

# Holistic Approach

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**Presented By:**

**Bobette Meads – Program Manager**

**Peter O'B. Moore – Customer Relationship Manager (CRM)**

**Agency Relationship Management Division**

**Financial Management Service**

## Agency Relationship Management

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- **Central point of contact for agencies**
- **Ensure coordination between agencies and Federal Finance**
- **Promote new/innovative collection tools**

## Agency Relationship Management

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- Provide presentation support
- Publish Financial Connection  
[www.fms.treas.gov/finconn/index.html](http://www.fms.treas.gov/finconn/index.html)
- Priority responsibility for the *holistic approach*

## What is the Holistic Approach?

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- **The preferred way for Federal Finance to conduct business with Federal agencies**
  - Identify and prioritize target CFO agencies
  - Review collection activity with bureaus to propose overall cash management improvements
  - Work with agencies/departments/bureaus from a consultative standpoint

## Goals

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- **Move towards an all-electronic Treasury**
  - 90% EFT by 2010
- **Promote easy-to-use collection mechanisms that are convenient and secure**
- **Streamline the collection process**

## Goals (Cont.)

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- **Use web and electronic technologies**
- **Manage depository services provided to Federal agencies by financial institutions and FRBs**
- **Provide timely collection of Federal government receipts**

## Business Issue

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- **Electronic collections percentage**
- **Key metric for FMS/Federal Finance**
- **External goals are reported to OMB**

## Business Issue (Cont.)

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- **Long-term benefits of electronic collections**
  - Reduces costs
  - Improves accuracy
  - Enhances effectiveness
    - Improves cash forecasting
    - Improves returns processing and exceptions



## Methodology

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- **Establish agency-wide goals and metrics based on the agency's entire portfolio of cash flows**
- **Agree on the agency's overall electronic collections targets**

## Methodology (Cont.)

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- **Involve Federal Finance program areas in the strategic planning process**
- **Assist agencies with marketing strategies to convert remitters from paper to EFT**

## **Strategic Cash Management Agreement**

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- **Develop Strategic Cash Management Agreements (SCMA)**
- **Recommend efficient electronic collection mechanisms**
- **Develop itemized listing of agency cash flows, goals and performance metrics**

## Strategic Cash Management Agreement

- **Establish implementation/conversion timeline(s)**
- **Obtain high-level buy-in from the CFO's office**
  - SCMA signed by CFO/DCFO & FMS

# Conversion Strategy

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- **Cash flow splits and collection targets**
  - Agencies can utilize multiple collection applications to achieve cash flow conversion goals
- **Conversion of large paper cash flows**
- **Inefficiency Charge**
  - Charge assessed to agencies that fail to meet targets per 31 USC 3720

# FMS's Collections Architecture

# Collections and Cash Management Modernization (CCMM)

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- **Comprehensive, multiyear effort to streamline, modernize, and improve the processes and systems supporting FMS's and Treasury's collections and cash management programs**
- **Top strategic priority at FMS and in Treasury's Office of the Fiscal Assistant Secretary**

## COLLECTION CHANNELS

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- **Internet Channel:** Pay.gov
- **Mail Channel:** GLN/ECP
- **OTC Channel:** TGA/TGAnet, PCC OTC



# Collections Architecture

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- **Pay.gov**
- **Paper Check Conversion Over the Counter (PCC OTC)**
- **TGANet**
- **General Lockbox Network**
  - Electronic Check Processing (ECP)

## Collections Architecture (Cont.)

- **Automated Clearing House (ACH)**
- **Card Acquiring Service**
- **CA\$HLINK II**
- **Transaction Reporting System (TRS)**

# Reporting To Agencies

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- **Transaction Reporting System**
  - Hub-and-spoke connections to financial institutions and agencies, with FMS in the middle – one connection to each bank and agency
  - Central data warehouse for queries
  - Both FMS and agency receive detail reports, eliminating reconciliation
  - Standard XML reporting schema for all reports and interfaces

## Banking Relationship Changes

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- Reduce to an appropriate level the number of financial agents, financial institutions and fiscal agents supporting major collection operations

## Key FMS Players

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### **General Revenue Collection Division**

- Michael Mackay– Director
  - Pay.gov, GLN/ECP, ACH

### **Over the Counter Revenue Collection Division**

- Corvelli McDaniel – Director
  - TGA.net and PCC OTC

### **Settlement Services Division**

- Kristine Conrath – Acting Director
  - Card Acquiring Service
  - Fedwire and ACH Credit Gateway

## Key FMS Players (Cont.)

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### **Agency Relationship Management Division**

- Carolyn Dunston – Director
  - Agency/Customer Relationships
  - Holistic Approach

### **Accounting and Data Management Division**

- Tamara Whitaker – Director
  - Transaction Reporting System (TRS)
  - CA\$HLINK II

## Contacts

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### **Carolyn Dunston, Director**

202/874-7491; [carolyn.dunston@fms.treas.gov](mailto:carolyn.dunston@fms.treas.gov)

### **Bobette Meads, Program Manager**

202/874-0694; [bobette.meads@fms.treas.gov](mailto:bobette.meads@fms.treas.gov)

### **Peter O'B. Moore, CRM**

202/874-6578; [peter.moore@fms.treas.gov](mailto:peter.moore@fms.treas.gov)

### **CRM Contacts by Agency**

<http://www.fms.treas.gov/crm/contacts.html>