OTCnet Connect

A publication of the Financial Management Service (FMS) Over the Counter Revenue Collection Division

Important Information for Conversion to OTCnet

Per the March 23, 2012 memo from the FMS Commissioner titled "Upcoming FMS Systems Changes and Timelines," CA$HLINK II will be decommissioned on December 31, 2012, and all Agencies using the manual, paper process must convert to OTCnet Deposit Reporting as soon as possible. The full memo is available here:
http://fms.treas.gov/cfo_lttr.html

As of the beginning of August, **84% of PCC OTC Conversions** and **86% of CA$HLINK II Conversions** are complete. While this progress is noteworthy, there is still work to be done! If your conversion is not complete, you will need to continue to work with FMS and your OTCnet Deployment Specialist to finalize your conversion. Agencies that have successfully converted to OTCnet must also make sure they are using *only* OTCnet to process all their over the counter transactions and not CA$HLINK II and/or PCC OTC. Below is information that explains why it is important to begin using OTCnet now:

CA$HLINK II is not a viable alternative to OTCnet Deposit Reporting because it will be decommissioned on December 31, 2012. Domestic currency, foreign currency, and foreign paper checks should be processed via OTCnet Deposit Reporting by submitting an electronic deposit ticket and sending the physical collections to your Agency's financial institution (FI) so that they can confirm the deposit in OTCnet. Once the FI confirms the deposit in OTCnet, it will automatically be reported to TRS, the system which is replacing CA$HLINK II.

Financial institutions will no longer be able to enter deposits into CA$HLINK II. After CA$HLINK II is decommissioned, FIs will no longer be able to create manual deposit entries in CA$HLINK II. To ensure your deposits are reflected in TRS, both the Agency and the FI will need to create and confirm deposits in OTCnet. To ensure deposits are confirmed by your FI in OTCnet, which is a requirement as of December 31, 2012, deposits delivered to your FI must be accompanied by an OTCnet Deposit Ticket instead of the legacy paper SF 215. If your deposits are not accompanied by an OTCnet Deposit Ticket, there may be a delay in the processing of your collections.

PCC OTC will be unavailable after your Agency goes live on OTCnet. After all of your ALC+2s have made their first deposits in OTCnet, your Deployment Specialist will inform you that your ALC+2s are eligible to be neutralized in PCC OTC. At that point, your Deployment Specialist will enter into PCC OTC and neutralize your endpoint, which will mark your agency as fully converted and unable to upload batches to PCC OTC.
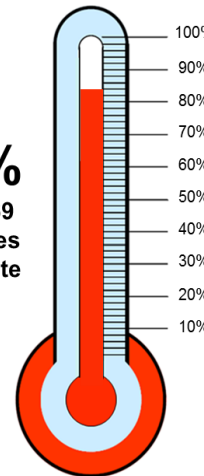
PCC OTC is not a viable alternative for OTCnet Check Capture because PCC OTC will not be operational after December 31, 2012. All domestic paper checks will need to be scanned through OTCnet Check Capture.

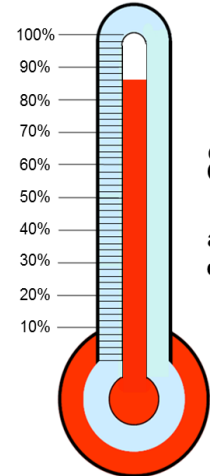### OTCnet Agency Conversion Progress

PCC OTC Conversions Complete

84%
58 of 69 agencies complete

CA$HLINK Conversions Complete

86%
70 of 81 agencies complete

As of 8/3/12

CA$HLINK II and PCC OTC Update

Only 4 months left until CA$HLINK II is decommissioned!

FIs using OTCnet are responsible for coordination with local branches to ensure they are prepared to receive Agency's OTCnet deposits by October 2012 at the local level. Successful coordination with local branches will ensure an easy transition for both Agencies and FIs during the conversion process.

Important Conversion Dates:
◊ **Oct. 2012:** PCC OTC and CA$HLINK II Agencies complete conversion to OTCnet
◊ **Dec. 2012:** CA$HLINK II and PCC OTC are turned off and the Manual SF 215 process is no longer available

If your Agency has not received its conversion date, contact Angela Smith at (202) 874-4080 as soon as possible.

DATES TO REMEMBER

September 2012:
◊ *Agencies need to update firmware to 1.2.1 and 1.5.1*
◊ *OTCnet Release 1.3*

October 2012:
◊ *Deadline for PCC OTC and CA$HLINK II Agencies to convert to OTCnet*

December 31, 2012:
◊ *CA$HLINK II turns off*
◊ *PCC OTC turns off*
◊ *Manual SF 215 processing no longer available*

DID YOU KNOW?

◊ If your Agency has finished conversion, you should uninstall PCC OTC from all workstations
◊ The OTCnet Website has a dedicated Release 1.3 page to house updates and resources

QUICK LINKS

OTCnet Training
www.fms.treas.gov/otcnet/training.html

OTCnet System Requirements
www.fms.treas.gov/otcnet/OTCnet_SysReq.pdf

OTCnet Login
www.otcnet.fms.treas.gov

TRS Website
www.fms.treas.gov/trs

OTCnet Connect

Information for FI Local Branches

Now that most Federal Agency customers are converted to and making deposits through OTCnet, all Treasury General Account Financial Institutions should inform branch locations on what to expect when a customer brings in an OTCnet deposit:

- ***OTCnet Deposit Reporting will not have a Treasury SF215.*** OTCnet replaces the need for this document. The customer will create an electronic equivalent to this document, print it out from OTCnet, and bring it with the deposit.
- ***Do not enter this deposit into CA$HLINK II, please follow your FI's internal OTCnet confirmation process.*** If you have questions about your internal procedures, please contact your central office for the TGA program. For example, if your FI confirms deposits at a central location, continue to forward the necessary documentation to them. Once they receive this information, they will log into OTCnet and confirm the deposit.
- ***Please make sure your branch location is aware of the difference in deposit slips*** if you require a customer to have a personalized deposit slip (i.e., DDA # or RTN # differences).

Please encourage your Agencies to use OTCnet if they are not already doing so, as CA$HLINK II is shutting down in December 2012.

Update: MITGA Program Transition to U.S. Bank

Financial Management Service (FMS) requires all Agencies currently mailing Treasury General Account (TGA) deposits to a Federal Reserve Bank (FRB) to work with Treasury's Financial Agent, the FRB of St. Louis, to establish new depositary arrangements with U.S. Bank's Mail-in Treasury General Account (MITGA) program by December 2012. To date, 8 out of approximately 32 Agencies that mail TGA deposits to the FRB of Cleveland have fully completed their conversions, with 7 currently in-process.

Converting takes less than three weeks. To begin:

- Agencies will first need to call the FRB of St. Louis TGA team at 1 (866) 771-1842 and request an Agency Site Profile (ASP), which must be completed and returned
- Within two weeks after the Agency returns the completed ASP, a U.S. Bank representative will email the Agency a welcome packet and instructions to call to receive their OTCnet routing (RTN) and account (DDA) numbers
- Agencies are required to be on OTCnet in order to use U.S. Bank's MITGA to process their over the counter collections

From the Desk of the Deployment Specialists

Thomas Tysse
OTCnet Deployment Specialist

Neutralization questions we have received from Agencies.

Q. What is neutralization?

A. Neutralization is the final step of your conversion to OTCnet from PCC OTC. It is the process by which a Deployment Specialist goes into PCC OTC and neutralizes endpoints that are fully converted to OTCnet. Following the neutralization of an endpoint, you will no longer be able to upload batches in PCC OTC and will only be able to do so in OTCnet.

Q. When does neutralization take place?

A. Neutralization may begin after your conversion has been complete for 30 or more days. In order to begin neutralizing endpoints, your Deployment Specialist needs to confirm 1) that all of your activity in PCC OTC has ceased, 2) that all of your outstanding representments are processed, and 3) that all of your transaction data has fully migrated to OTCnet.

Q. What will I need to do after conversion?

A. After your conversion to OTCnet is complete for 30 or more days, your Deployment Specialist will seek your approval to neutralize specific endpoints. Make sure to 1) confirm that your Agency is no longer using PCC OTC, and 2) respond to your Deployment Specialist's request for approval within 5 business days. If you do not, your Deployment Specialist will move forward and neutralize your endpoints without your approval.

Q. What will happen to my historical PCC OTC data when my endpoints are neutralized?

A. As part of your OTCnet conversion process, we validated that all of your historical PCC OTC data was properly migrated to OTCnet. When you start using OTCnet, you can retrieve historical PCC OTC data via OTCnet's reporting system.

Q. How will I know whether or not neutralization was successful?

A. Your Deployment Specialist will reach out to you immediately following the neutralization process to confirm that it is complete, at which point you will be fully converted to OTCnet.

Reach a deployment specialist at
FMS.OTCDeployment@citi.com!