAP changes.

A. We (SPS) met with ASAP last week regarding this issue, so you all should be hearing something soon regarding ASAP and GWA requirements and any status.

Q. Will the 2012 courtesy disbursements changes be internal to treasury only, or will we see it at the agency level?

A. Yes, it is totally internal.

Q. Our clients are complaining about seeing SSNs on the bank statements. We truly do appreciate all the work everyone has done over the past four years trying to get this done.

A. We've not discontinued those efforts; we are still working with NACHA, FIs and the FRB to still eliminate/truncate this PII data. NFC was getting some complaints because the SSN was showing up on their bank statements. When we implemented 3.0, which was when salary payments were transitioned through PAM that is when the SSN suppression took place. Normally this would be harmless, except when there are subsidiary payments. It was problematic enough that we felt we needed to take a step back and then work through NACHA with rule changes, which means rule changes and education. I think this will allow for much more success rate.

Q. In the payment format code do you want us to be adding the TAS BETC codes?

A. Yes, in the summary level.

Q. On the IAT format, is that something that we have to program for the bulk file or are the additional fields going to be entered into SPS?

A. No, you will have to program additional information, which are basically similar across the board for EFTs.

Q. Before it will be sent through the OFAC, do we need to do that?

A. The specific IAT fields in the additional data will be available in the manual payments. In reference to the IAT, even though it's a bulk file, SPS will require everyone meet standard formatting requirements.

All Electronic Treasury Initiatives –

Matthew Helfrich, FMS

Matt presented on the all electronic initiatives and Treasury's efforts to increase EFT usage.

Q. When someone walks into a field office to request a courtesy payment will it need to be issued either as an EFT or through the Debit Card program?

A. Yes, it will be.

Q. Yesterday, we participated in the payment modernization technical session. One of the changing field elements is the designated agent code. With this change and goal to eliminate paper checks, is that still a requirement to eliminate the paper checks by March 2013 because they have one designated agent that is still actively using this code.

A. Yes, the change does include those checks. We would like to get out of the habit of allowing designated agents, but as long as there remains a strong number of active payments paper checks will continue. Will they need to go through a waiver? Yes, contact myself, so we can consider and address.

Q. We have a concern under Direct Express because we service VA veterans and there are fees with that card, can we wave those fees?

A. The fees are very low and we feel that we've gone as low as we can. Instead of receiving a paper statement, the user can call the 800 number and check their statement transactions. As far as the fees go, I doubt we can remove those.

Q. What are the fees being occurred for (ie, too many withdrawals)?

A. Direct Express will only occur fees for low balance situations. We can discuss this further offline.

Q. From a payroll perspective, we have an employee who was been grandfathered into the paper check paycheck. Are they included in the 2013 cutoff?

A. Yes

Q. Garnishments & holding taxes, some of these small holdings cannot accommodate the EFT format, so we need some type of insistence to move them along. We have to cut a paper check since we don't have any levees for garnishments.

A. We recognize that there are some payments that cannot accommodate EFTs currently and we will be addressing those to try and find a solution. There are some cases, maybe a one-time payment, where an existing agency waiver will remain.

Q. We have a similar situation with local county tax and unions that receive paper checks, so we need to look at it from a union standpoint also.

A. It's good to attend these meetings because we can see scenarios from other agencies perspectives. What it comes down to is the hold-outs will be awkward and difficult to deal with, and we will have to deal with those on a case-by-case basis.

**Debt Management Services (DMS), Treasury Offset Program (TOP) –
Horace Tate, FMS**

Horace provided an informative presentation on the TOP and the new opportunities to collect more.

Q. Are you contacting the creditor agencies for updating those crediting agencies?

A. We are contacting the agencies in order to update the crediting agencies.

Q. What's the average timeframe for issuing the monies to the crediting agency?

A. Typically, it's the Thursday or following Monday when they receive the credit.

Q. Is that through IPAC?

A. Yes, typically it is through IPAC.

Q. We implemented a program in support of caregivers where we issue them a stipend and even though these are benefit payments, last month, they were offset. We processed more of those payments through a newly established fund we set up.

A. Those payments come in as Vendor/Miscellaneous so we had to work with VA last month to ensure they were marked as 'NO' under the TOP field. They needed to code them as Vendor, but also, as ineligible for offset.

Q. Is it only available to your agency to do debt referrals to FMS or is it available to the payable side also?

A. Yes, it is available to the payable also.

Q. The increase from 1.8 to 5 billion, is that the increase of debt or the efforts to collect that debt, which have increased?

A. Both

Q. Can you give us contact information to access the web?

A. Email Horace.tate@fms.treas.gov

Vanguard Award Ceremony and Reception

Treasury Check Information System (TCIS), System Enhancements & Agency Reporting – Dawn Johns & Brian Pichler, FMS

Dawn & Brian presented on TCIS and future TCIS integrated view functions.

Q. Is that going to include the enrollment forms to get the dashboard?

A. There are already forms to fill out.

Q. On the operational reports, for example the detail reports can you today or will we be able to in the future get a flat file with those reports?

A. That question has been asked before actually. Yes, we hope to deliver these in September. Certainly we have all the elements, so creating the reports shouldn't be too cumbersome.

Q. When will users have the opportunity to view checks over 2 years old in TCIS?

A. TCIS currently has 2 years online (through the FRB Minneapolis) over 2 years they are archived. Once the check comes back it is viewed in a .tif format, instead of the .jpeg format that checks 2 years and under are available to view in. the capability is there, but your desktops may not be set up to view those. You will need to work with your people in office.

Q. For checks, what about the stale dated checks that we are able to pull out of pacer right now? Will we be able to pull those in TCIS (Limited payability checks)?

A. We can follow up with you on that.

Q. Currently in PACER you have the ability under tax payee ID to query multiple years at one time.

A. The reason we limited that to 12 months is because some payees get unlimited amounts of checks, and since TCIS is a web-based application. To allow for downloading of all those records we had to put a limitation on the search query. You can still go back to 1997, but only one year at a time.

Kansas City Regional Financial Center Updates

Financial Services and Support Branch (FSSB)

CLAIMS -

Teletrace

- KFC has successfully closed over 56,921 cases which total over \$38 million.
- We closed 86.73% of those cases within 5 days
- We've were able to recover over \$1.1 Million in misdirected funds on behalf of SSA

Comerica Volume for FY11= 10,813 cases and we are expected to increase with the goal of moving to DD or the Direct Express debit card with the All Electronic Initiative

Reclamations

FY11 to date, KFC has processed:

- 14,925 reclamation cases
- We closed 99.3% of those cases within 5 days

CUSTOMER ASSISTANCE STAFF

Help Desk Unit

Answered nearly 34,600 calls to date in FY 2011

Top 3 most common calls we assisted with

- 1) Agency Calls--to assist a customer, treasury programs, and general support (33%)
- 2) Unidentified EFT payment (21%)
- 3) EFT Reclamation assistance (11%)

- The Help Desk recovered 1,067 items totaling \$20.3 million at the request of customer agencies.

Project Unit

- The 2011 FMS Customer Satisfaction Survey was emailed to over 21,000 customers in early June and closed this past week. We are hopeful you had a chance to respond. The feedback you provide is very valuable and helps us to grow as a center and improve as an agency.

- Worked with Veterans Affairs to transition their payment processing to KFC from AFC. KFC hosted an on-site meeting with VA last month and provided them with a tour of the facility.

- VA is also a pilot agency for the Direct Express card; we're working hard behind the scenes to offer this new payment alternative to VA recipients

- Assisted several FI's and agency customers with addenda formatting, specifically in relation to the SSN Suppression initiative

- Worked with US Courts to transition disbursing beneath their 8 digit ALC

- We've sent out several management letters, including SSN suppression, the NACHA request for comment on their Suppression initiative, and the suspension of the SSN suppression letter. We also use these distribution lists for publications and to alert customers to any deviation from normal business, i.e. holiday processing schedule. Please provide your email address on the evaluation form if you would like to receive our communications and did not.

- Mark your calendar for 2012: The next CAB meeting will be in the February/March timeframe and the Payment Management Customer Conference will be held next August (location to be determined).

FINANCIAL OPERATIONS

Foreign Payments – ITS.gov:

Foreign payment volume and totals

FY2011 we processed over 42,000 payments totaling over \$1.9 billion

Foreign collection volume and totals

FY2011 we processed over 590 collections totaling over \$267 million

Foreign reclamations volume and totals

- o FY2011 we processed over 2,400 SSA cases collecting \$4000,000

Plan to implement new agencies in 2011

ABMC is moving their payment processing to NBC, implementing this new group of
NBC - August 1, 2011

OPIC - testing payments files

Holocaust Museum and Memorial - completed training

Department of State - State Department Directorate of Defense Trade Controls (DDTC) - will be trained the week of August 1, 2011

Current initiatives

- o Working with PAM as the IAT / OFAC subject matter expert and customer service liaison

ASAP.gov:

Draw down volume and totals

- o FY2011 supported the draw down of over 64,000 items totaling over \$18.6 billion

FY2011 answered over 2,800 ASAP calls lasting over 22,500 minutes

Information Systems and Support Branch (ISSB)

Technical Support Staff - Continues to provide production level 1 support to the SPS, PAM, Legacy Payments, PACER, TCIS and other FMS payment systems. This year this has included:

- Providing Administrative support to ALL SPS and PAM users.
- Serving as Subject Matter Experts to the PAM Business Requirements.
- Conducting User/Systems test for PAM Release 3.0, 3.1 and now 4.0.
- Providing oversight of the transition of ALL Agency Daily payment files (Vendor, Misc. Travel and Salary) from the legacy payment system to the PAM system.
 1. Transition over 200+ agencies
 2. Transition Type B and SPS Type A files
- Testing with agencies
- Participating in Disaster Recovery exercise within FMS and with Agencies.
- Maintaining the legacy Daily EFT, Salary Check, VA, CTX and SPS that will be decommissioned within the next year due to the PAM application.'

Lead effort to transition CTX and VA applications from the Austin Financial Center to KFC.

Participated in the FMS/BPD Data Center consolidation at KROC and BPD. This included movement of applications, testing and participating in the Disaster Recovery table-top exercise.

Payment Application Modernization (PAM) Program Office - Implemented PAM Release 3 - Daily Payments - Vendor, Miscellaneous, Salary, and Travel & Release 3.1 - International ACH Transaction (IAT). This included the following:

Transition over 200+ agencies from November 2010 through June 2011.

- Transition both Type "B" bulk files and Type "A" SPS payments
- Approx. 700 datasets converted
- 99.9% daily payments transition from the legacy system to PAM
- Transition VA Chapter 35 (Sept. 2011)
- Over 75% of manually handling at the Regional Financial Centers reduced.
- PAM processing 800 to 1,000 schedules per day.
- Agencies receiving both email and Connect Direct transmission of the notification reports.

PAM Program Office is currently working on PAM Release 4 - Wires (Sameday Payments), OFAC Checking for a November, 2011 release.

- Release 4 is currently in the construction process.
- User Acceptance testing begins in August 2011.
- Begin testing with the interfacing systems in September 2011.
- Scheduled for production in November 2011 for performing OFAC checking for IAT payments.
- Wires will be transition in early 2012.
- SSA payments are transition to PAM in 2012.

PAM Program Office will begin decommissioning legacy applications with the Regional Centers in early 2012.

PAM Program Office is coordinating the one-day FMS Payment Modernization Technical Sessions with the Government Wide Accounting (GWA) and Secure Payment System (SPS) to the Washington, D.C. areas and various locations. In this effort to assist FMS customers, GWA, SPS and PAM will be reviewing data elements, validation and agency specific information that agencies must use to submit payment request to FMS in the future. The target participant for this session includes:

- Individuals who have director 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 processes.

The PAM Program Office is currently working directly with the benefit agencies and IRS to ensure all requirements for these payments are captured in the PAM Standard Payment Request file that replaces the legacy 31+ formats. Contacts for this effort are Lori Meyer and Jesse Chavez.

Payment Management Operations Branch (PMOB)

Operations

- Austin Financial Center (AFC) Transition
 - First month to completely process and mail monthly VA Comp and Pension was in May
 - We began processing VA check and letter matching work in June, a month earlier than the original schedule
- New equipment
 - We received our third Kern in February from Austin and were operational right away
 - We now have all of our rewinders and unwinders, so we are completely a roll-to-roll operation. The print room is much quieter since checks are not cut any more at that stage of the process
 - We received a vertical stacker for our Kern 3500. Compared to the conveyer belts on the other two machines it is much more efficient. Vertical stackers for the other machines are being procured and we are awaiting a delivery date.

Check Wrappers

- We are in the process of retiring our first check wrapper. This is a bittersweet parting for us since we have had them so long, but we realize it's time to move to newer technology and increased accountability. All three wrappers will be retired by year-end.

Presort and Mail

- Presort 2011 through June 30th – 8.8M pieces, \$557K saved
- This year we're projecting over \$1M of savings due to the added volume of letters

- Our presort machine was upgraded in June to allow for Intelligent Mail Barcoding

Special Handling

- Please note that in your CAB binder is a form for special handling requests for checks. Instructions are also included with the form. Your agency needs to submit this form to us if you have checks that need to be held or checks that are routed someplace other than the regular outgoing mail. If you have any questions please contact JoAnn Taylor. Her number is in the binder under the KFC contacts list.

Problems

- Please call Irene Huskey or Randy Brown if you have any processing problems and we will be glad to help you

Administrative Management Branch

2nd Generator Installation

- Currently in the process of installing 2nd generator at building. Completion of installation will provide dual redundancy from power station to building electrical panels.

General Building/Security

- Worked with KROC and BPD staff to modify physical space and security needs as needed for transition.

HSPD-12 Initiative

- All employees and contractors have been issued HSPD-12 badges.
- Upgraded badge readers to HSPD-12 compliance.
- Installed new enterprise access control system.

Safety and Security Audits

- Completed 5 safety/security audits in the past year with no major findings. Credit goes to our Physical Security Specialist, Thad Pealer.
 - Kansas City Fire Marshal's Office, Fire Prevention Division
 - DHS Federal Protective Service
 - Government Wide Cash Audit IR/KROC Physical Security Audit
 - FMS Security Division review
 - FMS Safety Division review

eOPF

- Provided training and access to eOPF system to all employees.

Accounting

- Continue to provide customer service to agencies on accounting related issues. May have spoken with Zoila Bower, Mike King, or Crystal Duckworth.
 - Continue to complete internal control reviews and provide assistance to other branches to ensure appropriate internal controls are in place.
 - Going through annual Governmentwide Cash Audit. No known findings to date.
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Meeting Adjourned

Thursday, July 28, 2011

Internet Payment Platform (IPP) & Agency Best Practices –

Paul Lionikis, Federal Reserve Bank (FRB) of Boston

Debra Carder, Bureau of the Public Debt

Paul presented on the IPP and the benefits it provides to the agencies followed by Debra sharing their agency best practices.

No questions were generated from the Debt Management Services presentation.

Transaction Reporting System (TRS), Collection Tools & CA\$HLINK II Decommissioning –

Stan Frye, PNC Bank

Stan presented on the action planning

Q. How often does TRS update? Is it only once a day or continuously throughout the day?

A. There is a daily frequency for scheduled downloads as well as an end-of-day download. You can go online any time of the day to view up-to-date transactions and can download it then and there.

Q. We download monthly from TRS and one of our problems is the size of the files and transitioning them to an .xml format from system to system. Would our agency encounter problems regarding specifications? TRS cannot design it based on what we need, but instead our agency will need to figure it out ourselves, is that right?

A. TRS provides the information in a standard format that should be useable by your IT folks. It will take some time for your IT group to transition the files to XML format due to the size of the files though.

Q. What is ARI 3?

A. Agency Reporting Iteration 3.

Q. You keep referring to a ‘voucher’. Is that the same as a summary?

A. For agencies, a voucher is a summary.

Governmentwide Accounting & Reporting Modernization Project Update (GWA) –

Keith Jarboe, FMS, DC

Keith provided an overview of GWA’s vision and key goals, as well as major accomplishments and current initiatives for the Governmentwide Accounting and Reporting Modernization project.

No questions were generated from the GWA presentation.

Secure Payment System (SPS) –

Chris Garrett & Gary Ng, FMS, DC

Chris & Gary provided an overview of the SPS system, including new functionality.

Q. Would a ‘sort’ function or ‘find’ function be available if an agency had several TAS BETCs?

A. Yes, you can sort by certain fields.

Closing Remarks

Meeting Adjourned

Agency Updates Continued

