



## Questions & Answers from FMS's January 21, 2010 Collections Webinar for Federal Program Agencies

### [Collections and Cash Management Modernization \(CCMM\)](#)

- **Is Pay.gov part of the CCMM effort?**

Pay.gov is an essential part of the CCMM effort. Several programs have been or are being eliminated in favor of expanded use of Pay.gov. These programs include RRBLink (specific to the Railroad Retirement Board), the Pre-Authorized Debit (PAD) service, and Automated Clearing House (ACH) debit services provided by some of our electronic lockbox providers.

- **Will CCMM impact FedDebt? Also, we receive funds through the Treasury Offset Program (TOP), where the Treasury sends us the funds through the Intra-governmental Payment and Collection (IPAC) system. Will those collections be impacted by CCMM?**

There should be no impact on funds handled by these programs. CCMM is aimed at most collections, but not all. In particular, outside of its scope are debt collections and intra-governmental collections. Although some debt collections initially are received through CCMM-related collections programs (such as FMS's lockbox network), the impact of CCMM on FedDebt, the TOP, and the debt collection area should be minimal. Similarly, there should be little or no impact on the IPAC system.

- **How will CCMM affect the Retirement Insurance Transfer System (RITS), which are IPAC transactions received from payroll offices for retirement, life insurance and health benefit monies?**

There should be no impact on RITS. The CCMM effort is aimed at most collections, but not all. It does not address intra-governmental collections processed by the IPAC system.

- **How does CCMM actually affect payments done in International Treasury Services (ITS.gov) and Secure Payment System (SPS)?**

CCMM does not impact how FMS makes payments. CCMM is focused on certain collections (money coming in), not disbursements (money going out).

- **Will both agencies and their Service Providers be provided access to the Transaction Reporting System (TRS) and Credit Gateway under CCMM?**

An agency and their Service Providers will be provided access to TRS if the agency authorizes access.

### Over The Counter Network (OTCnet)

- **Why doesn't PCC pull money from the appropriate bank account immediately (like the stores or supermarkets)?**

PCC OTC will debit the check writer's account within 24 hours after the check has been accepted and transmitted to FMS for processing. PCC OTC utilizes the National Automated Clearing House Association (NACHA) payment system for settlement which is a batch process and not real time. We are bound by the parameters of NACHA, which does not currently have a real time settlement mechanism that will allow us to immediately debit the check writer's account. The private sector, to include the groceries stores, use the same network pertaining to check conversion so the PCC OTC system is not operating at a disadvantage compared to the private sector.

- **Can you talk a little more about the PCC OTC program? Our agency is looking to move to PCC OTC as part of our agency's fee collection modernization program (2010-2012). I heard that PCC OTC will be completely Web-based. Does this mean that we would not need to purchase scanners? Can you expand a little more about how this would work? How will checks be processed via the Web, as opposed to the current process of scanning checks using scanning equipment?**

The PCC OTC program was launched in 2001 and has been successfully deployed at over 60 Federal agencies and a wide range of operational environments. PCC OTC is being used by the military in Iraq and Afghanistan, and at a wide spectrum of government agencies across the U.S. With OTCnet, the essence of the check capture and check conversion process currently performed in PCC OTC, will remain the same. You are correct that PCC OTC will be Web-based. Agencies will still need to purchase scanners, but one of the major improvements we are making with OTCnet is that the new system will offer check conversion in "on line" (i.e., Web based) or "off line" (via a thin client on the desktop) for agency users. Today, PCC OTC requires client software on the desktop for all users. For agencies with Internet connectivity, OTCnet will allow for end to end check processing on line with no need to load software onto the desktop. For agencies operating in environments where there is insufficient bandwidth or other connectivity challenges, the "off line" mode will allow the check capture to be

done “off line,” until the agency representative can connect to the Internet and transmit the check images and required financial data for processing.

- **When will the OTCnet new system be in place?**

The target date for TGAnet implementation is November 2010.

- **What is the cutoff date for agencies to establish PCC OTC?**

Granting that we must allow for prior commitments and unexpected requirements, we intend to cutoff the implementation of PCC OTC at new agencies in June 2010.

- **We are currently using PCC OTC and Pay.gov. We have not had the need to send our deposit to the bank because PCC OTC was not able to process it. Is it absolutely necessary to enroll in TGAnet?**

It is indeed necessary to implement TGAnet at your agency. While the PCC OTC and Pay.gov systems have effectively met your agency's cash management needs, the implementation of TGAnet is routinely rolled out secondarily or complementarily as the second option for handling OTC collections. Based on our experience with agencies that are using PCC OTC around the world, there will ultimately come a time when PCC OTC scanners may not be able to process a check image (for various reasons: problems with the Magnetic Ink Character Recognition ((MICR)) line, poor image quality of the check, etc.), and the check must be deposited via TGAnet at your designated TGA depository. TGAnet will be the only option for processing TGA bank deposits.

- **Our agency has infrequent cash deposits. Will we need access to TGAnet for the 2 or 3 times a year that we have these?**

Yes, your agency will need to implement TGAnet regardless of the infrequency of your deposits. TGAnet will be the only standard for OTC deposits and there will be no other options for the deposits that you describe. All agencies, regardless of their size or volume of OTC deposit activity, will need to implement TGAnet and are encouraged to do so sooner rather than later.

- **We use PCC OTC and are setup to use TGAnet. However, we do not use TGAnet. I am the system administrator, and someone else makes the deposits through PCC OTC. Why do we have to use TGAnet?**

While PCC OTC has effectively met your agency's cash management needs, the implementation of TGAnet is routinely rolled out complementarily as the second option for handling OTC collections. Based on our experience with agencies that are using PCC OTC worldwide, there will ultimately come a time when PCC OTC scanners may not be able to process a check image (for various reasons: problems with the MICR line, poor image quality of the check, etc.), and the check must be deposited via TGAnet at your designated TGA depository. TGAnet will be the only option for processing TGA bank deposits.

- **Treasury allowed Agency Participation Agreements (APA) to be filed by field locations for PCC OTC, without any agency central office involvement. Will Treasury prevent this from happening with OTCnet?**

FMS will continue to work with every agency regarding the APA. We understand that every agency operates differently based on their business needs. Some are centralized and would require one main APA to cover all field locations, while others are more decentralized and will allow for the field locations to enter into an agreement with FMS. We will position ourselves to be flexible to meet our agencies needs and not disrupt service wherever that makes the most sense.

- **Will TGAnet be able to handle foreign checks?**

TGAnet is able to process foreign checks today. The system is designed to handle foreign checks, and our Financial Agent (Citibank) that centrally processes foreign checks for the government has been using TGAnet for some time. In addition, TGAnet is capable of processing foreign currency and coins as well.

- **The presentation said that all current PCC OTC users would be assigned new user identifications (ID). If a current PCC OTC user has TGAnet access, would they be assigned their TGAnet user ID?**

Yes. If a current PCC OTC user has TGAnet access, we are planning to retain the ID for TGAnet access. Since all TGAnet users will be converted at one time to OTCnet, it is envisioned that all TGAnet users will be able to retain their user ID post-conversion state. For PCC OTC, since the entire user provisioning will be different in OTCnet, new user ID and passwords will be issued.

- **Right now, we send paper checks to the Federal Reserve Banks and local offices deposit checks through local banks. Will Treasury Account Symbol (TAS) information be required at the time of deposit in OTCnet?**

TAS information or accounting codes (i.e., Classification [C]-keys) that FMS's Shared Accounting Module (SAM) can translate into a TAS, will be required at the time of deposit in OTCnet. The OTCnet system is being designed to capture the TAS in support of the Governmentwide Accounting (GWA) initiative. One of the principles of the GWA initiative is that for OTC collections, these funds would be classified at the earliest point possible. OTCnet will support the entry of TAS at the time of deposit. In the OTC collection arena, the classification of OTC deposits and transactions at the time of deposit or point of collection (vs. the traditional delay until the end of month 224 process), is one of the important aspects of our transformation in the CCMM and GWA modernization initiatives.

- **Are agencies going to be able to modify the hierarchy in PCC OTC before it migrates to OTCnet?**

Yes. There will be an opportunity to make modifications prior to migrating to OTCnet. We will contact your agency prior to the migration onto OTCnet.

- **My job is to go into CASHLINK II and pull wires. Do I need access to OTCnet?**

You will not use OTCnet to view Fedwires. You can continue to use CASHLINK II until your agency transitions to TRS. If your agency uses PCC OTC or TGAnet for check collections, then you will need access into OTCnet. You can verify your agency's deposit in OTCnet to CASHLINK II.

### Transaction Reporting System (TRS)

- **When is CASHLINK II (CL II) planned for decommission?**

TRS is in production and several agencies are currently using the system. The TRS Team is kicking off general enrollment in January 2010 with a larger ramp-up in the following months. TRS and CL II will run in parallel until all functions of CL II reside, and are operational, in modernized Treasury systems, and all revenue collections information is housed in TRS. Currently, FMS has a proposed target sunset date of 2012 to decommission CL II.

- **Will the presence of TRS remove the need for Agency 224 reporting?**

No. TRS will not remove the need for Agency 224 reporting. Agency 224 reporting will be impacted by GWA Modernization initiative. For more information about the GWA, contact Mike Norman, the FMS Governmentwide Accounting Modernization Directorate Agency Liaison at (202) 874-8788 or [Michael.Norman@fms.treas.gov](mailto:Michael.Norman@fms.treas.gov). Additional information is available on the GWA Modernization website at <http://www.fms.treas.gov/gwa/>. TRS will, however, support reporting of classification information TAS/Business Event Type Code (BETC) or C-Key for the GWA Modernization initiative. The initial classification reported by the collections channels will be available in TRS.

- **Will TRS enrollment be by agency, i.e. central location, or by each office within the agency that has an Agency Location Code (ALC)?**

TRS enrollment will be by agency, but the TRS Team will work within that agency to convert existing CL II access groups to TRS.

- **When will training for TRS begin and how do you sign-up?**

Training will occur as part of the TRS enrollment process. The TRS Team is kicking off general enrollment in January 2010 with a larger ramp-up in the following months. Training will initially be provided via phone conference and will incrementally be transitioned to Web-based training.

- **How long will agencies have to convert to TRS?**

Currently, FMS has a proposed a target CL II sunset date of 2012. All agencies should plan to convert to TRS by that time.

- **Our agency does not receive automated feeds from Electronic Check Processing (ECP) – we access ECP for reports, etc. as needed. Will the migration to TRS require us to re-program to receive data in standard Extensible Markup Language (XML) format?**

Agencies that do not currently receive automated feeds are not expected to begin receiving automated feeds. TRS will provide agencies a variety of canned reports. The canned reports will provide multiple search criteria to support agency needs and will offer friendly features, such as “favorites” and the ability to schedule reports. Users will be able to access the reports online and download reports into PDF, Excel, and comma-delimited (CSV) formats.

- **We currently get a detail file from our lockbox contractor that we load into our tax databases. Do we have to utilize the standard file for that load? Will the message number format for ACH and Fedwires change? We use this number as our audit trail number for entry into taxpayers’ accounts. CL II and TRS will be overlapping – so we will be accessing both systems for several years?**

Yes. It is expected that detail files provided by lockbox contractors will be replaced by TRS. There will be multiple options for getting data from TRS including canned reports that are downloadable to portable document format (PDF), Excel, and CSV formats and file transmissions in the FMS XML schema. The mechanism an agency will use to obtain data from TRS will depend on the data elements needed and the volume of data. During the enrollment process, the TRS Team will work with the agency to identify collections data access needs and determine how those needs will be met.

With the implementation of the Credit Gateway, the format of the Fedwire Message Audit Number and Remittance Express (REX) ACH ID will change, but the fields will still provide the necessary auditing. The overlapping of CL II and TRS is intended to provide agencies a longer lead time to prepare for and make internal agency changes. The overlap allows an agency to run CL II and TRS in parallel to ensure TRS is meeting the agency’s needs and to assist the agency in identifying any internal agency changes that need to be made. While it will be advantageous for an agency to access both during the transition, an agency is not required to do so. As soon as TRS has all of the data and functionality an agency needs, an agency may stop using CL II. Though not ideal, an agency may continue to use CL II until it sunsets (currently targeted for 2012).

- **Treasury allowed APAs to be filed by field locations for PCC OTC, without any agency central office involvement. Will Treasury prevent this from happening with TRS?**

The TRS Team will work with each agency to determine how the agency will be transitioned to TRS, to identify points of contact in the enrollment process, and to identify authorizing officials that can approve an agency’s enrollment configuration (Agency Location Code ((ALCs)), access groups, and user profiles). If an agency has a specific concern and wants to ensure that the TRS Team

includes specific individuals in the enrollment process, please send an e-mail to the TRS Agency Outreach Team at TRSAgencyOutreach@pnc.com.

## Credit Gateway

- **How does Pay.gov process merchant account transactions (credit cards)?**

Section 9 of the following document, "Pay.gov an Agency's Guide to the Collections Service," details how Pay.gov processes credit card transactions: [https://qa.pay.gov/agencydocs/docs/pg\\_collections\\_guide.pdf](https://qa.pay.gov/agencydocs/docs/pg_collections_guide.pdf)

- **How will the current eight-digit ALC affect the new 12-digit ALC for transactions?**

The Credit Gateway will automatically translate the eight-digit ALC account number on Fedwires received to the twelve-digit Credit Gateway account number.

- **Will REX take CCD or CTX format transactions?**

REX currently accepts Cash Concentration Disbursement or Disbursement (CCD) and Corporate Trade Exchange (CTX) formats for ACH. The new Credit Gateway will also support CCD and CTX.

- **Is the 9/13/2010 "go-live" date to migrate to Credit Gateway for all agencies? Will the agencies, at that time, be required to use TRS? When CL II goes away in 2012, how can we get intraday reports on Fedwire activity?**

Upon implementation of the Credit Gateway in September 2010, agencies will not be required to use TRS at that time unless the agency requires access to real-time, same-day Fedwire messages or pre-settled ACH transactions. Fedwire and ACH detail will only be available in CL II after vouchers have been created at the end-of-day process.

- **Will I be able to view domestic and international wires in TRS? Right now I can only view domestic wires.**

At this time, only domestic Fedwires can be viewed in TRS. Agencies must view international wires through ITS.gov. The Credit Gateway plans to begin processing international wires in 2011 and will provide that information to TRS for agency viewing.

- **We do have customers that submit Fedwires without the required information needed to process the payment. There is no phone number field in order to contact the customer. Is this problem going to be addressed in the Credit Gateway?**

The Credit Gateway will automatically return Fedwires to the customer's bank if the required minimum information is not present. Minimum information includes the American Bankers Association (ABA) Routing and Transit Number (RTN)

and a valid account number (8 digit ALC or 12 digit Credit Gateway account number). Customer contact phone numbers are not mandatory fields on Fedwires. They are supplied at the discretion of the customer's bank.

- **I have customers who would like to initiate a Fedwire or an ACH payment to our agency. What information do I need to provide to our customers and where do I get current information?**

Currently, agencies should contact the Accounting and Data Management (ADM) division in FMS for agency wiring instructions. Wiring instructions must include the RTN, the agency's account number (8 digit ALC), and the beneficiary name (agency name). When the Credit Gateway is implemented on 9/13/10 agencies will contact the Settlement Services (SET) division in FMS for agency wiring instructions.

- **Credit Gateway: Can an agency have multiple account numbers to identify funds to different TAS?**

Yes.

### General Revenue Collection

- **Our agency uses the Citigroup Lockbox to process mail orders. I didn't hear anything about ECP going away. Will ECP be affected with rapid changes that are occurring?**

ECP may be impacted when your agency converts to TRS. Your agency may currently be receiving specific data files directly from either the lockbox or ECP. Once your agency converts to TRS you will only get this data from TRS. Additionally, FMS is working with each agency to develop a Strategic Cash Management Agreement (SCMA). The agreement will review each agency's cash flow data and make a determination regarding the optimal collection mechanism. If a lockbox is not cost beneficial, or there are no other extenuating circumstances, we may look to transition that cash flow to another collection mechanism such as PCC OTC or Pay.Gov.

- **Is there a password needed to view Pay.gov collections? I am notified when a payment has been made, but cannot view them on Pay.gov.**

Yes. In order to see reporting through Pay.gov, a user account must be set up and the proper permissions granted to the user. When setting up a Pay.gov application, two agency staff members are designated as security contacts. These security contacts have the ability to enroll you and assign permission to see reporting.

- **Regarding lockbox transactions: The presentation stated that they would be converted to Pay.gov – is that different from them being processed through ECP? Are agencies that are currently using ECP going to be expected to migrate to Pay.gov?**

Potentially yes, your cash flow may need to transition to another collection mechanism. FMS will work with each agency to complete an SCMA. The agreement will review each agency's cash flow data and make a determination regarding the optimal collection mechanism. If a lockbox is not cost beneficial, or does not have other extenuating circumstances, we may look to transition that cash flow to another collection mechanism such as PCC OTC or Pay.Gov.

- **Does the capability exist to setup/receive collections from debtors banking accounts on an automatic, regular basis?**

Yes. Pay.gov allows agencies to set up recurring ACH debits from commercial bank accounts.

### Acronym Glossary

**ABA** - American Bankers Association

**ACH** - Automated Clearing House

**ADM** - Accounting and Data Management Division (Federal Finance)

**ALC** - Agency Location Code

**APA** - Agency Participation Agreement

**CCMM** - Collections and Cash Management Modernization (Federal Finance)

**CCD** - Corporate Credit or Debit (NACHA Standard Entry Class  
Code/Application)

**C-Key** - Classification Key

**CL II** - CA\$HLINK II

**CSV** - comma-delimited format

**CTX** - Corporate Trade Exchange (NACHA Standard Entry Class  
Code/Application)

**ECP** - Electronic Check Processing

**GWA** - Governmentwide Accounting

**ID** - Identification

**IPAC** - Intra-Governmental Payment and Collection

**ITS.gov** - International Treasury Services

**MICR** - Magnetic Ink Character Recognition

**NACHA** - National Automated Clearing House Association

**OTCnet** - Over the Counter Network

**PAD** - Pre-Authorized Debit

**PCC OTC** - Paper Check Conversion Over the Counter

**PDF** - Portable Document Format

**REX** - Remittance Express

**RITS** - Retirement Insurance Transfer System

**RRBLINK** - Railroad Retirement Board

**RTN** -Routing transit number originated by the American Bankers Association

**SAM** - Shared Accounting Module

**SET** - Settlement Services Division (Federal Finance)

**SCMA** - Strategic Cash Management Agreement

**SPS** - Secure Payment System

**TAS/BETC** - Treasury Account Symbol/Business Event Type Code

**TGAnet** - Treasury General Account Deposit Reporting Network

**TRS** - Transaction Reporting System

**XML** - Extensible Markup Language