



DEPARTMENT OF THE TREASURY  
FINANCIAL MANAGEMENT SERVICE  
WASHINGTON, D.C. 20227

NEED  
IAM

II, J.

May 28, 1999

Dear Cash Management Liaison:

One of the major goals of the Financial Management Service (FMS) is to partner with Federal agencies as we seek to continually improve financial management practices governmentwide. To accomplish this goal, FMS strongly encourages each Federal agency to use the Automated Clearing House (ACH) system for the collection of funds whenever cost effective, practicable, and consistent with current statutory authority (31 CFR Part 206). A major benefit to your agency is that ACH may allow you to capitalize on emerging Electronic Data Interchange technology which streamlines the processing of remittances and the related program information.

To assist agencies with the ACH process, on April 9, 1999, FMS published its ACH regulation, 31 CFR Part 210 (Federal Government Participation in the Automated Clearing House). (See enclosure.) Part 210 provides agencies the regulatory foundation for using the ACH system. It defines the rights and liabilities of agencies, Federal Reserve Banks, financial institutions, and the public in connection with ACH credit entries, debit entries, and entry data originated or received by an agency through the ACH system. This rule is effective May 10, 1999.

In 1999, FMS published *ACH Marketing Strategies for Federal Agency Collections*. (See enclosure.) This manual explains the different types of ACH products that Federal agencies can use to collect funds from corporate and consumer remitters. It will also give your agency ideas on how to begin collecting or to increase collections via the ACH system.

FMS also published *Automated Collections Made Easy* in 1995. (See enclosure.) *Automated Collections Made Easy* describes the basic ACH principles and provides ways to move the collection of Federal agency receipts out of labor-intensive, paper-based processes into more efficient and secure electronic systems. *ACH Marketing Strategies for Federal Agency Collections* complements *Automated Collections Made Easy*.

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During 1999, FMS and the lockbox banks will work more closely with the agencies to identify the paper cash flows that can be converted to ACH and to increase the dollar amounts currently being collected via ACH. The lockbox banks and FMS will assist the agency in developing marketing plans and distributing marketing materials to its remitters.

FMS and the lockbox banks are committed to helping the Federal agencies convert their paper cash flows to ACH. If you need additional copies of 31 CFR 210 or the marketing handbooks, or if you need assistance in identifying cash flows suitable for ACH conversion, please contact Joann Franklin on (202) 874-7018.

Sincerely,



Cathryn Donchatz  
Director  
Product Promotion Division

Enclosures

**AGENCY COLLECTIONS PROFILE - INTERIOR**

BUREAU	FI	LOCKBOX FY 98 ITEMS	LOCKBOX TOTAL \$ DEPOSITS	ACH FY 98 ITEMS	ACH TOTAL \$ DEPOSITS	PCN FY 98 ITEMS	PCN TOTAL \$ DEPOSITS	DESCRIPTION OF CASHFLOW
BLM	MELLON	--	--	--	--	34,332	\$2,715,693.34	BOOK SALES, FOIA
BOR	BANK OF AMERICA	1,500	\$317.88	0	0	--	--	WATER REVENUES, CONTRACT PAYMENTS, LEASES
BOR	BANK OF AMERICA	3,072	\$5,402.70	0	0	--	--	LEASE PAYMENTS, TRAVEL ADVANCES
BOR	BANK OF AMERICA	3,132	\$5,673.34	0	0	--	--	TRAVEL ADVANCES, JURY WITNESS FEES, LEASE
BOR	BANK OF AMERICA	5,304	\$1,658.55	0	0	--	--	AGRICULTURE & GRAZING REVENUE, LAND SALE
BOR	BANK OF AMERICA	5,408	\$9,064.97	0	0	--	--	WATER & LAND SALE, REPAY CONT, O&M REPAY
BOR	BANK OF AMERICA	1,552	\$2,078.76	0	0	--	--	LAND & WATER SALES, REPAYMENT CONTRACTS
BOR	MELLON	--	--	--	--	81,360	\$1,442,487.38	PAYROLL DEBTS
FWS	NATIONS BANK TX	63,264	\$39,606,648.48	0	0	--	--	LICENSE AND PERMIT FEES
FWS	NATIONS BANK	--	--	--	--	7,452	\$881,979.40	CAMP FEES, LICENSES
MMS	MELLON	0	0	1,089	\$414,088,249.00	--	--	LEASE RENTAL PAYMENTS
MMS	NATIONS BANK	--	--	--	--	696	\$53,438.10	COPIES, FILING FEES
NPS	NATIONS BANK	--	--	--	--	941,724	\$3,868,901.14	FEES, SALES, DEBTS, RESERVATIONS
OSM	MELLON	2,872	\$19,969,240.38	329	\$8,179,031.94	--	--	RECLAMATION FEES, CIVIL PENALTY FINES
USGS	MELLON	--	--	--	--	73,200	60,470.00	MAPS, PROD. SALES

**AGENCY COLLECTIONS PROFILE - INTERIOR**

BUREAU	FI	LOCKBOX FY 98 ITEMS	LOCKBOX TOTAL \$ DEPOSITS	ACH FY 98 ITEMS	ACH TOTAL \$ DEPOSITS	PCN FY 98 ITEMS	PCN TOTAL \$ DEPOSITS	DESCRIPTION OF CASHFLOW
USGS	MELLON	--	--	--	--	64,212	\$4,130,658.76	REIMBURSABLE RECEIPTS
USGS	NATIONS BANK GA	2,804	\$93,279,077.00	0	0	--	--	COLLECTIONS FROM STATE GOVERNMENT, COOP PROGRAM