PFC Journal

Payment Application Modernization, What Do I Need to Know?
Written by Lisa Andre, AAP, Manager, Customer Service Branch

The Payment Application Modernization (PAM) initiative is one of FMS' key modernization efforts that will have a significant impact on Federal Program Agencies. PAM will ultimately streamline the 30+ payment file variations and check faces into one standard input payment format and check face. PAM offers a standardized, automated, and streamlined payment process which ensures payments are made "on time, every time" for the millions of recipients who receive payments.

Release 3.0
The first release of PAM in 2008 provided for the processing of only monthly Supplemental Security Income (SSI) payments within the PAM application. In February 2010, PAM interfaced with the Secure Payment System (SPS) to facilitate the streaming of payment certifications into PAM. The linking of PAM and SPS was an important precursor to this most recent release, PAM 3.0, which includes the processing of daily vendor, salary, travel, and miscellaneous payments. This major release provided significant functionality to the PAM application, including payment offset, standard check face and a standard agency notification report, that will be electronically delivered to Federal Program Agencies, upon FMS' receipt of a payment file. It is important to note that new standardized input payment format will accommodate Government-wide Accounting (GWA) requirements to report Treasury Account Symbols (TAS) and Business Event Type Codes (BETC) at the time the payment is submitted. The transition to PAM 3.0 will take place from November, 2010 through May, 2011. It will begin with bulk payment submissions, also known as "Type B" payments, then transition manual payments keyed into SPS, also known as "Type A" payments. Prior to moving your Federal Program Agency's payments into PAM 3.0, you will be contacted by your Regional Financial Center (RFC) to ensure that there are no processing issues. Contacts at each of the RFC's are included below:

PAM 3.0 Points of Contact (RFCs):
AFC – Gay Wallace – 512-342-7288 or Gay.Wallace@fms.treas.gov
KFC – Lori Meyer – 816-414-2337 or Lori.Meyer@fms.treas.gov
PFC – Bobbie Mickens – 215-516-8074 or Bobbie.Mickens@fms.treas.gov
SFC – Baron Woods – 510-594-7135 or Baron.Woods@fms.treas.gov

Special Notice to Certifying Officers
Currently, agency payment requests are processed by an RFC at the end of the day, which allows the Certifying Officer the convenience of correcting or cancelling the issuance of a potentially erroneous payment file, if it is detected within a few hours of certification.

Please note that one of benefits to the automation PAM provides is the near instantaneous processing of payments as they are received into the RFC. When your Federal Program Agency is converted to PAM 3.0, the window available to make corrections to an erroneous certified payment file will be eliminated. In other words, if your Federal Program Agency certifies payment schedule without any errors (i.e. totals dollar value and item count match), it will be automatically processed by PAM. This change makes it even more critical for Certifying Officers to ensure, with absolute certainty, that the payments they are certifying are legal, proper and correct.

Payment Application Modernization (continued)

Standard Check Face

One of the most tangible changes within in PAM 3.0 is the introduction of a standard check face for all FMS-issued checks. The standard check face brings together some 30 variations of check information included on checks by Federal Program Agencies across the U.S. Government. Below is a sample of the standard Treasury check. This change is particularly important to Federal Program Agencies who employ Help Desks, as they may receive inquiries related to the new arrangement of data on the Treasury check.
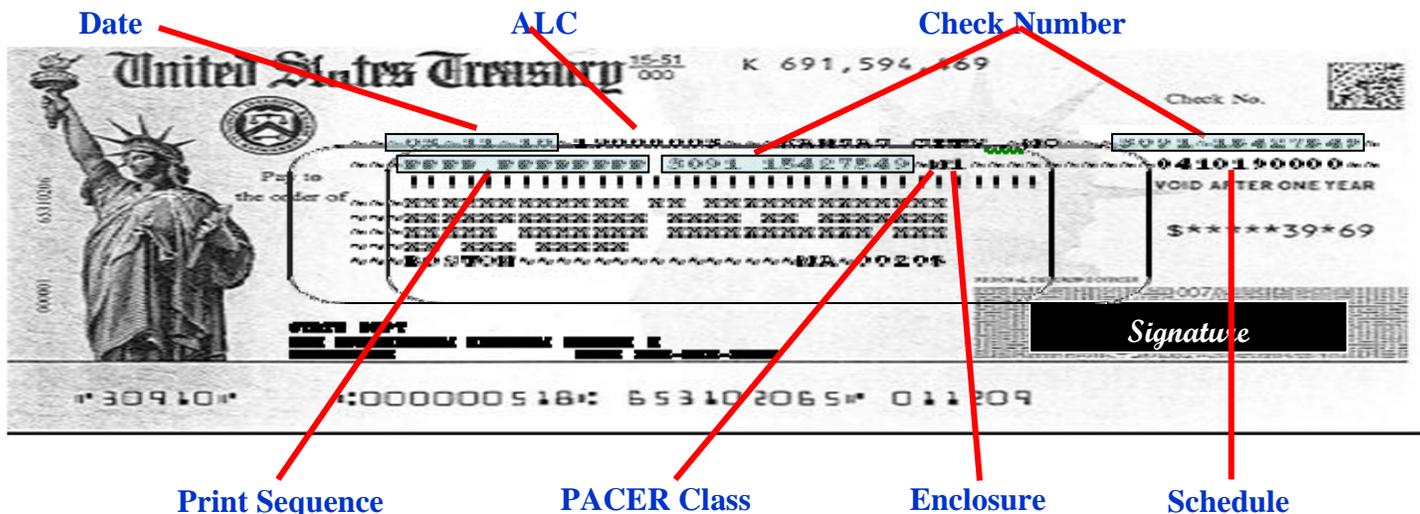
PAM Standard Format

Effective October 1, 2014, all Federal Program Agencies utilizing FMS' disbursement services will be required to submit payment requests in the PAM standard input format. Much of the information associated with payments is uniform and lends itself to using a standard format. Using the new PAM standard format, your agency will be able to provide Treasury Account Symbol/Business Event Type Code (TAS/BETC) information along with your payment files, satisfying Governmentwide Accounting (GWA) reporting requirements. This format will be utilized for both check and electronic payments (ACH/Wire) payments submitted to the RFCs. In mid-2012, necessary changes within SPS will be complete and will facilitate use of both the standard format as well as GWA reporting requirements. The current version of the PAM standard format can be found at: fms.treas.gov/pam/input_file_specifications.pdf. If your Federal Program Agency is not ready to convert to the standard format in mid-2012, they will have until *October 1, 2014*, to become compliant. Providing Federal Program Agencies with this lead time should allow ample time to plan and budget for these new changes. Webinar training on the standard format is available on dates listed at the following site: http://www.fms.treas.gov/pam/formats.html.

PFC will play an integral role in ensuring that the Federal Program Agencies we service receive timely information regarding these upcoming changes. In addition to being featured at our June, 2011 Agency Meeting, PFC will also be offering PAM standard format training in the Washington, DC area in the Summer and Fall of 2011.

For more information or to download the requirement specification documents of the PAM standard input file format and/or the standard agency notification report, please visit the PAM website at: http://www.fms.treas.gov/pam or Lisa Andre at 215-516-8142 or Lisa.Andre@fms.treas.gov.

Is Your ALC Information Up to Date?
Written by Phyllis Daniels, Supervisory Claims Analyst

The Agency Location Code (ALC) information contained on the Treasury Central Accounting System (STAR) is essential, as this allows the Treasury Department to have current contact data on file for all agencies. Therefore, the Financial Management Service (FMS) requests that all agencies review and verify this data to ensure it is accurate and up-to-date. This information can be viewed in GOALS or CA$HLINK. The person responsible for submitting the FMS 224 can view the data in GOALS by selecting the FMS Form 224, highlight reports on the tool bar and select ALC Query. To view data in CA$HLINK, change the drop down box on the upper right corner from MY CA$HLINK to REX/PAD Manager, then highlight inquiry on the tool bar and select STAR ALC Information Query.

If your agency needs to change the information, please submit changes in writing on agency letterhead via US Mail to the addresses below:

For 8 digit ALCs:
Financial Management Service
Governmentwide Accounting
Cash Accounting Division
Cash Analysis Branch - Crystal Madison, Manager
3700 East-West Highway, Room 500E
Hyattsville, MD 20782
(202) 874-8887 - Fax requests for 8-digit ALC's (must be a written request on agency letterhead)

For additional questions or assistance with 8 digit ALCs, please contact Margie Neville (Cash Accounting Division) at (202) 874-8891 or Margie.Neville@fms.treas.gov.

For 3 or 4 digit ALCs:
Financial Management Service
Payment Management
Check Resolution Division
Check Reconciliation Branch
3700 East-West Highway, Room 709A
Hyattsville, MD 20782

For additional questions or assistance with 3 or 4 digit ALCs, please contact Brent Weaver (Check Reconciliation Branch) at (202) 874-8259 or Brent.Weaver@fms.treas.gov.

Transaction Reporting System
Written by Vendetta Patterson, Management & Program Analyst

The Transaction Reporting System (TRS) serves an important purpose in the Financial Management Service's Collections & Cash Management Modernization (CCMM) initiative, which calls for simplification and modernization of the Federal Government collections systems and associated reporting. TRS is a single reporting system that provides deposit and collection information for Federal Program Agencies (FPAs). It brings together summary and detailed financial transaction information from collections systems and settlement mechanisms. As a system that touches all of FMS' collection systems, TRS will provide a single touch-point for the exchange of collection transactions. TRS offers a great improvement to the way Federal Program Agencies collect, analyze and distribute information, which, in turn, will eliminate redundancies and disconnects between point of contacts and FPAs.

TRS will include Deposit Vouchers, which summarize financial transactions related to collections, as well as the financial instruments used to make the collection. It is important to note that TRS will only contain revenue collections information. Intra-agency transfers and payments will be supported by separate systems (i.e. IPAC). TRS provides file transmissions in the standard XML schema developed for TRS. This schema can be found at: http://www.fms.treas.gov/eda/schema.html. Report data will be available in flexible formats such as PDF, Excel, and comma-delimited.

TRS supports the Government-wide Accounting (GWA) Modernization initiative by providing classification information associated with the transactions. TRS is expected to reduce the burden and cost of reconciliation between FPA's Core Financial Systems and the Government-wide Accounting System (GWA). However, it is important to note that TRS is intended to be strictly a reporting mechanism. TRS will allow users to view classifications (i.e. TAS/BETCs and/or Classification Keys) that are reported by source systems, but in order to reclassify collections, agencies will need to submit changes directly to GWA.

Access to data in TRS will be secured in accordance with Federal Information Security Management Act of 2002 (FISMA) and other federal laws and regulations for IT systems security that apply. TRS will retain data for seven years. However, litigation-related data will be stored indefinitely.

Through CCMM and TRS, FMS expects to significantly reduce the cost of collections, with potential cost savings of $100 million each year. TRS will help manage the quality of incoming financial transactions information from financial institutions and provide more detailed, real-time information for deposit reporting and cash concentration and forecasting purposes. TRS is also expected to significantly improve the ability of the U.S. Treasury to more precisely manage its financial position on a real-time basis throughout the day.

For more information on TRS, please contact the TRS Agency Outreach Hotline at (301) 699-6814 or visit: http://www.fms.treas.gov/trs.

ACH Non-Receipts Made Easy
Written by Vendetta Patterson, Management & Program Analyst

Each year over 140,000 tax refund recipients file claims with the Internal Revenue Service (IRS), alleging they did not receive their Automated Clearing House (ACH) payment, otherwise known as Electronic Funds Transfer (EFTs). The FMS Form 150.1 (pictured at right) is used to confirm the receipt of ACH payments. Upon receipt of this form, a financial institution is obligated to provide the Financial Management Service (FMS) with a status of the payment. Often times, a financial institution's response to the FMS 150.1 form requires follow-up due to the need for additional information. In an effort to minimize the necessary follow-up work between FMS and the financial institutions, the Philadelphia Financial Center (PFC) recently made updates to the form. The updated FMS 150.1 form now offers financial institutions better options when sending a response to FMS.

- If the payment was misdirected (the name on the account does not match the intended payee's), the financial institution can indicate whether there are any funds are available to return.
- The financial institution can specify if the funds were returned through ACH, and when the payment was returned.
- If the payment could not be sent back through ACH, the financial institution can indicate whether or not the funds were returned by an official bank check.

The revised FMS 150.1 also incorporates language from the recently amended Right to Financial Privacy Act of 1978 (*12 USC 3413 (k) - Disclosure Necessary for Proper Administration of Programs of Certain Government Authorities*), which allows financial institutions, at their discretion, to include account-owner information for issuing Federal Program Agency use only. This additional information allows the Federal Program Agency an improved opportunity for collecting misdirected payments from unintended recipients.

The revised FMS 150.1 provides a more convenient mechanism for financial institutions responding to FMS, as well as reducing the additional follow-up steps FMS must take to resolve a claim, thus improving the speed at which FMS can provide the results of an investigation to the issuing Federal Program Agency.

FMS 150.1 Form

For more information on ACH Non-Receipts, please visit: fms.treas.gov/greenbook/pdf/NonreceiptRevNov2009.pdf. For specific questions, please contact the Philadelphia Financial Center's Help Desk at 215-516-8154 or philly@fms.treas.gov.

Payment Management Customer Conference: A Resounding Success
Written by Lisa Andre, AAP, Manager, Customer Service Branch

Event Offers Agencies Critical Updates and an Opportunity to Network with Fellow Federal Sector Associates;
Provides a Shining Example of Teamwork within the Financial Management Service (FMS)

FMS' Payment Management Division held the 2010 Customer Conference on August 24-25, 2010. The conference was hosted in Broomfield, Colorado, at the Omni Interlocken Hotel, situated in the picturesque Rocky Mountains. This conference offered customers a rare opportunity to interact with staff from the four (4) Regional Financial Centers (RFCs), the Birmingham Debt Management Operations Center (BDMOC), and the Washington office.

The event featured key note addresses from David Lebryk, Commissioner of FMS, and Sheryl Morrow, Assistant Commissioner of Payment Management. David shared his thoughts on the changes agencies are facing as FMS moves towards standardizing financial reporting as well as the results of the recent FMS Consolidated Customer Survey. He emphasized how important it is for FMS to continue to provide top-notch services to our customers across all divisions of FMS, and our commitment to continuous improvement. Sheryl's address focused on the future of the Payment Management Division. Her address provided a great deal of information on the "All Electronic Initiative", and the impact it is expected to have upon the Payment Management Division.

This conference featured several agency testimonials, which put a face to the users of FMS' products and services. The use of testimonials offered agencies with a direct link to others who have implemented FMS' products and services and the challenges and successes they have encountered. In addition to the key note addresses, the event also featured presentations from various FMS Program Areas on the following topics:

- Payment Application Modernization (PAM)
- Secure Payment System (SPS)
- Government-wide Accounting and Modernization Project (GWAMP)
- Payments 101
- Automated Standard Application for Payments (ASAP)
- Debt Management Services (DMS)
- International Treasury Services (ITS.gov)
- US Debit Card
- Treasury Check Information System (TCIS)
- Internet Payment Platform (IPP)
- Collections and Cash Management Modernization (CCMM)
- Transaction Reporting System (TRS)

The conference featured a panel discussion entitled "Are You Smarter than a Regional Director?", that was moderated by FMS' Deputy Commissioner, Wanda Rogers. The panel consisted of Bob Mange, Director of the Austin Financial Center (AFC); Gary Beets, Director of KFC; Betty Belinsky, Director of the Philadelphia Financial Center (PFC); and Phil Belisle, Director of SFC. This light-hearted approach to payment policy offered a serious look at the issues affecting Certifying Officers and emphasized the rules and regulations they need be aware of when certifying Federal payments.

This event was also FMS' first external conference that utilized I-Clicker technology. I-Clickers allow speakers to ask questions and receive real-time results from the audience. With I-Clickers, the questions are posed in a multiple choice format and each attendant can record their answer through their I-Clicker. For a conference of this size, the I-Clickers

Payment Management Customer Conference (continued)

offered a fun and easy way to gauge attendees' knowledge of the subject matter and an opportunity to be more engaged in the presentations. The group was supported by Peggy Gardiner, Payment Management Division, on the effective use of I-Clicker technology and its best use in such a large conference setting.

A workgroup composed of representatives worked over the last eighteen months to organize this conference. Francie Abbott from KFC served as project lead for this workgroup and provided stellar leadership and commitment which spanned from the selection of the location to the execution of the conference. Each RFC was tasked with various responsibilities related to the planning and organization of this conference. This collective approach allowed the RFC's to work together effectively, ultimately resulting in an informative and enjoyable experience for each of the attendees. Members of the planning team included:

- John Rogers (AFC)
- Joan Harper (AFC)
- Catherine Young (AFC)
- Francie Abbott (KFC)
- Thomas Nelson (KFC)
- Lauren Ray (KFC)
- Lisa Andre (PFC)
- Matthew Helfrich (PFC)
- Rick Corrigan (SFC)
- AnneMarie Arnold (SFC)
- Michelle Lacome (SFC)
- Fay Rurup (SFC)

Additionally, the event received multimedia support from Mike Mc Gill, IT Specialist at KFC. His assistance ensured the event ran smoothly from a technical perspective.

Attendee evaluations conveyed the attendees' high level of satisfaction with Payment Management Customer Conference. Through the hard work and commitment of the RFC's, speakers and the Omni Interlocken Hotel, the conference was a resounding success. Much like 2008, the Payment Management Customer Conference offered customers a rare opportunity – being able to interact with the major players in FMS programs and services, as well as other fellow agency representatives. The event was conducive to networking and the sharing of best practices across agencies. As an agency, FMS is committed to fostering strong key collaborative relationships, and as such networking is critical to continuing to build upon the relationships with our customers that we value so much. We are looking forward to the next conference which will be held in Summer of 2012!

CTX: An Alternative to Making Many Individual Payments to the Same Vendor
Written by Vendetta Patterson, Management & Program Analyst

Corporate Trade Exchange (CTX) is an Automated Clearing House (ACH) format used by Federal Program Agencies to pay vendors who are receiving a large volume of small payments, often on the same day. CTX makes it possible for one payment to satisfy multiple invoices, since remittance information is transmitted to the financial institution along with the payment. The CTX format accommodates up to 9,999 addenda records per payment (with 80 characters of identifying information), which can be used to communicate invoice and/or contract numbers or amount of each individual payment.

CTX is a great option for Federal Program Agencies who pay the same vendors multiple times on the same business day, such as travel payments, credit card payments or phone carriers. It structures the remittance information according to the electronic data interchange (EDI) standards, which facilitates a vendor's ability to process information directly into their accounting system. It provides necessary remittance information in a friendly format, thereby consolidating the volume of payments Federal Program Agencies need to issue to their most frequently used vendors. For more information on CTX transactions, please contact Lisa Andre, Accredited Automated Clearing House Professional (AAP) at 215-516-8142 or Lisa.Andre@fms.treas.gov.

PFC Agency Meeting
June 8-9, 2011~ Bureau of Engraving & Printing, Washington, DC 8:00am—4:30pm

Agenda:

- U.S. Debit Card
- All-Electronic Initiative
- Internet Payment Platform (IPP)
- Government-wide Accounting (GWA)
- Payment Application Modernization (PAM)
- Transaction Reporting System (TRS)

Contacts for Agency Meeting

Diane Jackson—215-516-8028

Diane.Jackson@fms.treas.gov

Deborah Jackson—215-516-8027

Debbie.Jackson@fms.treas.gov

Vendetta Patterson—215-516-8191

Vendetta.Patterson@fms.treas.gov

You can enroll for the meeting online at http://www.fms.treas.gov/pfc/training.html.

Space is very limited, so sign up today!