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Treasury launches Go Direct to spur direct deposit

The U.S. Department of the Treasury and the Federal Reserve Bank have launched Go Direct, a nationwide campaign to motivate Americans to use direct deposit for Social Security, Supplemental Security Income (SSI) and other federal benefit payments.

"Direct deposit ensures that your money is safe and accessible," said Treasury Fiscal Assistant Secretary Don Hammond. "The benefits of direct deposit become all too clear when routine services are disrupted in natural disasters and other events. Direct deposit offers people peace of mind and security."

Go Direct champions the Treasury's longstanding efforts to shift from paper payments to the safer, easier and more secure option of direct deposit. Direct deposit is completely predictable and reliable, giving people access to their money wherever they are, whenever they need it. It also means no lost or stolen checks, because the payment goes straight into a person's account.

The campaign kicked off on Sept. 27 with an event in Washington, D.C. Special events also were held in cities around the country, including Chicago, Cleveland, Los Angeles and Philadelphia.

Partners make a difference

Go Direct reaches out to federal benefit recipients through people and organizations they know and trust—such as financial institutions and community-based groups—to inform them about the benefits of direct deposit and to help them sign up for it.

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Treasury Fiscal Assistant Secretary Don Hammond (l.), along with Jay Sternberg of AARP, Diane Swenson of the National Association of Federal Credit Unions and Don Rhodes with the American Bankers Association raise a Go Direct flag to mark the national launch of the campaign.

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"AARP encourages people receiving Social Security and government checks to use direct deposit. It is safe, convenient and quick," said Jay Sternberg, AARP's national coordinator of economic security. "In light of recent catastrophic events, people need the peace of mind of knowing that their money will be in the bank when they need it."

BENEFIT PAYMENTS

American Bankers Association (ABA) President and CEO Edward L. Yingling agreed. "Check fraud is a growing risk for financial institutions and the customers they serve. In supporting Go Direct, we can help increase consumer convenience and ensure people's finances are safe and secure."

"The benefits of direct deposit become all too clear when routine services are disrupted in natural disasters and other events."

In addition to protecting federal beneficiaries, direct deposit saves taxpayer dollars. Each month, the Treasury issues nearly 13.3 million benefit checks, the majority of which are Social Security payments. If these were converted to direct deposit, it would save taxpayers about $120 million annually, benefiting today's seniors as well as future generations.

Preparing for tomorrow

Despite educational and marketing efforts to spur the use of electronic payments, growth in direct deposit has slowed in recent years to less than 1 percent a year. The rate of adoption of direct deposit is especially relevant today, considering the fast-approaching wave of baby boomers who will begin reaching retirement age in 2008. Several national organizations—such as AARP, the ABA, Credit Union National Association, Easter Seals, Independent Community Bankers of America, National Association of Federal Credit Unions and United Way of America—are supporting the Go Direct launch by reaching out to their audiences and hosting events.

For more information, please visit www.GoDirect.org (English) and www.DirectoASuCuenta.org (Spanish) or call (800) 333-1795 (English) and (800) 333-1792 (Spanish).

Senior citizens take down a flag symbolizing a Social Security check as part of the Go Direct campaign's national launch.

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Why direct deposit?

Federal beneficiaries who choose direct deposit are significantly less likely to have a problem with their payment than those who get checks. Yet the growth rate of direct deposit is down sharply.

Seeking to address this challenge before the first wave of baby boomers reach retirement age in 2008, the U.S. Department of the Treasury commissioned the study "Understanding the Dependence on Paper Checks."

Respondents who already were using direct deposit felt strongly about its benefits. Here are their responses (more than one answer was allowed per respondent):

- It's safe 94%
- It's convenient for me 93%
- It's easier to pay my bills 83%
- I know when the money is in my account 83%
- My money is available sooner 82%

US Debit Card program assists hurricane Katrina evacuees

By Brett Smith

In response to hurricane Katrina's devastation, the Financial Management Service's (FMS) US Debit Card program, in conjunction with Federal Emergency Management Agency (FEMA), distributed over 11,000 debit cards worth approximately $22 million to evacuees in shelters in Houston, Dallas and San Antonio, Texas.

FEMA requested the debit cards to help disburse emergency assistance to people displaced by the hurricane who did not have an account with a financial institution or who could not access their account. Each of the cards was preloaded with $2,000; those funds were immediately available to the cardholder through cash withdrawals at any ATM and purchases at any retailer that accepted MasterCard.

JPMorgan Chase and FEMA staffers worked side by side to distribute debit cards at the Astrodome in Houston.

PAYMENTS

Personnel from JPMorgan Chase (JPMorgan), the card issuer, and from Bank of America (BofA) staffed the card distribution activity Sept. 10-11 at the three shelters supported by local police, FEMA personnel, and the Secret Service.

JPMorgan and BofA, at the request of the U.S. Department of the Treasury, provided mobile ATMs and mobile banking units (trailers) at the three shelters to ensure that people with debit cards and checks had adequate access to cash and check cashing services.

The FEMA debit card, also called the FEMA Assistance card, solved two problems that the evacuees were facing with checks. The first problem was not all evacuees had identification and were having problems cashing checks. The second challenge was that cashing a check requires the individual to carry cash around until needed, thereby increasing the risk of loss or theft. With a PIN-protected debit card, cash is withdrawn only when it is needed and a replacement card is available if the card is lost or stolen. The cards can be programmed to be surcharge-free when used at certain ATMs. The cards can also be blocked for use at certain merchants such as liquor stores, guns shops and casinos.

FMS will continue to work with agencies that make emergency payments to incorporate debit cards as a complementary tool for making payments in emergency situations.

For more information about the US Debit Card program, please contact Brett Smith at (202) 874-6666.

More about US Debit Card

For years, the US Debit Card program has assisted dozens of federal agencies with safely and securely disbursing funds in lieu of dispensing cash, imprest funds, and third-party drafts for everyday operations. Last fiscal year, over 100,000 cards were issued for uses ranging from invitational travel to mobile van census takers in Baltimore.

The US Debit Card is sponsored by FMS and is issued by JPMorgan Chase. It works like any commercially available debit and ATM card, and is MasterCard branded for access to nearly a million ATMs and any merchant that accepts MasterCard.

Secure Payment System agency conversion effort hits century mark

By Victoria Dorsey
and Christopher Garrett

The Financial Management Service (FMS) Regional Operations Secure Payment System Conversion Team has converted 100 Federal Program Agencies (FPAs) from the Electronic Certification System (ECS) to the new Secure Payment System (SPS).

PAYMENTS

SPS, like ECS, is a payment application that allows agencies to make check, ACH or same-day payments in a secure fashion. Unlike ECS, SPS is a browser-based client server application that operates under the security umbrella of Public Key Infrastructure (PKI). This provides a secure environment that includes separation of duties by user roles, user authentication, digital signatures and other mechanisms that help prevent fraud.

The conversion team consists of personnel from the Regional Financial Centers (RFCs) in Austin, Texas; Kansas City, Mo.; Philadelphia, Pa.; and San Francisco, Calif.; and headquarters staff in Washington, D.C.

Judy Tillman, Regional Operations assistant commissioner, said: "It's very exciting to hit the century mark in our SPS conversions. It represents the tremendous efforts of the many conversion teams and the people who support them. And, of course, our customers are extremely happy with SPS. I look forward to completing the conversion as quickly as possible. "

Assistant Commissioner Judy Tillman and SPS Program Manager Dick Bauder review the conversion effort.

The remaining 100-plus agencies are slated to be converted by late 2006.

For more information about SPS, please visit www.fms.treas.gov/sps.

Getting ready: What agencies must do to implement SPS

To implement SPS, an agency must:

- have at least one PC that meets the minimum prescribed system requirements
- have at least one Certifying Officer (CO) and one Data Entry Operator (DEO)
- have established a (Treasury) Fiscal Service Sponsoring Authority (FSA) and received a SPS Public Key Infrastructure (PKI) certificate for at least one CO and one DEO. In addition, the agency may establish a Fiscal Service Trusted Registration Agent (FTRA) to reduce the amount of travel due to the need for in-person proofing for credentials

Additional dependencies that may impact the conversion schedule:

- Agencies that use the current ECS third-party capability must make internal systems changes to export files to SPS in the new third-party format. SPS will not accept third-party files in the ECS format. If the agency uses commercial software to create such files, it should confirm that the vendor has made the necessary changes to the commercial package to support the new format.
- Agencies that designate FTRAs must have the agents in place prior to conversion.
- Agencies will need to have PC administrators available during installation, or provide administrative rights to SPS PCs.
- For larger agencies with multiple sites, especially in different geographic areas, the agency should determine if it wants all sites to convert at the same time. FMS will try to support such requests, but cannot "guarantee" simultaneous conversion of multiple sites within one agency.

For more information on getting ready for conversion, please see www.fms.treas.gov/sps.

Cash Management Improvement Act team shares updates with agencies

By the CMIA Staff

Twelve representatives from 10 agencies attended the annual Cash Management Improvement Act (CMIA) Federal Program Agency (FPA) Roundtable on Oct. 5.

CMIA provides rules and procedures for the efficient transfer of financial assistance between the federal government and states (including the District of Columbia, Puerto Rico, American Samoa, Commonwealth of the Northern Mariana Islands, Guam and the Virgin Islands).

Staffers provided tips to prepare the FPAs to review the CMIA annual reports that are due from the states on Dec. 31 and to update the FPAs' CMIA policies. Participants also received updates on their CMIA responsibilities, enhancements to the Internet-based CMIAS system and new policies.

For more information, please see www.fms.treas.gov/cmia.

UPCOMING EVENTS

For more information about FMS events, please see www.fms.treas.gov/calendar.html.

Nov. 8: FedDebt Training for Cross Servicing Agencies, Washington, D.C.
Nov. 9: FedDebt Training for Cross Servicing Agencies, Washington, D.C.