



Spring 2006 Customer Advisory Board Highlights

The Customer Advisory Board (CAB) held its semi-annual meeting for the fourteenth year on June 7th and 8th, 2006, in Atlanta, Georgia. The Centers for Disease Control and Prevention (CDC) co-hosted the spring meeting and proved it is true what they say about “southern hospitality”. It was evident that CDC invested quality time in the planning and preparations to host the CAB meeting. Fifty-four CAB members representing twenty-one Federal program agencies attended the spring meeting.

Betty Miller-Barnard from CDC welcomed everyone and gave a brief overview of the visitor packet that was distributed as well as an overview and history of Atlanta. Belinda Corley from CDC spoke about the mission, history, and highlights of CDC.

The CAB meeting opened when Kansas City Financial Center (KFC) Regional Director Gary Beets introduced himself and expressed to attendees that their time and participation was greatly appreciated. He commented on the many changes occurring within the Treasury Department, including the resignation of the Secretary of the Treasury John Snow and the appointment of his successor, Henry Paulson. Financial Management Service (FMS) Commissioner Richard Gregg retired and was succeeded by former Deputy Commissioner Ken Papaj. Additionally, Judy Tillman, Assistant Commissioner (AC) for Regional Operations (RO) was selected as the new Deputy Commissioner and Wanda Rogers will serve as her replacement.

The meeting marked the end of a four-year tenure as CAB Chair and Vice-Chair for Jani Willis of the General Services Administration (GSA). Jani provided great leadership at each of the CAB meetings and helped contribute to the continued success of the CAB. The Spring CAB also welcomed Joe Vitale of the National Finance Center (NFC) and Debbie Byrd of the CDC as the new Chair and Vice-Chair respectively. Both members will begin their term in December 2006.

This year’s Spring CAB meeting provided customer agencies with updates and new information on the topics listed below as well as a tour of the main CDC Campus.

Topics and speakers who presented at the CAB meeting included:

Government Wide Accounting - Mike Norman, Dave Metler, Anna Hill, FMS, provided a detailed presentation on the updates to the Government Wide Accounting project.

An Introduction to Seasonal, Avian, and Pandemic Influenza - Linda Valleroy, PhD., CDC, provided a very interesting and informative presentation on the Pandemic Flu. She discussed the different influenza viruses and some preventive measures as well as the threats of influenza.

Collections; Modernization - Carolyn Dunston, FMS, presented on the Holistic Approach, a new way that FMS/FF is conducting business with Federal Agencies.

Claims; Consolidation - Francie Abbott, FMS, provided a presentation on the Claims Consolidation effort to streamline work within the Claims Branches at each of the four Regional Financial Centers.

Treasury Check Information System (TCIS) - Dawn Johns, FMS, briefed the CAB members on the recent implementation of TCIS.

After the Presentation on Influenza, an agency roundtable was held to discuss agency preparedness for a pandemic outbreak. The discussion highlighted current agency intentions while also introducing some areas that could be improved. It was very helpful to hear how others stood on their preparedness. Many agencies have begun planning and are headed in the right direction but still have several phases to complete.

Throughout the meeting, CAB members presented agency updates and input regarding KFC program planning and product development. Several agencies commented on the high level of KFC’s commitment and voiced their appreciation for the support they receive from both KFC and FMS.

KFC would like to thank all the presenters and CAB members for attending this year’s meeting in Atlanta and a special thank you to CDC for their time and effort in co-hosting this successful meeting.



CAB members participate in the 2-day spring meeting held in Atlanta, GA.





Customer Advisory Board Welcomes New Chair & Vice Chair

The Kansas City Financial Center's Customer Advisory Board (CAB) welcomes Joe Vitale of the USDA's National Finance Center (NFC) and Debbie Byrd of the Centers for Disease Control and Prevention (CDC) as the new Chairperson and Vice Chairperson at the Las Vegas CAB meeting this December. At the Atlanta CAB meeting in June, Joe moved up to Chairperson and Debbie was elected as the new Vice Chairperson. At the end of the two year term, Debbie will become the Chairperson and a new Vice Chairperson will be selected by the CAB members. The Chairperson serves as the official spokesperson for the board, leads the meeting, and guides discussion on agenda items.

JOE VITALE,

Supervisory Systems Accountant for NFC's Payroll Certification and Disbursement, oversees the reconciliation and certification of salary payment schedules for more than 180 Federal bureaus totaling more than \$32 billion dollars annually. Additionally, he is the Continuity of Operations (COOP) Coordinator for NFC's Government Employees Services Division, responsible for planning and coordinating all aspects of COOP, disaster recovery, and pandemic events.

Joe began his Federal career with NFC in 1992, after working in various management positions in the banking industry for 17 years. He graduated from the University of New Orleans (UNO) in 1989 with a bachelor's degree in Accounting. Joe graduated from the Louisiana State University School of Banking in 1985. He also received a bachelor's degree in General Business Administration from UNO in 1980. Joe is an unlicensed Louisiana CPA.

In Joe's spare time, he likes to swim, travel, and collect/restore classic automobiles. He is married, and has three adult children and a 7-year old grandson. Joe is very proud of his son and daughter-in-law, who are both performing intelligence work as active members of the U.S. Air Force.

Joe's Quote: "For ten years I have participated in Kansas City Financial Center (KFC) CAB meetings. I have always held a high esteem for the organization's many accomplishments since its inception in 1991. It's not only an avenue for us as customers of KFC to stay abreast of Treasury / Financial Management Service (FMS) products and services, it also provides a forum in which to voice our collective concerns from a client perspective since often we deal with the same day to day operational issues within the Federal community. As a member of the KFC CAB, we are able to develop or recommend enhancements for these common concerns as part a larger unit, and therefore have a stronger influence in voicing these concerns. Lastly, it provides an opportunity for us to strengthen our relationship with FMS personnel, KFC management and staff, and with other CAB members.

I sincerely appreciate the opportunity to serve as Chairperson of the KFC CAB for the next two years, and look forward to working directly with Debbie Byrd in her new capacity as Vice-Chairperson".



DEBBIE BYRD,

is a Financial Specialist for the CDC in the Financial Services Branch of the Financial Management Office. She has been with CDC for fifteen years. She was detailed to the Financial Systems Branch for two years and was the lead on the

CDC vendor file conversion of the UFMS (Unified Financial Management System). CDC was the pilot for all Department of Health and Human Services for implementing the largest Federal Financial Management System. She is currently working with the implementation team for the Learning Management System and works with all levels of CDC personnel from the centers as well as internal and external customers. She is the lead Customer Service liaison.

She has two children, ages 27 and 28 that are planning weddings within the year. In Debbie's free time, she enjoys racing with a Dragon Boat team that has paddled in competitions in Vancouver, British Columbia, and is practicing for a competition within the year in Australia. She also actively participates in many breast cancer awareness programs.



Shakin' Things Up: Overview of the Claims Consolidation

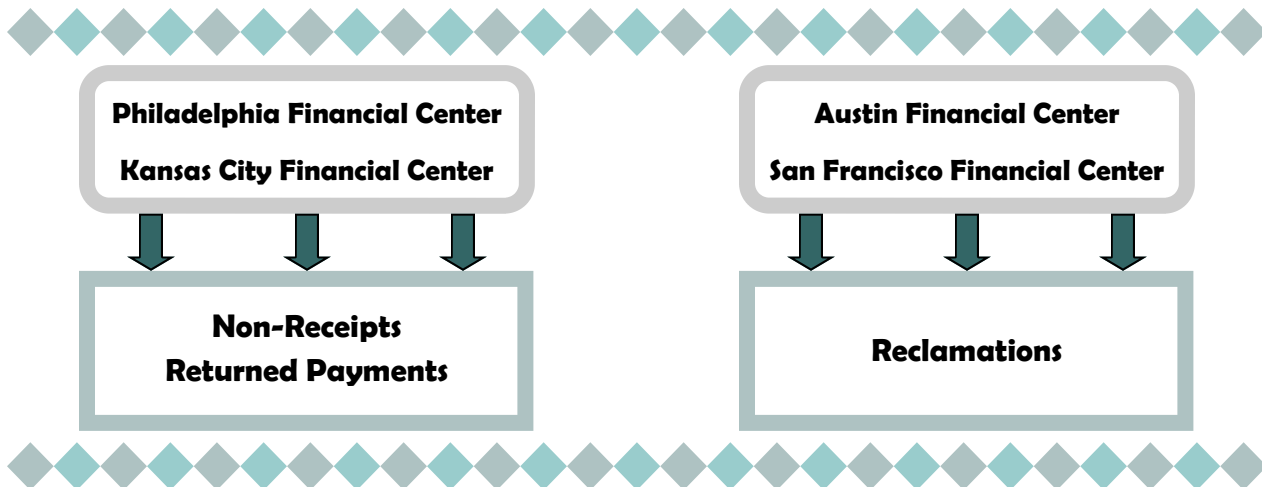
This year the Financial Management Service (FMS) underwent a major workload redistribution. In a concentrated effort to enhance claims processes, the Claims Consolidation was implemented on October 2, 2006. This massive undertaking spanned the country and rearranged four separate, individually-functioning Regional Financial Centers (RFCs).

Representatives from each of the RFCs and Regional Operations (RO) met tirelessly every week to discuss and formalize the numerous details that a change like this would incur. Francie Abbott, then the KFC Claims Manager, was designated project lead when the announcement was made in July 2005 by the Assistant Commissioner.

The goal of this centralization of work was to eliminate duplication of effort at each of the RFCs. Instead of all RFCs performing each of the three major functions, the consolidation sought to streamline the processes and balance each center in terms of stabilizing the work load.

Work from the different centers was redistributed to better assist in the consolidation. For example, Kansas City received some of San Francisco's work and vice versa, leaving Philadelphia and Austin to trade functions.

As of October 2, both Kansas City & Philadelphia are the only centers who process returned payments, unidentified remittances and claims of non-receipt. Similarly, San Francisco & Austin are the only centers who process reclamations.



Now the KFC FSSB Manager, Francie Abbott explained, "This process will not only eliminate very small work tasks, but will allow for the major functions to become more standardized across the centers." The workgroup's primary focus was to provide a seamless transition in regards to FMS customers and to ensure there was no degradation in service.

Ms. Abbott commented that the workgroup members worked great together over the past 18 months. There were definitely challenging times but, to date, the project and implementation of the Claims Consolidation has proven to be successful.

Solid As A Roc

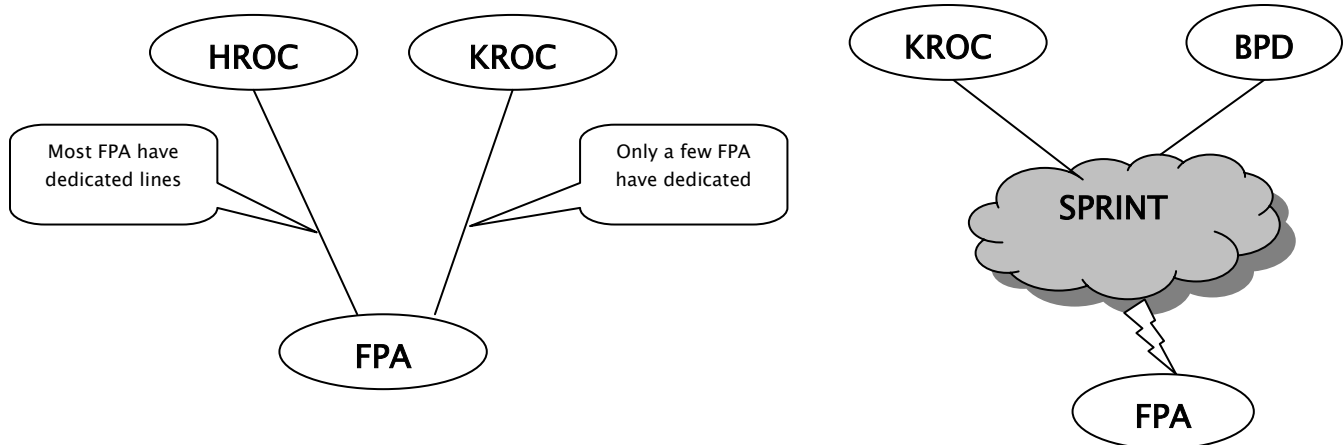
(HROC to KROC)

The Financial Management Service (FMS) recently notified agencies of planned changes that will impact all Federal Program Agencies (FPA) transmitting bulk payment request files to FMS. FMS needs a robust and fault tolerant disaster recovery strategy to ensure payments and other critical operations will continue in the event of our primary site being unavailable. It is critical that agencies have direct connectivity to our primary operational location at the Hyattsville, MD Regional Operations Center (HROC) and to the current backup location at the Kansas City Regional Operational Center (KROC) for continuity of payments and other critical operations. The most notable changes are:

- FMS is in the process of developing a standardized payment system which will replace the current payment applications. The Payment Application Modernization (PAM), targeted for implementation late CY 2007, will be hosted at KROC. Additionally, all Debt Collection programs will be hosted at KROC. Most of the current payment applications and Debt Collection programs are currently hosted at HROC.
- FMS plans to decommission HROC by September 2009. All payment and debt collection systems that currently run on the HROC platform will be transferred to KROC as part of this effort. In order to ensure processing capabilities during emergencies, the Bureau of the Public Debt's (BPD) processing facility will serve as KROC's contingency site. BPD will be the production site for non-payment and debt collection related applications. Both KROC and BPD will be disaster recovery sites for each other.

Agencies currently transmit bulk files to FMS through a dedicated line to HROC with a smaller number of agencies having a dedicated line to both HROC and KROC as a contingency. However, if HROC is not available, payments and other critical files can only be processed at KROC. If the agencies have connectivity to KROC (or if the agencies physically ship their files to KROC) payments and other critical operations will continue at KROC. In short, it is important that *all* agencies that have a dedicated connection to HROC also have a dedicated connection to KROC for the transmission of bulk payments and other critical files.

The preferred method for implementing this change is by Internet Protocol through Sprint's Multiprotocol Label Switching (MPLS) Private Internet Protocol (PIP). The PIP is a data carrying mechanism which emulates some properties of a circuit-switched network over a packet-switched network. The benefit of PIP is reduced network complexity and cost. Rather than setting up and managing individual points between each agency and ROC, agencies need to provide only one connection from their office router to the server provider edge router (Sprint).



The estimated cost (assuming T1 Access speed, port speed, and UNI (csu/dsu) a dedicated circuit hardware) for installation is \$1,200.00 and the monthly cost is approximately \$500.00. These figures differ based on market and location.



The relocation of HRDC data center to BPD in Parkersburg, WV is primarily due to the changing landscape around HRDC. Until two years ago, the FMS building in Hyattsville (Prince George's Metro Center - PGMC) was virtually isolated with nothing but parking lots making up most of the block. Today, the block has changed - movie theaters, strip malls, student housing, condos, shopping centers, etc. This onslaught of business build-up has prompted Information Resources to find a more secure environment for the critical function of payment processing.

The project has multiple phases including the following:

- Planning - this has begun and will be done throughout FY07 and the project with various players within FMS, BPD and other agencies;
- Procurement - since HRDC will need to continue functioning during this transition, new equipment will be procured for BPD and KROC, which should happen in early FY08;
- Deployment - network, telecommunications, mid-tier and mainframe installations at BPD and KROC will occur as well as the installation of appropriate applications on that hardware during the FY08/09 timeframe.

Before making any changes, agencies should contact an FMS technical telecommunications representative to discuss customer needs and provide other information. Be prepared to provide the agency data center address as well as information on the FMS systems (Payments, PACER, TCIS, GOALS, TOP, etc.) that the agency wishes to access across the connection.

Thus far, Kansas City Financial Center (KFC) has done a number of things to ensure a smooth transition, such as distributing a connectivity letter explaining these upcoming changes and initiating contact with agencies to gather current connectivity status for the purpose of supplying data for the physical switch. As this process progresses, //agencies that transmit bulk payment files to FMS may contact KFC or an Information Resources representative as questions arise.

For bulk payment transmission related information:

KFC (Electronic Operations Branch) IT Specialist

Eugene Phillips (816) 414-2328

Paul Jackson (816) 414-2310

For network connectivity information:

Information Resources (IT Specialist)

Joe Mendez (202) 874-7099

New RO Assistant Commissioner Takes Whirlwind Tour of KFC

Ms. Wanda Rogers, Assistant Commissioner for Financial Operations and Assistant Commissioner designate for Regional Operations, visited Kansas City on August 31, 2006 to attend the Payment Application and Modernization (PAM) Management Steering Group (MSG) meeting. This meeting was held at the Federal Reserve Bank of Kansas City. While Ms. Rogers was not yet officially the Assistant Commissioner for Regional Operations at the time of this meeting, she used the opportunity of being in Kansas City to pay a visit to employees of the Kansas City Financial Center (KFC) and the Kansas City Regional Operations Center (KROC).

Ms. Rogers had expressed an interest in personally meeting everyone so it was decided that a tour of the facility and personal introductions with employees was the best approach. The tour was led by Regional Director Gary Beets and Deputy Director Susan Robinson. Branch managers provided brief overviews of their respective activities. Ms. Rogers was shaking hands and getting acquainted with employees as the tour was being conducted. Following the tour, Ms. Rogers indicated that she was impressed with the overall condition of the facility and the friendliness of employees.



Ms. Rogers tours KFC with Platform Operations Division Director Dan Cullinan, KFC Regional Director Gary Beets and Deputy Director Susan Robinson.



KC RICE 2006

On August 30, 2006, Kansas City Financial Center (KFC) participated in the Kansas City Regional Inter-Agency COOP Exercise (KC RICE) 2006. During KC RICE, KFC deployed more than 20 key employees to an alternate site in downtown Kansas City in response to a natural disaster scenario designed by the Federal Emergency Management Agency (FEMA). In the exercise, Hurricane Linda, a Category 4 hurricane had just devastated Corpus Christi and was headed toward the interior of the country. The storm spawned a flurry of tornadoes that were dangerous and powerful enough to create major damage in the Kansas City area. The damage in the Kansas City area included impassable streets and bridges creating chaotic conditions throughout the city. In addition to responding to the physical damage caused by Hurricane Linda, each Federal agency also dealt with issues impacting the lives of its employees such as an employee calling in sick, employee having problems with transportation or perhaps, as in the case of KFC, several employees being directly affected by the disaster.



Tony Byers (FSSB) delivers news of the mock disaster while other KFC employees test connectivity to vital systems.

The purpose of KC RICE is "to test the Federal community's ability to activate, mobilize and commence initial emergency Continuity of Operations (COOP) under the guidance outlined in FEMA's Federal Preparedness Circular 65, federal statutes, Executive Orders, and Agency plans". KFC participated in KC RICE for the second straight year.

Among the many objectives of KC RICE are the following: testing Agency Orders of Succession, testing Agency delegations of authority, testing both internal and external means of communications, testing the practicality and access to Agency's vital records, execution of Agency minimum essential functions, and testing the practicality of Agency plans and procedures in the COOP program. In this particular exercise, the focus was on the Agency's ability to deploy to its designated alternate site and conduct its operations while dealing with multiple challenges which could include interference by persistent news media reporters.

More than 21 Federal agencies participated in KC RICE '06. Each participating Agency was provided with the rules of conduct. In addition, a few days before the actual exercise was conducted on August 30, FEMA held seminars for the benefit of the Agency Controllers, Evaluators and Reporters. The night before the main event, KFC performed a call tree exercise which successfully tested both the primary and alternate phone numbers for over 100 employees.

At the conclusion of the exercise, Agency representatives attended the KC RICE HOTWASH meeting to discuss the lessons learned during the training. Agency representatives were asked to give their general observations, as well as observations regarding the Agency's strengths and weaknesses. Their observations were not forwarded to anyone outside of the forum. Because the KC RICE training is a no-fault, non-attribution exercise, the participants were able to give candid evaluations of their respective agencies, which can help agencies overcome the difficulties of operating under calamitous condition.

KC RICE 2007 planning is already underway with an emphasis on pandemic flu. This exercise will focus on staffing and human capital issues, and KFC looks forward to continued participation in these important exercises to maintain readiness in the face of extraordinary events.

KFC Personnel Deployed at the Exercise Site



PAM: CONVERTING 30 APPLICATIONS INTO 1 STANDARDIZED SYSTEM

The Payment Application Modernization (PAM) initiative is a Financial Management Service (FMS) effort in coordination with the Federal Reserve Bank of Kansas City to modernize the current mainframe-based software applications used to disburse approximately one billion federal payments worth over \$1.5 trillion annually. PAM involves replacing over 30 COBOL and Assembler applications that have evolved over the last several decades with a single standardized application. Additionally, new and enhanced functionality will be incorporated to support improvements in the payment process.

In contrast with the numerous software applications currently used to process payments, PAM consolidates and reduces the payment applications into one standardized application. Additionally, where appropriate, PAM streamlines manual processes and targets new technologies to replace older applications, some of which have gone through various evolutions over several decades. As a result, PAM will reduce the complexity and risk associated with maintaining a large number of payment applications.

By streamlining and enhancing FMS's payment processing, PAM benefits a broad spectrum of Federal Program Agencies (FPAs) and a huge cross-section of America. In FY 2005, FMS issued over \$1.5 trillion in federal payments, accounting for over 85 percent of all Federal government payments on behalf of more than 200 FPAs to more than 100 million individuals, including those receiving: Social Security benefits; Supplemental Security Income; Federal salaries and pension benefits; veterans' compensation, pension, and education benefits; Railroad Retirement pensions; tax refunds; and other Federal disbursements such as vendor payments.

The range and scope of PAM's expected beneficiaries and the number of impacted FMS applications underscores PAM's magnitude and complexity. Accordingly, PAM is a multi-year initiative developed in two phases. Phase 1 is expected to be completed in early 2007. Geniant, an outside contractor with experience in cutting-edge technologies and tools, was hired to co-develop with FMS and the FRB. The objective of Phase 1 was to prove the proposed architecture by addressing the highest risk components of the payment process, which included developing a cross section of PAM's functionality. Phase 2 consists of a detailed approach to PAM's full development and deployment of the new application.

Since the responsibility for managing and operating the bulk of the Federal payment systems resides at five Financial Centers, deployment of the new application will solidify the Regional Financial Center's (RFC) commitment to disburse payments accurately on time, every time. Beyond the enhancements flowing directly from the standardization and modernization under PAM, employing a single disbursement application will establish the foundation for the future. The RFCs will enjoy streamlined maintenance of the single disbursement application with the ability to make legislative and agency specific changes, as well as faster and more efficient future modifications to provide expanded and enhanced functionality.

One of the most crucial components of PAM is communication. FMS is working side-by-side with FRB and Geniant as the new application is developed, and will ultimately be responsible for maintaining and updating the new application after it has been deployed. Working together ensures the full and efficient sharing of knowledge, including the new technologies to be incorporated. Equally important, information is expected to flow from the RFCs and FPAs in the form of feedback and insights, including the identification of opportunities to improve current practices and to make use of new "best practices." PAM is engaged with FPAs to discuss business requirements and implementation strategies for successful conversion from the legacy application to PAM. To ensure effective implementation of the new application, operations staff at the RFCs will be trained and guidance will be provided to client FPAs.

The PAM Project Sponsor is Gary Beets, Director of the Kansas City RFC. The PAM Project Manager is Cynthia Sheppard, and Ed Barlett is the Deputy Project Manager. Early development of the new application will occur at the Federal Reserve Banks in Kansas City and Dallas.



FMS and Federal Reserve Bank PAM team meeting at KFC.

 Seasons Greetings

*The Kansas City
Financial Center
Management Team
Wishes Everyone A
Safe And Happy
Holiday Season!*

Gary Beets

Susan Robinson

Cynthia Sheppard

Don Wansing

Francie Abbott

Susan Johnson