

Payment Application Modernization (PAM)

**Kansas City Regional Financial Center
Customer Advisory Board**

February 23-24, 2010

Today's Topics

- PAM Overview
- PAM vs. Legacy
- PAM 3.0 Transition
- PAM Standard File Format
- PAM Standardized Check Face
- PAM SSN Suppression
- PAM Website



PAM Overview



Background

- Develop and deploy a standardized application, Payment Automation Manager, employing new technologies
- Replace 30+ applications currently used to process payment requests
- Centralized support roles
- One standard format to maintain
- Streamlines (automates) majority of manual work processes

Background: Treasury Payments Environment



Payment Instruction

Payment Authorization



Philadelphia

Checks



Electronic Payments



Federal Program Agencies (FPAs)

- **200+** FPAs generating payments
 - Social Security Administration
 - IRS
 - Supplemental Security Income
 - Veterans Administration
 - Payrolls
 - Vendors, etc.
- Payment instructions & payment authorizations are transmitted from FPAs in various formats to the Treasury

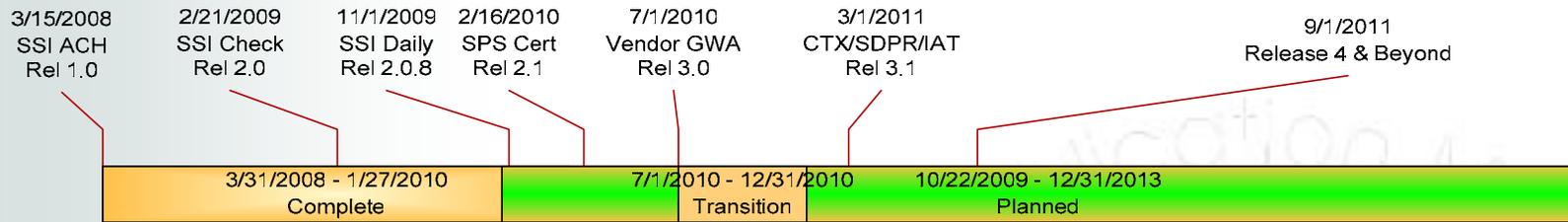
4 Treasury Regional Financial Centers

- 1 standardized application will replace **30+** payment processing applications, many of which have redundant functionality
- Use of current technology (Java, WebSphere, relational database); Legacy applications are decades old and use COBOL and Assembler
- Automated workflow will eliminate numerous manual processes
- **11** interfacing applications
- Application operates within FMS computing environment

Payments Issued

- Nearly **1 billion** payments issued annually
- Annual disbursements exceed **\$1.6 trillion** to more than **100 million** individuals
- **80%** are electronic payments

PAM Release Schedule



3/31/2008

12/31/2013

1.0 (March 2008)

SSI ACH Payments

2.0 (March 2009)

SSI Check Payments

2.08 (November 2009)

SSI Daily ACH & Check Payments

2.1 (February 2010)

SPS Certifications - Bulk Files w/Summary Certification
Garnishment Exempt Code for Benefit Agencies

3.0 (July 2010)

Daily Vendor, Misc., Salary, and Travel
TOP Offsets
Partial Payments
Bulk Files w/Summary Certification
Manual Payments Entered into SPS
80-85% reduction of manual processing

3.1 (February 2011)

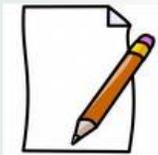
CTX
Same Day (Wire) Payment Requests
IAT Payments

4 - (TBD)

Holds
Transition remaining Legacy Payments to PAM

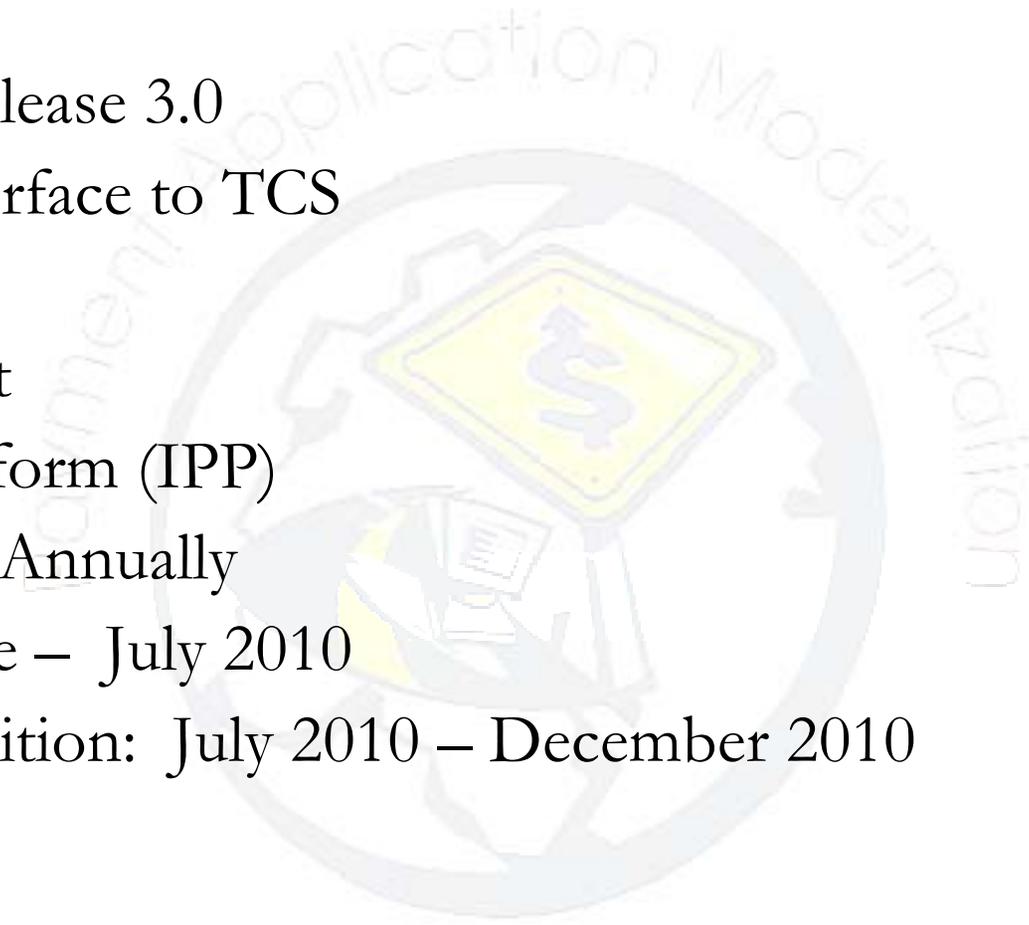
Upcoming Releases: Release 2.1

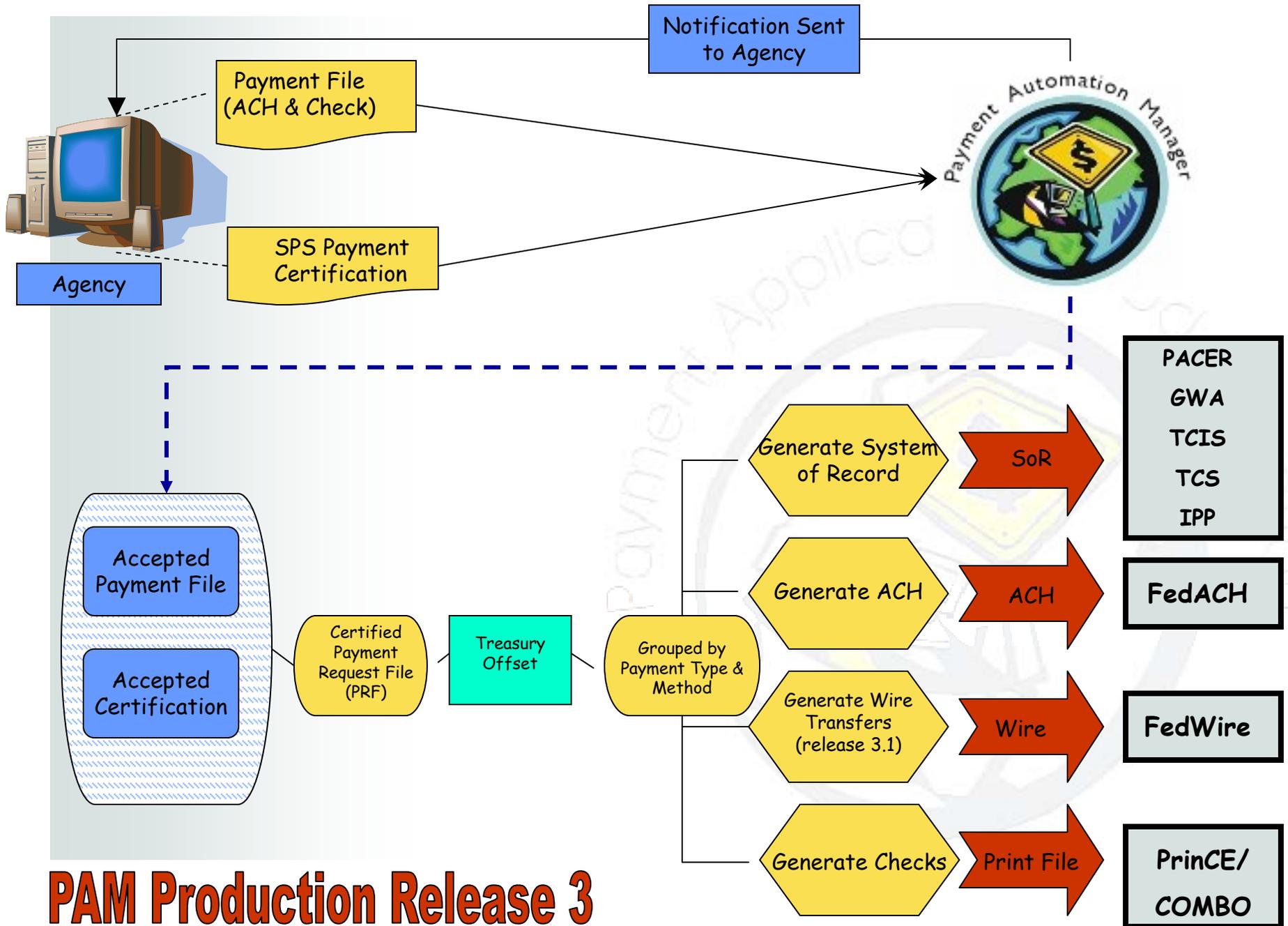
- SPS Bulk Files with Summary Certification (control # assigned) will be streamed through PAM.
 - If **PAM processes** the payments, PAM will match the summary certification to the bulk payment file and the payments will be processed through PAM.
 - If **PAM does not process** the payments (payments processed in legacy), the summary certification will be stored in PAM and automatically printed at the appropriate RFC to be manually matched to the bulk payment file.
 - SPS XML Format
- SPS Manual Payments (payments entered and certified in SPS) – implemented in PAM release 3.0
- Garnishment exempt code for Benefit Agencies
- Additional performance improvements
- PAM Production: February 2010 (SPS streaming begins May 26)



No Impact to Customer Agencies

Upcoming Releases: Release 3.0

- New Functionality for Release 3.0
 - TOP Offsets with interface to TCS
 - Partial Payments
 - PAM Standard Format
 - Internet Payment Platform (IPP)
 - 164 Million Payments Annually
 - Targeted Production Date – July 2010
 - Release 3.0 Agency Transition: July 2010 – December 2010
- 
- A large, faint watermark is visible in the background of the slide. It consists of a circular gear-like border containing a yellow diamond-shaped sign with a blue dollar sign inside. The text "Payment Application Modernization" is written in a light blue, sans-serif font, curving around the top and right sides of the gear.



PAM Production Release 3

Upcoming Releases: 3.1 and Beyond

- * Release 3.1 – 1st Quarter Calendar 2011
 - CTX
 - Same Day Wire Payments
 - International ACH Transactions (IAT)
 - Agencies will be able to send payments with TAS/BETC using the PAM Standard Format
- Release 4.0 – TBD
 - Holds
 - Transition remaining Legacy payments to PAM (SSA, RRB, Tax, OPM, VA etc.)
 - 688.3 Million Payments Annually

*Tentative

PAM vs. Legacy



PAM vs. Legacy

- PAM's automation will involve schedules being streamed more quickly
 - Payment Request File is automatically matched to the SPS certification. In PAM there isn't any functionality to back out certified files, once they are matched, they are processed.



Certifying Officers should be sure that information is correct prior to certifying

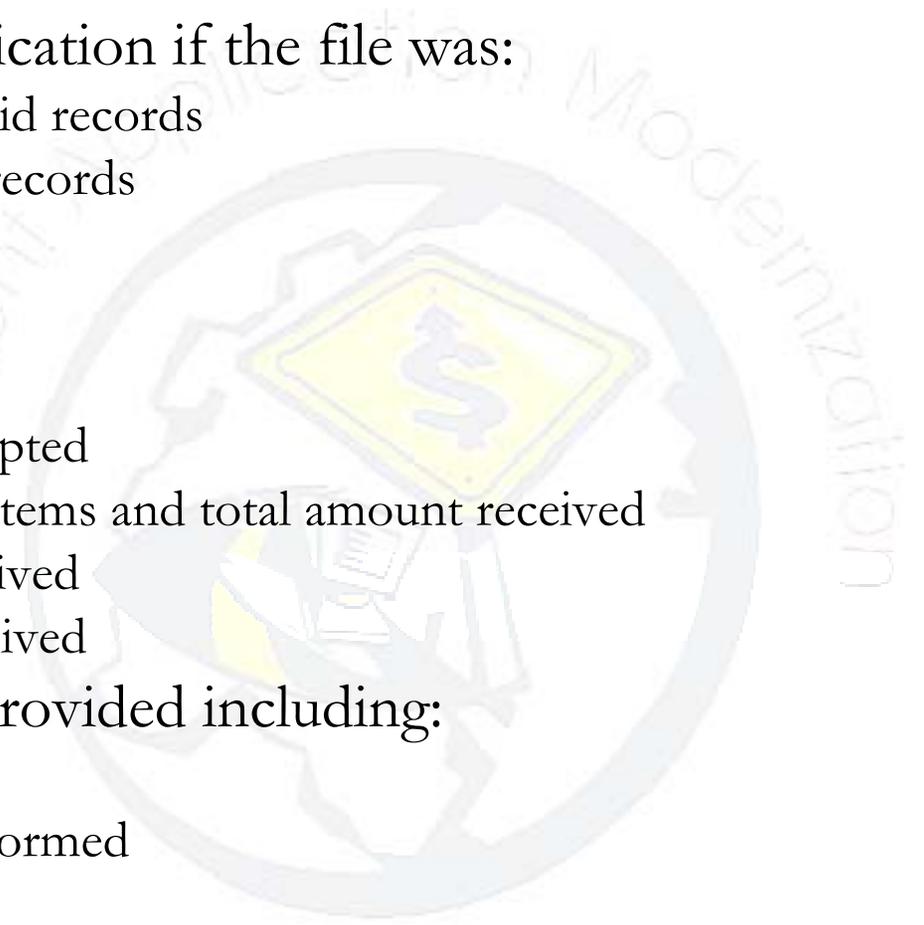
- Payments will be processed with much less manual intervention.
 - No manual batch processing by an RFC operator. Certified payment files are automatically picked up by PAM Input Management and processed every 15 minutes.

PAM vs. Legacy

- All validations will be conducted upfront
- PAM 3.0 will provide the status of your Payment File via email and/or Connect: Direct file transmission.
 - Email distribution list maintained by the agency.
- PAM will provide one standard notification report by Connect:Direct. The format will be similar to the legacy format but may require a few agency modifications if the file is uploaded into an internal application.
- Notification reports from PAM can be expected shortly after the transmission of the payment file.
 - Time could vary depending upon internet speed
- C:D Notification format will be posted on the PAM Web-site.

PAM vs. Legacy

- Email and C:D will include notification if the file was:
 - Successfully validated with no invalid records
 - Successfully validated with invalid records
 - Rejected and include reasoning
- Email and C:D will also detail:
 - Type of payment request
 - Date and time the request was accepted
 - Payment Request File (PRF): total items and total amount received
 - ACH: items and total amount received
 - Check: items and total amount received
- Received file status will also be provided including:
 - Control Number
 - Date and Time Validation was performed



PAM Email Notification



pam.prod@kfc.fms.org

01/25/2010 11:39 PM

Please respond to
pam.help.desk@fms.treas.gov

To PAM Helpdesk <pam.help.desk@fms.treas.gov>, SSI Email <PAB@ssa.gov>, KFC Mgmt <kfc-nfc-Mgmt@fms.treas.gov>

cc

bcc

Subject Status of your PRF

The US Treasury (FMS) has received a payment request of type SSI DAILY for the Social Security Administration.

On 1/25/10 at 11:39:04 PM CST the validation process accepted with errors the requests.

PRF DETAILS:

Validation Date 1/25/10, at 11:39:04 PM CST, 19,903 items for a total of \$22,198,623.31, and validation status accepted with errors

ACH DETAILS:

9,825 ACH items for a total of \$8,648,109.35

CHECK DETAILS:

10,078 CHECK items for a total of \$13,550,513.96

RECEIVED FILES:

File 1: Status passed Validation Passed validation. Accepted with Errors.

Date Validation Performed 1/25/10

Time Validation Performed 11:39:04 PM CST

Agency DataSet FROXK.SSI.SSIDLY.DAILY.R100125

PAM DataSet FROPK.SSI.SSIDLY.C001417

Control Number C001417

Item Count 19,903

Total Payment Amount \$22,198,623.31

Control Number

Notification

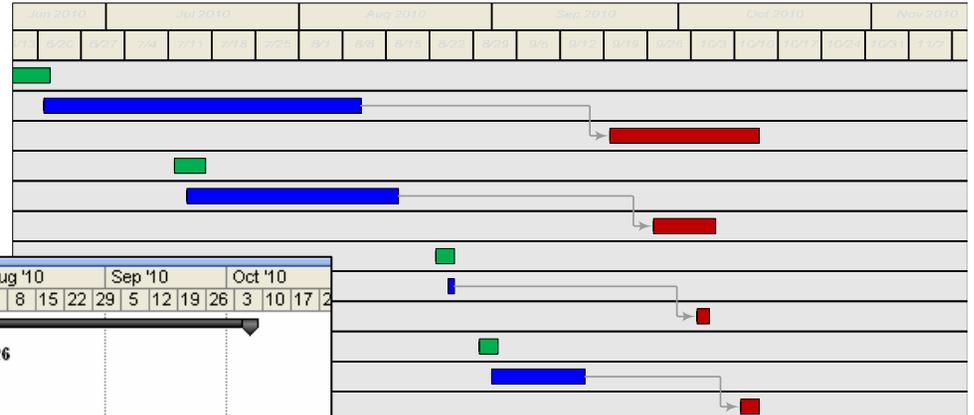
PAM 3.0 Transition



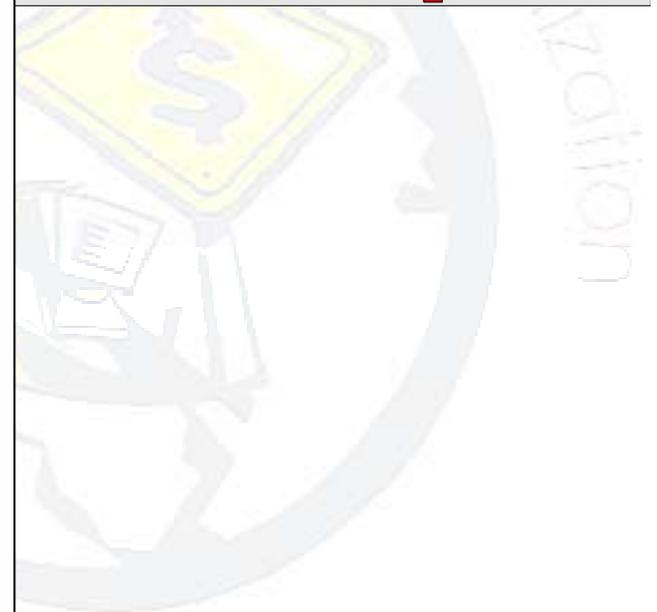
PAM 3.0 Transition

- Projected production for July 2010 – December 2010
- Transition daily payments over to PAM from Legacy
 - Excludes remaining Legacy payments (SSA, RRB, Tax, OPM, VA etc.)
- Bulk Payment File with Summary Certification will be transitioned first.
- SPS Manual Certifications will be transitioned second.
- Agencies may be contacted by your serving RFC
 - Connect:Direct set-up information
 - Email Distribution information.
- The agency Transition Schedule is not finalized
 - Final Transition Schedule will be posted on the PAM Website.

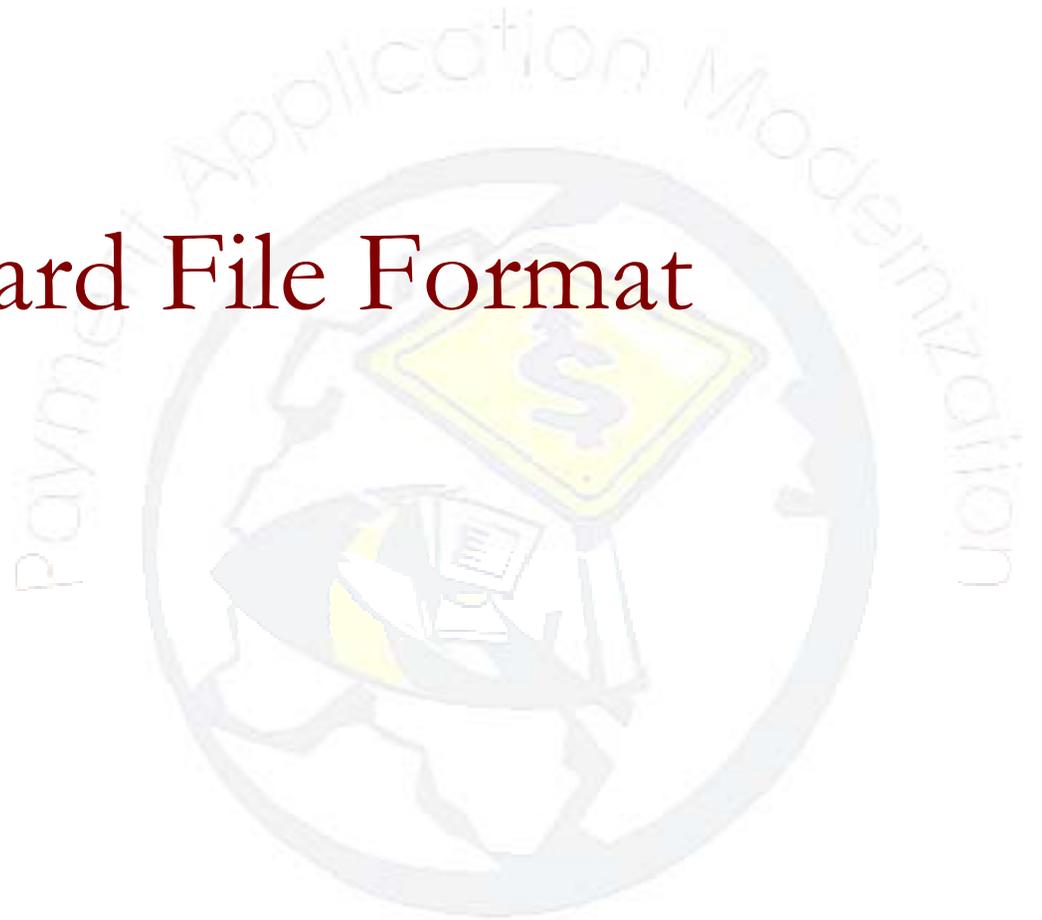
PAM 3.0 Transition



Task Name	Duration	Jun '10	Jul '10	Aug '10	Sep '10	Oct '10
1 <input type="checkbox"/> RFC Transition of Type B and A payments	78 day?					
2 <input type="checkbox"/> KFC Type B Transition	26 days?					
3 Consumer Product Safety Comm.	1 day?					
4 U.S. African Development Foundation	1 day?					
5 US AID/ RRB 7.08-142	1 day?					
6 Broadcasting Board of Governors	1 day?					
7 FLETC/Budget & Finance Division	1 day?					
8 National Science Foundation	1 day?					
9 DOE/Oak Ridge Operations Office	1 day?					
10 Natl Institute of Standards Tech	1 day?					
11 Securities & Exchange Commission	1 day?					
12 DOS/SFSC	1 day?					
13 Environmental Protection Agency	1 day?					
14 DHHS /Center for Disease Control	1 day?					
15 Environmental Protection Agency	1 day?					
16 U.S. House of Representatives	1 day?					
17 Indian Health Service	1 day?					
18 DHHS/PHS/Indian Health Service	1 day?					
19 DOT/U.S. Coast Guard Finance Ctr	1 day?					
20 FARM SERVICE AGENCY/USDA	1 day?					
21 USDA/Rural Development	1 day?					
22 General Services Administration	1 day?					
23 Commodity Credit Corp	1 day?					
24 Federal Bureau Of Investigation	1 day?					
25 Corporation for National Service	1 day?					
26 USDA/Animal, Plant, Health Insp	1 day?					
27 Admin. Office of The U.S. Courts	1 day?					
28 American Battle Monuments Comm.	1 day?					
29 American Battle Monuments Comm	1 day?					



PAM Standard File Format



PAM Standard File Format

- Implemented in Release 3.0
 - Agency Testing will begin.
- Standard Format Required to be used:
 - GWA Reporters
 - IAT (International ACH Transaction) payments
 - Agencies will be able to send payments with TAS/BETC using the Standard Format after release 3.1.
- Updated Format posted to the PAM Website
 - (version 3.3 dated 1/28/10)
- Format does not include CTX data elements

PAM Standard File Format

- Submit one file with one or more schedules
 - Not intended to allow for more than one file per schedule (i.e. one file can have multiple schedules but one schedule cannot span across multiple files).
- One summary certification should be submitted for each schedule in the file. (One certification cannot cover multiple schedules i.e. Blanket Certifications)
- PAM format will need a schedule number/ALC for ease in matching to the certification
- The assigned Input Management control number will be used to correlate the payment files to the certification

PAM Standard File Format

- Recovery Methods:
 - Full Recovery - Entire file is rejected, entire file is removed, agency resends a new file
 - Schedule Recovery - Schedule(s) is rejected, Schedule(s) is removed, agency resends only the problem schedule(s).
 - Configurable in PAM
 - Default in PAM = Full Recovery

PAM Standard File Format

- File Structure Validations
 - A schedule can contain only one method of payment (ACH & Check)
 - A schedule can contain only one type of payment (Appendix A of the PAM Standard format):

Types of Payment
SSI
SSI Daily Title 16 Daily
SSI Daily Title 16 Supplementary
SSI Daily Title 8 Supplementary
SSI Daily Title 8 Regular
SSI Daily Title 8 Daily
Vendor
Vendor IPP
Miscellaneous
Miscellaneous IPP
Salary
Travel
Annuity
Thrift
Allotment
VA Education Chapter 33
VA Education Chapter 31
Child Support

PAM Standard File Format

- File Structure Validations continued
 - ACH Data Records –
 - Received in Routing Number order
 - Account Number (i.e. SSN, TIN, Vendor ID, etc.) in order within the Routing Number
 - Payments will be processed through the FEDACH system more quickly
 - Trace numbers assigned in the order provided by the agency
 - Same process used in legacy applications
 - Check Data Records –
 - Received in any order
 - Check numbers are assigned in the order provided by the agency
 - Checks are resorted by zip code in PAM and assigned a Print Sequence Number.
 - Allows for a better postal discount.
 - All Records that make up the information for one payment must be received consecutively on the file
 - Additional Data Elements will be validated – Refer to the PAM Standard format for a complete listing

PAM Standard File Format

- GWA TAS/BETC Reporting
 - 1 to 100 TAS/BETC per payment; maximum 300 TAS/BETC per schedule
 - PAM will not validate the accuracy of the TAS/BETC
 - PAM will not stop a payment due to an invalid TAS/BETC
 - Difference Report generated and sent to GWA
 - Reflects TAS/BETC differences between what was reported on the certification and TAS/BETC amounts reported for the detail payments
 - Differences are reported at the Summary level
 - Difference Report generated only if there is a difference
 - Only applies to bulk files – SPS validates TAS/BETC amounts
 - GWA reconciles with individual Agencies

PAM Standard File Format

Example TAS/BETC Difference Report

Schedule Number: ABC123

	Payment Amount	TAS/BETC at Payment Level	TAS/BETC File Totals Summarized	TAS/BETC Certification Totals Summarized	Difference Reported
Payment 1	\$1,000	TAS/BETC 1 = \$500 TAS/BETC 2 = \$300 TAS/BETC 3 = \$200	TAS/BETC 1 = \$600 TAS/BETC 2 = \$400 TAS/BETC 3 = \$500	TAS/BETC 1 = \$600 TAS/BETC 2 = \$500 TAS/BETC 3 = \$400	TAS/BETC 2 = \$100 TAS/BETC 3 = \$100
Payment 2	\$500	TAS/BETC 1 = \$100 TAS/BETC 2 = \$100 TAS/BETC 3 = \$300	Total = \$1,500	minus Total = \$1,500	equals

PAM Standard File Format

- Proposed training dates and times for 2010:
 - February 9, 2010 – 1:00 to 3:00 CT
 - March 4, 2010 – 9:00 to 11:00 CT
 - April 6, 2010 – 1:00 to 3:00 CT
 - Remaining 2010 - TBD
- If your agency is interested in any of the training classes, please contact Lori Meyer, PAM Training Coordinator at (816) 414-2337.

PAM Standard File Format

- As PAM is implemented, agencies will continue to work through their servicing RFC
 - Austin Financial Center: 512-342-7300
 - Kansas City Financial Center: 816-414-2100
 - Philadelphia Financial Center: 215-516-8000
 - San Francisco Financial Center: 510-597-7300

PAM Standardized Check Face



PAM Standardized Check Face

- 33+ examples of different check looks
- Goal: Similar data and in the same location for all checks
- Standard location for agency specific data
- 4 lines available located under the payee address
 - 1st and 2nd line Agency derived data
 - 3rd and 4th line PAM derived data
- Legacy applications – PAM will relocate the data
- PAM Standard Format – agency provides the data (data elements: Check Legend Text 1 and Check Legend Text 2)
- Check Number and PAM Print Sequence Number viewable through the envelope window

PAM Standardized Check Face

**** Proposed ****

United States Treasury ¹⁵⁻⁵¹/₀₀₀ A 128,455,644

Pay to the order of

2-1-2010 Kansas City, MO

0001 00007145 2221 12345678 20550860
(B&R CODE)

John Doe
C/O Jane Smith
Dept 2
123 Main Street
Anytown, ST, 12345-4321

For agency use (Thrift Sav; SSI for Nov)
For agency use
For PAM use (SSI For November)
For PAM use (Agency ID; Tax Mo/Yr;)

Check No.
2221 12345678

W Schedule #

*****\$1000*00

VOID AFTER ONE YEAR

SPECIMEN
NOT NEGOTIABLE

⑆ 2221 ⑆ ⑆ 000000518⑆ 046714261⑆ 010700

PAM SSN Suppression



SSN Suppression

- Goal – Suppress the Payee ID (SSN, TIN, EIN etc.) in all ACH records for personal privacy protection reasons (includes Prenotes & NOC's)
- Display only the last four digits of the Payee ID on the Payee's Bank Statement
- Cancellations – PACER will include full SSN from the original payment data
- Financial Institutions and Agencies will be notified prior to implementation
 - FRB Broadcast notification to Financial Institutions
 - Email notification to Agencies from servicing RFC
- Agency Impact Minimal – Payee may see a difference on Bank Statement
- Implementation – PAM Release 3.0

PAM Website



PAM Website

- <http://fms.treas.gov/pam/index.html>
- Will contain information on
 - PAM Project Updates
 - PAM File Formats (PAM Standard Format, C:D File Format)
 - Training Dates & Times for 2010
 - Formats can be downloaded from the website
 - TAS/BETC information
 - Related websites
 - Frequently Asked Questions
 - Do I have to use the PAM File Format?
 - Who will be my RFC Contact after my agencies payments are processed by PAM?



PAM Website

The screenshot shows the PAM website interface. At the top, there is a browser address bar with the URL "Overview: Payment Application Modernization (PAM): ..." and navigation icons for Home and Feeds. Below this is a dark blue header with the text "FINANCIAL MANAGEMENT SERVICE A Bureau of the United States Department of the Treasury fms.treas.gov" and a "Programs" button. A navigation menu contains links for Home, FAQ's, Training & Events, Publications, Programs, About FMS, A-Z Index, and Navigation Help. A search bar with "Google Custom Search" and a "Search" button is present, along with links for Advanced Search, RSS XML, Subscribe, and Contact FMS. On the left, a dark blue sidebar lists navigation options: Overview: PAM, Common Questions, Formats, PAM Support of GWA, Related Resources, Project News, and Contact. The main content area features a circular logo for "Payment Automation Manager" with a globe and a dollar sign. Below the logo is the heading "Payment Application Modernization (PAM)" and a sub-heading "Overview". The text describes the PAM Project as an effort to modernize mainframe-based software applications used for disbursement of federal payments. To the right, an "Updates" section shows a date of November 06, 2009, and a list of links: Formats Training Update, UPDATE Milestone Chart & Release Schedule, and Letter from PAM Project Sponsor SPS, PAM File Formats with GWA Changes. At the bottom right, a red-bordered box highlights a "Receive E-Mail Updates" button and a "Subscribe to Updates" link. A red arrow points from the "Overview" text to the "Subscribe to Updates" link.

Overview: Payment Application Modernization (PAM): ...

Home Feeds (1)

FINANCIAL MANAGEMENT SERVICE
A Bureau of the United States Department of the Treasury
fms.treas.gov

Programs

Home FAQ's Training & Events Publications Programs About FMS A-Z Index Navigation Help

Google Custom Search Search

Advanced Search RSS XML Subscribe Contact FMS

Overview: PAM
Common Questions
Formats
PAM Support of GWA
Related Resources
Project News
Contact

Payment Automation Manager

Payment Application Modernization (PAM)

Overview

The PAM Project is an effort to modernize the current mainframe-based software applications that are used to disburse approximately 1 billion federal payments annually. The existing payment system is a configuration of numerous

Updates

Updated November 06, 2009

- Formats Training Update
- UPDATE Milestone Chart & Release Schedule
- Letter from PAM Project Sponsor SPS, PAM File Formats with GWA Changes

Receive E-Mail Updates

- Subscribe to Updates



Any Questions?



Contact Information

❖ **Lori Meyer**, PAM Training Coordinator

- (816) 414-2337
- Lori.Meyer@fms.treas.gov

❖ **Jesse Chavez**, FMS Program Analyst

- 816-414-2108
- Jesse.Chavez@fms.treas.gov

