



"DeJesus, Juan Mr ASA-FM" <Juan.DeJesus@HQDA.Army.Mil> on 10/18/2003 03:15:05 PM

To: "210comments@fms.treas.gov" <210comments@fms.treas.gov>  
cc: "Landrum, William M III COL ASA-FM" <William.Landrum@HQDA.Army.Mil>, "kristine.conrath@fms.treas.gov" <kristine.conrath@fms.treas.gov>  
Subject: FW: Request for Comments on 31 CFR Part 210

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Financial Management Service,

1. The purpose of this email is to inform you that this office has the following comments to a Notice of Proposed Rule Making (NPRM) to amend federal regulation 31 CFR, Part 210 which was published in the Federal Register on August 21, 2003, page 50672 (see attachment). Part 210 is the regulation that governs the Federal government's Participation in the Automated Clearing House system and sets the rules for Paper Check Conversion (PCC). The comments are provided based on this agency being a user of the Paper Check Conversion (PCC) technology overseas.

2. Background. The Department of the Army, Office of the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)) set high-level program policy and provide headquarters support on the program. The U.S. Army Finance Command (USAFINCOM) represents the ASA(FM&C) on administering the Military Paper Check Conversion (MPCC) day-to-day business, policy/guidance and deployment.

As of September 2003, the Army in partnership with the U.S. Department of the Treasury (FMS) has deployed and tested the use of PCC in the following locations overseas.

Finance Office locations/regions	Checks Processed	\$
Germany, Italy, Hungary, Belgium,	191,046	\$ 95,472,510
Kuwait & Qatar	140,322	42,326,940
Iraq	7,140	1,914,075
Korea	2,457	3,458,149
Uzbekistan, Afghanistan and Honduras	12,349	3,526,083
Total	353,314	\$146,697,757

3. Comments to selected parts of the NPRM:

a. Revised Accounts Receivable Disclosure. Concur with proposed changes to shorting the disclosure notice to the customer based on it being too lengthy. The proposed language seems to address in plain language what PCC would do with the customer's check processed under PCC.

b. Expanded Accounts Receivable Check Conversion Applications. Concur with proposed change. Additionally, the finance offices located at contingency or peacekeeping locations must service their customers in different ways than the normal U.S. commercial settings. In a garrison (camp or post) environment, the necessary infrastructure (e.g., power and connectivity) are available for PCC set up and the cashier (s) can provide normal service; however, in the field the necessary infrastructure is not normally available. In the field environment cases, which are often for the military, the scenario is to cash the instruments in different settings (e.g., a tent, from a military vehicle or aircraft, in a barn, etc) and return to the rear for processing of the instruments. The cashier or agent providing this check cashing services could be away from one day to possibility several weeks before returning to a "normal setting". The appropriate paragraph under part 210 needs to take in considerations these types of settings.

c. Conversion of Additional Instruments. Concur with proposed changes to add additional instruments for processing via PCC (e.g., money orders, traveler's checks, certified bank checks, and credit card checks). To date, PCC has demonstrated to be a very reliable (i.e., 99.6 % 1st presentment), accurate and expeditious system for processing personal checks from remote locations, specifically for the military finance offices located in contingency and peacekeeping operations overseas. Adding the capability of processing the above instruments to PCC would improve their internal controls, accountability, customer service and processing of current exempt instruments. Currently, the exempt instruments must be handled manually (e.g., copy front and back of checks, prepare manual 215, security, convoy to site with a post office, etc) by the finance offices and in most cases it takes 2-4 weeks to reach the U.S banking system for processing. Additionally, we would recommend the processing of U.S. Treasury checks are added to the list. As a matter of fact, the volume of checks would more than double should the proposal be approved to use PCC.

Thank you for allowing this office to comment on your proposed ruling.

V/R,

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