Payment Application Modernization (PAM)

Kansas City Regional Financial Center
Customer Advisory Board

Orlando, Florida
May 13, 2008

Today's Objectives

- PAM Project Recap
- First Production Release
- Future Production Releases
- PAM File Format Recap
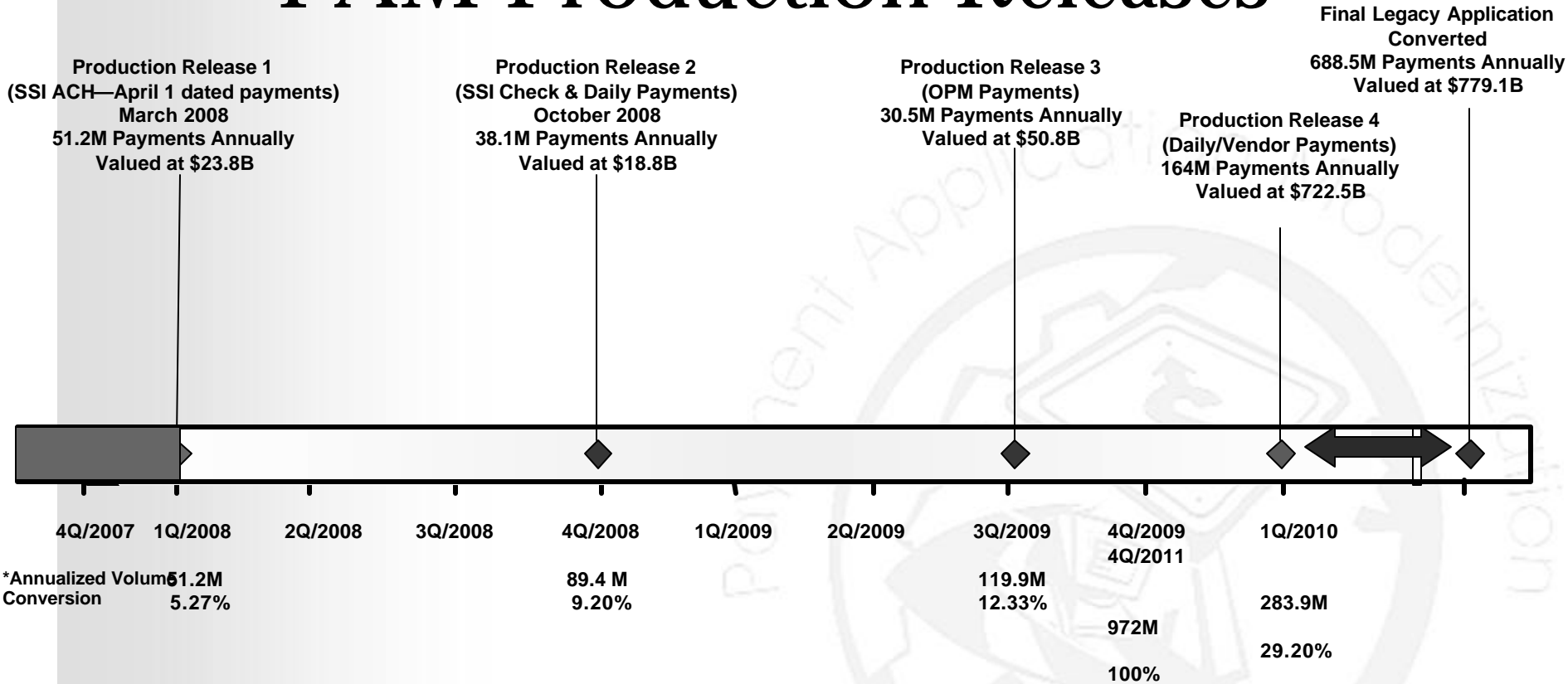- Agency's View of PAM
- PAM vs Legacy
- PAM Support

PAM Project Recap

- Develop and deploy a standardized application, Payment Automation Manager, employing new technologies

- Replace 30+ applications currently used to process payment requests

- *Payments made through the system are done right the first time: on time, every time*

PAM's First Production Release

- **PAM was successfully implemented on March 15, 2008**

  - **Processed 4,368,394 SSI ACH payments totaling over two billion dollars**
  - **Kansas City Regional Financial Center supported this release**
  - **Two interfaces were included**
    - PACER & FedACH
    - Did not include holds, offsets, partial payments, TCS, or TCIS

PAM Production Releases

Final Legacy Application Converted
688.5M Payments Annually
Valued at $779.1B

Production Release 1
(SSI ACH—April 1 dated payments)
March 2008
51.2M Payments Annually
Valued at $23.8B

Production Release 2
(SSI Check & Daily Payments)
October 2008
38.1M Payments Annually
Valued at $18.8B

Production Release 3
(OPM Payments)
30.5M Payments Annually
Valued at $50.8B

Production Release 4
(Daily/Vendor Payments)
164M Payments Annually
Valued at $722.5B

4Q/2007	1Q/2008	2Q/2008	3Q/2008	4Q/2008	1Q/2009	2Q/2009	3Q/2009	4Q/2009 4Q/2011	1Q/2010

*Annualized Volume Conversion

51.2M			89.4 M			119.9M		283.9M
5.27%			9.20%			12.33%	972M	29.20%
							100%	

Production Release 2 includes interface with COMBO & TCIS

Production Release 3 includes interface with TOP, TCS and receiving SPS certifications via XML

Production Release 4 includes interface with SPS receiving Type B via XML

Note: TAS / BETC will be dependent upon future SPS Production Release

The remaining releases of PAM will focus attention on implementing the outstanding Payment Types/File Formats (e.g., VA, tax, etc), as most of the functionality for the system will have been implemented as part of the first four releases

* % Annualized Volume Conversion is based upon 972 Million total check and ACH payments for the period July 2006 through June

Future Production Releases

- Release 2
  - SSI Check & Daily Payments
  - 38.1 Million Payments Annually
  - Interface with COMBO & TCIS
  - Auto-match with SPS Certification for Type B Payments
- Release 3
  - OPM Payments
  - 30.4 Million Payments Annually
  - Includes interface with TOP & TCS
  - XML Interface with SPS Certification for Type B Payments

Future Production Releases

- Release 4
  - Daily/Vendor Payments
  - 164 Million Payments Annually
  - Includes XML interface with SPS (certifications bearing TAS/BETC information) and IPP for Types A and B payments
  - Includes requirements for all payment types
- Releases 5 – 11
  - Transition remaining Legacy payments to PAM
  - 688.3 Million Payments Annually
  - Approximate two year transition

PAM C&A Efforts

- Iterative and Collaborative, with Broad Project Participation
    - Co-Led by FMS and FRB
    - Weekly Calls with Security, Technical, Project, and Management Representatives

PAM C&A Efforts

- The PAM management team has worked collaboratively with Science Applications International Corporation (SAIC) to develop the iterative C&A security evaluation and testing approach

- Specifically, SAIC was engaged to complete an initial security assessment for PR 1.0, which included architecture and security documentation review, as well as interviews with key PAM technical leadership and staff

- This effort enabled the PAM development team to address early security recommendations prior to PR 1.0 active C&A testing

PAM C&A Efforts

- In addition, core C&A documents were provided to FMS Mission Assurance (MA) for an initial review well in advance of the official C&A effort to gather early feedback

- The iterative approach has yielded great value to-date, and the team intends to continue with this innovative approach moving forward with each PAM Production Release

PAM File Format Recap

- PAM is expecting to only receive data elements that are necessary to make the actual payments and report to accounting systems downstream

- There will be one common record that will accommodate every type of payment

- Within one file, a schedule can only include one type of payment

PAM File Format Recap

- Multiple schedules can be received in one file but only for ACH or check within a single file

- PAM format will need a schedule number to be provided in the file for ease in matching to the certifications received

- For those types of payments with unique information necessary to issue the payment, a secondary record that includes that information will be provided

- PAM payment format will be ready for the October 2009 PAM implementation

PAM File Format Recap

- 100 appropriations records will be allowed for each payment being received; 300 per schedule
  - This meets the GWA Requirement

- Agencies must be converted to the PAM Format when they begin reporting the GWA Way

- Once you start reporting the GWA Way, you cannot go back

Agency's view of PAM

- PAM will provide the status of your PRF via email, fax or Connect:Direct file transmission

- Email will include notification if the file was:
  - Successfully validated with no invalid records
  - Successfully validated with invalid records
  - Rejected and include reasoning

Agency's view of PAM

- Email will also detail:
  - Type of payment request
  - Date and time the request was accepted
  - PRF: files, items and total amount received
  - ACH: items and total amount received

- Received file status will also be provided including:
  - Control Number
  - Date and Time Validation were performed

PAM and SPS

- Information received from PAM notifications will be used for SPS certifications
- This includes:
  - Agency DataSet
  - Control Number
  - Item Count
  - Total Payment Amount

PAM and SPS

PAM and SPS

Action   Print   Configure   SPS

Version:RELQ8.0.2

User: JANDEO BOWERS1 (DEO)***LIVE***   Screen: Create Summary Schedule   01/17/2008 13:09 EST
FPA: JAN1

Schedule Type	Summary	Agency Name	JAN1	***LIVE***
Total Amount	$22,082.38	Agency Billing Address 1	123
Destination RFC*	KFC	Agency Billing Address 2	456
		Agency Billing Address 3	RALFTOWN, MO 12345
Office Number (ALC)*	20180015	Agency Phone Number	(816)555-5555
Schedule Number*	00000TESTJB101
Total Number of Payments*	50

Schedule Details

Payment Date (MM/DD/YYYY)*	01/18/2008
Summary Type Codes*	Vendor (V)
Sub-Type Codes*	Check (C)
Control Number*	C000583

Mixed Schedule Totals

Total Number of Checks	
Total Dollar Amount of Checks	
Total Number of EFTs	
Total Dollar Amount of EFTs	

Treasury Account Symbol (1-10)	Amount (1-10)
28X1234	$22,082.38

Remark (1-7)
TEST

Add   Delete   1 Edit   2 Update   Add   Delete   3 Edit   4 Update

Symbol* [   ]   Amount* [   ]   Schedule Remarks [   ]

PAM vs Legacy

- Differences between PAM and Legacy:
  - All validations will be conducted upfront
  - When you certify your payments, they will be processed immediately
  - Validation reports from PAM can be expected shortly after the time of receipt from interfacing reports
    - Time could vary depending upon internet speed

PAM Website

- http://fms.treas.gov/pam/index.html
- Will contain information on
  - PAM Project Updates
  - PAM File Formats
    - 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

▶ **Overview: PAM**

▶ **Common Questions**

▶ **Formats**

▶ **Related Resources**

▶ **Project News**

▶ **Contact**

Payment Automation Manager

Payment Application Modernization (PAM)

Overview

The Payment Application Modernization (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 software applications that generate check, wire transfer, and ACH payments for federal program agencies (FPAs), including Social Security, IRS, Veteran's Administration, as well as others.

The vision for the PAM initiative involves replacing 30+ COBOL and Assembler applications that have evolved over the last several decades, with a single standardized application. Because the basic functionality within all of the current applications is similar, a standardized system that is highly extensible and configurable is the desired end state. In addition to standardization, FMS is looking to

Updates

Updated August 17, 2007

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Any Questions?

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