

The Kansas City
“Dispatch”

FALL EDITION
DECEMBER 2004

GARY BEETS SELECTED AS THE NEW KFC REGIONAL DIRECTOR...

Welcoming An Old Friend To A New Position

Gary M. Beets was appointed Regional Director of the Kansas City Financial Center (KFC) on August 22, 2004.

Mr. Beets joined FMS/KFC in 1985 as a Financial Specialist in what was then the Customer Assistance Staff (CAS)—now known as the Global Financial Services Branch (GFS). The CAS had just been implemented and the position of financial specialist required traveling extensively—probably as much as 60% of the time. In the early years, Mr. Beets was primarily involved in conducting training for financial institutions on Direct Deposit regulations, lockbox account reviews, and cash management reviews. When not on travel, he worked on internal projects and initiatives such as the introduction of the TROY check printers. In 1995 Mr. Beets was selected as the CAS Manager and then in November 1997 was selected as the Center’s Deputy Director.

Prior to joining FMS, Mr. Beets was employed by the Federal Reserve Bank of Kansas City in their check collection department. Not too long after being there he was promoted to an Assistant Shift Supervisor and then later to Shift Supervisor on their midnight operation. Around 1980 Mr. Beets was named their ACH Coordinator, which included field operations at Omaha, Oklahoma City, and Denver. Immediately prior to joining FMS, he managed the Federal Home Loan Bank (FHLB) of the Des Moines, Kansas City branch. The FHLB provided a wide range of financial services to savings and loan institutions in western Missouri. Considering his background, one can assess that his work experience is heavy on the financial operations side and Mr. Beets thoroughly enjoys the day-to-day challenges typical of operations environments.

Mr. Beets is a certified government financial manager (CGFM) of the Association of Government Accountants (AGA) as well as being accredited by the National Automated Clearing House Association (NACHA). Locally, he is a member of the Federal Information Council (FIC) and was recently appointed to the Executive Committee of the Federal Executive Board (FEB).

By nature, Mr. Beets describes himself as a work-aholic, but has learned over the years that balance is the best approach in life and there is truth in the saying “everything in moderation”. Over the past twenty years Mr. Beets’ family has been the focal point of his interest outside of work. His wife and he have taken great pleasure and pride in seeing their two sons grow into fine young men. In spite of a fairly busy work schedule he made it a priority to get to almost all of his sons sporting and school events and activities. Mr. Beets’ secondary interests or hobbies include loving the outdoors—especially the mountains. He owns horses and enjoys riding as often as possible and appreciates the quiet time to think while in the saddle.



Gary M. Beets, KFC Regional Director

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PROFILE OF GARY BEETS

Q How would you describe your major duties and responsibilities as KFC's Regional Director?

A As Director I view my role as being distinctly and excitingly different. My role now is to provide direction that is in keeping with FMS' strategic goals and objectives. In doing so means ensuring that managers, supervisors, and employees receive the "tools" they need to get their jobs done and done accurately and timely. "Tools" means anything such as computers, general or specialized training, and appropriate staffing (the right people and the right numbers). I think another important ingredient in my responsibility is to ensure that the Center's environment-both physical and mental- is a safe, fun, and desirable place to work.

Q What is your vision for the future of KFC?

A To me the future is dictated by embracing those factors that have contributed to KFC's past and present success and applying them to future technology and business opportunities. I view three primary factors in KFC's past success: First, we have done an outstanding job of getting the payments out the door day-in/day-out, month-in/month-out, year-in/year-out. We literally touch 23 million people and businesses each month and their very livelihoods can be adversely impacted if we don't deliver a quality product on time—every time. Second, is our emphasis on customer service. This is not lip service that you hear some organizations talk about but real and practiced heart-felt service. Third is the people factor. That is we focus on obtaining and retaining the "right people". The Center has a distinct work ethic and culture and we look for people that "fit" that mold for success.

"To me the future is dictated by embracing those factors that have contributed to KFC's past and present success and applying them to future technology and business opportunities."

With those three fundamental building blocks serving as our foundation it then becomes a matter of identifying business opportunities and moving in concert with the Agency's long range goals. In the area of opportunities, we are working with the Commodity Credit Corporation (CCC) to transition their check and EFT disbursements to KFC. This is important not only because it brings with it a significant amount of additional payment volume but because CCC has their own disbursing authority. This means that they have been making their own payments for years and legally could continue to do so. CCC has opted to go with KFC/FMS because it makes sound business sense (we can do it more efficiently). Believe me also, that an important factor in their decision was this Center's record of customer service. KFC has several agency customers that have their own disbursing authority but rely upon KFC for this service. CCC will be the largest by far once they come on board next March.

A major component of the Center's future is automation. The last twelve months in particular there has been an increased push toward automation and rightfully so. We must and will continue efforts to further automate any and all of our present-day manual processes. It is the only way we can continue to be efficient and keep our service costs low. In doing so we will need to do more general and specialized training to ensure that employees possess the necessary skills to take on the new type of automated work processes that will play an integral role in the Center's future.

Q What benefits does KFC provide to its servicing agencies?

A After participating in the Center's Customer Advisory Board (CAB) over the past twelve years I think I am safe in saying that the primary benefit is our level of service. I've heard it directly from our customers at the CAB meetings as well as through annual surveys that are conducted. While "service" may be the benefit it must be duly noted the reason behind the quality service is the Center's employees. Service is a "people thing" and we have the right people. Our employees are responsive, follow through, and in those rare instances when we may not be in a position to 100% accommodate a customer need we offer alternatives.

Automated Standard Application for Payments (ASAP) moves to the Internet



In an effort to improve the timeliness of grant payments from Federal Program Agencies to recipients, the Financial Management Service (FMS), in conjunction with the Federal Reserve Bank of Richmond, implemented the Automated Standard Application for Payments (ASAP) in August 1995. Since that time, FMS has improved the ASAP system to meet users' needs. In February 2004, FMS migrated ASAP from a mainframe system to an Internet-based system named ASAP.gov.

ASAP is an all-electronic payment and information system through which grantee organizations receiving Federal grant funds can draw from accounts pre-authorized by Federal Program Agencies. Both the Federal agency and the grantee organization must enroll in ASAP to take advantage of the streamlined grant payment process. Once both have enrolled, the Federal agency will log on to ASAP.gov to establish and authorize accounts and value amounts for each grantee organization. The grantee organization can then log into ASAP.gov and draw down their funds directly into its designated bank account. ASAP.gov eliminates the need for Federal agencies to issue paper checks in order to make grant payments, but still allows for the necessary oversight to ensure grant payments are used appropriately.

ASAP.gov was implemented in February 2004 providing users the same functionality and offering new features aimed at simplifying the payment process.

With the release of ASAP.gov, users enjoy the familiar functionality of the mainframe system and gain new features that simplify the payment process. Federal agencies can establish accounts through ASAP.gov via online or batch processing. Once the account is established, the Federal agency can enter authorizations for the current processing day or up to one year in advance. These authorizations update account balances immediately and allow the user easy access to real-time information.

Future enhancements will allow new agencies and organizations to enroll online eliminating the current paper-based process. Online enrollment will expedite the enrollment process and grant new users faster access to ASAP.gov. Also scheduled in future releases are the ability for grantees to return overdraws electronically and the ability for Federal agencies to offset debt.

There are also multiple training opportunities available to new users. ASAP.gov offers online tutorials for each step in the payment process as well as context-sensitive help screens. Additionally, ASAP maintains a training website that allows users to simulate production tasks in a test environment. The ASAP.gov Customer Support Staff also offers periodic in-person training.

For more information on ASAP.gov, please contact Ethan Cole at (816) 414-2102.



CUSTOMER ADVISORY BOARD

The Customer Advisory Board (CAB) held its semi-annual meeting, for the 12th year, on May 18 - 19, 2004, in Research Triangle Park, North Carolina. The Environmental Protection Agency (EPA) Research Triangle Park (RTP) Finance Center hosted the spring meeting. The EPA campus gave the CAB members a look at the home of one of the worlds largest groups of scientists, engineers, policy makers, and administrators dedicated to understanding and solving environmental problems. Forty-six CAB members representing seventeen federal program agencies attended the spring meeting.



Gary Beets, Kansas City Financial Center Regional Director welcomes Customer Advisory Board

To open the CAB meeting, Gary Beets was introduced as the Acting Director of the Kansas City Regional Finance Center (KFC), replacing Jack Adams. CAB Chairperson, Dave Larsen, provided the group with Mr. Beet's accomplishments and achievements as KFC's Deputy Director.

This meeting marked the end of Dave Larsen's (USDA/RD) four-year tenure as the CAB Chair and Vice-Chair. With his leadership and keen sense of humor, Dave contributed to the continued success of the CAB. The CAB also welcomed Jani Willis of the General Services Administration and Joe Vitale of the National Finance Center, as the new Chair and Vice-Chair of the CAB. They will begin their two-year term in December 2004.



Gary Beets, KFC Regional Director, Jani Willis CAB Vice-Chair, Dave Larsen, CAB Chair, Susan Robinson, GFS Manager

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 EPA/RTP Finance Center coordinated by Gloria Owens, EPA.

TRAVELS TO RALEIGH / DURHAM



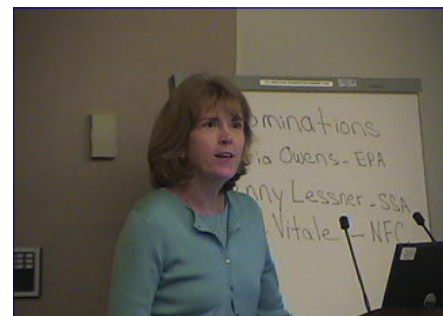
Topics and Speakers who presented at the CAB meeting included:

- **Treasury Check Information System (TCIS)** - Michel Spratley, Financial Management Service (FMS), presented a demo on the TCIS. CAB members were provided a first look at the screens and functionality of TCIS, which is scheduled for implementation beginning December 2004.
- **Continuity of Operations Planning (COOP)** - Jani Willis, General Services Administration (GSA), briefed the board members on GSA's Continuity of Operations Planning (COOP). Jani offered a preview of GSA's efforts to ensure operations are maintained in the event of an emergency.
- **Secure Payment System (SPS)** - Dick Bauder, FMS, provided the status of SPS, which included the tentative schedule, project readiness, selection criteria, and agency implementations. Dick informed the CAB members that SPS would be building a disaster recovery site in Parkersburg, WV and in Kansas City, MO.
- **International Payments and International Direct Deposit (IDD)** - Susan Robinson, FMS, provided a presentation on International Payments.
- **FEDACH Web Services** - Debbie Koller, FRB Minneapolis, briefed the CAB members on FEDACH Web Services. Debbie explained that the FRB is processing 50 conversions per week and access to their system is enabled over the web.



Richard Bauder, Financial Management Service, Washington DC shares information on the Secured Payment

Agencies also provided updates and input into program planning and product development.



Debbie Koller, Federal Reserve Bank Minneapolis shares information on FEDACH Web Services.

KFC would like to thank all the presenters and CAB members for attending this year's meeting in North Carolina and a special thank you to Douglas Barrett, Chief EPA/RTP Director and Gloria Owens, Chief Contract Payment Section, and their staffs for their time and efforts for co-hosting this successful meeting.

GENERAL LOCKBOX NETWORK REBID



The General Lockbox Network (GLN) re-bid process is under way and the Financial Management Service (FMS) recently announced JPMorgan Chase (JPMC) as the winning Qualified Lockbox Provider (QLP) to provide lockbox processing services for Region 4 (Rocky Mountain) Federal agency cash-flow collections that had been subject to bidding. FMS is conducting meetings with JPMC and the agencies impacted by this change to facilitate implementation in December 2004. Some agencies will convert lockbox processing to JPMC in January 2005 to prevent possible end-of-year Issues.

Currently, FMS is reviewing QLP proposals for the Region 5 (West Coast) lockbox cash flows and will announce the selections in the near future. The QLPs also submitted Region 2 (Midwest) pricing proposals to FMS by the October 15, 2004 due date. The QLPs will perform electronic and paper check collections along with specific processing services on behalf of Federal agencies.

The new GLN will further the government's acceptance of 21st Century collection processes by utilizing flexible Web-based information flows and emerging technologies to expedite the collection and settlement of paper remittances received at designated lockbox facilities. The General Lockbox Network consists of nine Qualified Lockbox Providers at thirteen sites around the United States. Federal agencies interested in more information on the new GLN, assistance with their Statement of Work revisions, or ensuring that all requirements are currently being met for each lockbox collection program they maintain, including all processing and deposit requirements, may contact the Kansas City Financial Center's (KFCs) Customer Assistance Staff (CAS) at (816) 414-2100.



ACH Payment Reversals

Have you ever issued a duplicate or erroneous payment? Agencies now have the ability to have the payment reversed. Simply contact the Kansas City Financial Center, Customer Assistance Staff (CAS) and request the erroneous/duplicate payment be returned.

To have the payment returned, agencies should notify CAS within five business days of the payment date. For requests after five business days, CAS will contact the financial institution directly and request the return.

Agencies requesting a payment reversal should contact the Customer Assistance Staff at (816) 414-2100 for additional details.

AGENCIES FIND FLEXIBILITY IN USE OF THE U.S. DEBIT CARD



A common word used to describe the versatility of a program is “flexibility.” With the US Debit Card, the word “flexibility” automatically comes to mind. Federal agencies enjoy the flexibility and ease of this innovative payment method. The debit card provides federal employees easy access to cash while performing official duties; and the card enables individuals to receive of miscellaneous, recurring, or nonrecurring payments without requiring an active bank account to be established.

Financial Management Service’s (FMS) designated financial agent provides the card to participating Federal agencies. The assigned Program Administrator is then able to designate money from funding accounts to individual cards in any dollar amount when deemed necessary. This funding can occur either before or after assignment of the card has taken place.

BENEFITS:

- Provides agencies the ability to issue cards immediately from either the agency’s field office or out of a central office.
- The card can then be used by the federal payee for point-of-sale retail transactions or at automated teller machine (ATM) locations for cash withdrawals.
- The card may be issued as a disposable payment mechanism, whereby the card is discarded when the fixed value amount is spent.
- Or as a reloadable payment mechanism, whereby the agency is able to make multiple payments to the payee.
- Secure PIN protection
- Immediate activation
- No bank account requirement

The U.S. Census Bureau uses the debit card to distribute funds to individuals as an incentive to participate in various Census surveys. Other agencies have used the card for employee bonus awards, as a payment vehicle for students involved in college co-op programs, and for daily allowances to volunteers in foreign countries.



Federal agencies interested in learning more about the US Debit Card, should contact Brett Smith, FMS Electronic Money Program Manager at (202) 874-6666.

SECURE PAYMENT SYSTEM:

The new Secure Payment System (SPS) is now a reality for the Kansas City Financial Center's (KFC) customers. After several years of planning, preparation and piloting, it all came together on April 26th, 2004, for KFC's initial SPS customer, the Department of the Treasury's Federal Program Agency (FPA) known as KFC1. The KFC1 site users entered, certified and transmitted via the Internet their first "LIVE" Summary Schedule. Even more note-worthy is the fact that exactly one week later on May 3rd, the first external FMS customer, General Services Administration (GSA) also was transitioned to SPS with the issuance of eight Summary Schedules, plus one Check Schedule. After one week these agencies successfully issued 3,659 payments with a dollar value of \$11,090,066.53!

This, of course, was no small feat. It has taken a dedicated team of individuals from Regional Operations (RO), Information Resources (IR), the contractor High Performance Technologies Inc. (HPTI), Regional Financial Center (RFC) personnel, and the willing and enthusiastic FPA end-users.

The SPS application provides a mechanism by which government agencies can create payment schedules in a secure fashion. This application allows personnel at remote agency locations to submit schedules to FMS over a browser/web interface. It also allows RFCs a means to extract certified payment schedules for executing payment (e.g. check printing, electronic funds transfer).

"After one week these agencies successfully issued 3,659 payments with a dollar value of \$11,090,066.53!"

The application provides functionality to allow:

- Remote Data Entry Operators (DEOs) at FPA locations to create payments and payment schedules securely;
- Remote Certifying Officers (COs) at FPA locations to certify payments and payment schedules securely;
- RFC Operators to receive or extract certified schedules in order to execute payment;
- SPS Administrators at FMS to create and maintain SPS tables and users;
- RFC Administrators at FMS to view schedule status.



Ralf Jordan provides training to the US Coast Guard.

SPS is Alive and Well at Kansas City



SPS is a distributed application that has components across several platforms and environments. SPS is a client based application which resides at the Bureau of Public Debt in Parkersburg, West Virginia. The SPS client PC workstations are interconnected with FMS servers via both internet connectivity and dial-up access.

SPS's functionality is very similar to the Electronic Certification System (ECS) which is the system from which FPAs are transitioning to SPS. ECS was developed in the late 1980's to reduce paper flow and expedite processing; however the environments and architectures are totally different. ECS is a 'fat client' system, DOS-based, running on dedicated 486-class PCs, and using Data Encryption Standards (DES) cryptography. SPS is a 'thin client' system, browser-based, running on any PC meeting the minimum hardware requirements, and utilizing Public Key Infrastructure (PKI) encryption technologies. All SPS Users must have a PKI smartcard and a smartcard reader per each PC, which are used in conjunction with the PKI certificate for user authentication and document signing.

Currently, KFC alone now services 131 ECS FPAs maintaining databases on approximately 5,000+ Users and 3,000+ Agency Location Codes (ALCs). The rollout of SPS will continue after these first two agencies have shown continued success with excellent performance evaluations.

Rollout to the other 129 customer agencies will take approximately 35 weeks. Agency readiness will be the all-important factor as to when KFC personnel will visit customers. Readiness involves obtaining the necessary hardware, internet connectivity and dial-up capabilities; identifying all End-Users; preparing and submitting the paperwork (i.e. PKI forms); all accesses requested by RFC personnel for certificates; authentications received prior to visit; and all RFC tables and files updated.



SPS End-Users at GSA, happy with the results



National Finance Center Converts Child Support Payments to EFT/EDI

The Financial Management Service (FMS), Kansas City Regional Financial Center (KFC) is partnering with Federal Program Agencies (FPA) that process payroll services to convert their court ordered child support payments from check to Electronic Funds Transfer (EFT). FMS is targeting payments directed to the State Disbursement Unit (SDU) from court orders issued to the FPA for offset. Child support payments will be processed through the Automated Clearing House (ACH) network with attached addenda records providing the SDU with detailed case information. With the conversion of child support checks to EFT, agencies will continue to adapt provisions of the Debt Collection Improvement ACT of 1996 (DCIA), which requires agencies to process certain payments by EFT.

The primary benefit of converting these payments from check to EFT results in the child support recipients receiving their child support payments quicker. SDU's will no longer have to wait for multiple checks to arrive through the mail. Child support payments will be deposited in the SDU's account up to 4 days in advance. In addition, conversion to EFT will eliminate the opportunity for the checks to be lost in the mail as well as delays in delivery.

Effective with pay period 14 (July 25, 2004), the National Finance Center (NFC) began processing child support payments by electronic funds transfer for child support cases that are maintained by a centralized Child Support SDU. This conversion eliminated the need to mail 10,439 child support check payments to the SDU. NFC's efforts included system modifications, updating court case information, and acquiring financial institution data.

Other Agency Implementations

In October, 2003, the General Service Administration (GSA) converted 538 child support check payments to EFT. With KFC assistance, the Administrative Office of the US Courts is scheduled to convert their payments by December 31, 2004. To continue with it's excellence in customer service, FMS will continue to assist Federal program agencies with their conversion of child support payments to EFT.



The Kansas City Financial Center "Dispatch" is published by the Global Financial Services Branch. It addresses a variety of topics of interest.

If there is a topic or question you would like to see included in the "Dispatch" please contact the Global Financial Services Branch at (816) 414-2100.

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The Kansas City Financial
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Wishes Everyone A Safe
And Happy Holiday
Season

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Cynthia Sheppard

Francie Abbott

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