

THE FINANCIAL CONNECTION

NEWS FROM THE FINANCIAL MANAGEMENT SERVICE
A BUREAU OF THE U.S. DEPARTMENT OF THE TREASURY

FMS Changes Create New Payment Management Area: United in Purpose

BY MARGIE SPRINGER

As of October 1, 2007, the FMS program areas, formerly known as Regional Operations and Financial Operations, became consolidated into a new program area: Payment Management. The new Payment Management organization joins the Electronic Funds Transfer (EFT) and check disbursement functions with the check reconciliation activities.

The combination of these activities supports the entire payment process – from the disbursement of nearly a billion EFT and check payments – to the reconciliation of over 220 million U.S. Treasury checks. All accomplished through the efforts of nearly 700 employees in Washington, DC; Austin, TX; Kansas City, KS; Philadelphia, PA; and San Francisco, CA.

Our Business

The new Payment Management organization disburses approximately 85% of all Federal payments valued at \$1.6 trillion in fiscal year 2007. It also handles payment aftermath functions that include; researching claims of non-receipt, processing returns, handling reclamation requests, and performing related accounting functions.

Our major customer agencies include: the Social Security Administration, the Department of Veterans Affairs, Office of Personnel Management,

Railroad Retirement Board, Internal Revenue Service, and nearly 400 Federal agency locations in total located throughout the United States and its territories. This represents nearly all Federal agencies in the Executive Branch, except for the Department of Defense and certain other agencies with either statutory or delegated authority to disburse. We also

work closely with the financial community and other stakeholders.

Payment Management manages and operates payment channels for international payments as well as payments to Federal grant recipients. Payment Management is also

responsible for the Go Direct marketing campaign and the Direct Express debit card pilot, both of which are programs aimed at Federal benefit recipients receiving paper checks.

As Wanda Rogers, Assistant Commissioner of Payment Management and Chief Disbursing Officer, notes: "Regional Operations and Financial Operations both share a long history of success in FMS supporting mission critical payment, reconciliation, and accounting activities. Combining these organizations into one makes sense from both an operational and strategic perspective."

For information about the new Payment Management area, contact Margie Springer at 202-874-9276.

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Financial Accounting and Services Division (FASD) Joins AC Management

BY VIVIAN COOPER

FASD, formerly a part of Financial Operations (FO), joining the service-oriented Assistant Commissioner (AC) Management area October 1, adds to the triage of service-oriented efforts as noted in Financial Management Service's (FMS) motto: "Service is our last name but our first priority."

FASD has several unique responsibilities, one of which is accounting and reporting for special Treasury Managed Accounts (TMA) such as the Presidential Election Campaign Fund, the Conscience Fund, Unclaimed Monies and International Assistance Program (IAP) Accounts.

FASD provides another unique service, with regard to insurance companies and surety bonds required by Federal agencies. Types of surety bonds that protect the Government include: contract performance and payment bonds, oil and gas lease bonds, Customs and Immigration bonds. These are just a few samples of the various bonds that the Federal government requires to protect itself against losses.

Lastly, among FASD's uniqueness, it administers the Judgment Fund, which serves all Federal agencies. The statute-based Judgment Fund is used to pay certain claims filed against the Federal government. FASD analyzes, certifies and pays these claims. FMS is excited to announce that in 2008, it will launch the new Judgment Fund Internet Claims System (JFICS). This will result in a much quicker turnaround of claim payments. A live demonstration is planned for the upcoming Judgment Fund Seminar in early 2008. Watch for announcements on this information-packed forum soon at: <http://fms.treas.gov/judgefund/index.html>, or by email from: JFICS.comments@fms.treas.gov.

As FASD joins the AC Management area, we look forward to continuing to provide quality service through each of our unique programs to Federal agencies.

For additional information about FASD, contact Vivian Cooper at 202-874-8380.

FMS Completes A Major Step Toward the New Deposit and Transaction Reporting Process

BY FRED LEHNHOFF

In September 2007, Financial Management Service (FMS) and its financial agent partner, PNC Bank, completed the platform infrastructure build-out and application framework for the new Transaction Reporting System (TRS). This effort, called TRS Release 3.0, was a major milestone in FMS's journey to the new way of reporting Federal deposits and collections transactions.

TRS is slated to become the single touch point through which Federal agencies will receive all of their collection transaction details on a daily basis. Currently, agencies receive this information in a variety of formats from a multitude of collections systems and financial agents. In the future, TRS will streamline the transaction reporting process and provide a harmonized data structure. It will employ a standard XML financial transaction schema compliant with the Common

Governmentwide Accounting Classification (CGAC) structure. The CGAC structure has been formulated with agency input by the Financial Systems Integration Office (FSIO) under the auspices of the Office of Management and Budget (OMB).

In addition, TRS will take over deposit reporting from CA\$HLINK II. This transition will be phased in between 2008 and 2010. With all collection transaction detail and deposit vouchers originating from the same source simultaneously, TRS will ease the burden of daily reconciliation of cash receipts to deposits. TRS will also facilitate reporting of collections according to the new Governmentwide Accounting requirements.

For questions about TRS, please contact Christina Cox, TRS Project Manager, at 202-874-7207.

FMS Partners with the State Department to Provide Services for New PASS Card

BY SANDRA SHRANK

Financial Management Service (FMS) in the Passport business? Not exactly, but since November 2005, through a financial agent relationship with Citibank, FMS has assisted the State Department's Passport Agency by providing lockbox services to collect fees and passport data. In FY 07, over 16 million passport applications were processed at the lockbox facilities and volumes are expected to grow as a result of the Intelligence Reform and Terrorism Prevention Act of 2004.



The Act requires all travelers to and from Canada, Mexico, the Caribbean and Bermuda to present a passport, or other approved document, that establishes the bearer's identity and nationality in order to enter or re-enter the United States. To make things a bit easier for travelers to these countries the State Department has created a new travel document called the PASS Card. The PASS Card, which stands for **People Access Security Services** Card, is part of the Western Hemisphere Travel Initiative (WHTI) and provides the option for using a Passport or a PASS Card for land or sea port entrances and exits from the United States.

The proposed card is wallet-sized with the owner's picture, full name, date and place of birth. The Card will be numbered and possess a high-tech, machine-readable reference number which is used to access a secure database managed by Customs and Border Protection (CBP). The CBP Officer can access the secure site to ensure that the individual presenting the PASS card is actually allowed entrance into the United States.

U.S. citizens may have both a passport and a PASS Card. The proposed fee for the PASS Card is \$20.00 for U.S. citizens 16 years of age and older and will be valid for a period of ten years. For U.S. citizens under 16 years of age, the proposed fee is \$10.00, which will be valid for five years. There are various issues that pertain to the issuance of the newly proposed PASS Card. These rules and procedures can be found online at the U.S. Department of State's web site at: <http://travel.state.gov>

Once the PASS Card is fully developed and available, issuers expect it will enhance the convenience of travel to these favorite vacation destinations, as well as become a convenient new source of identification for many people.

Keep in mind that the PASS Card is a new option that is limited in its use to only land and sea port travel. It cannot be used for any type of air travel that exits or enters the United States; for that purpose you will still need to possess a valid passport.

Because the new PASS Card is expected to be such a success, the State Department also expects a definite rise in the volume of applications they will receive.

Come to think of it, this might be a great time for you to start thinking about your travel plans to someplace warm this winter. I'm going to check and see if they need volunteers to test the PASS Card on a cruise to Bermuda! For information about other general revenue collections, please contact Sandra Shrank at 202-874-7009.



Agency Customer Satisfaction for Collections Shows Increase in 2007

BY CHARLES DIXON

The Financial Management Service (FMS) provides depository services to all Federal Program Agencies (FPAs) for fees, fines, taxes, sales, mortgage payments, and

other administrative collections. Throughout the year, FMS representatives within the Federal Finance Assistant Commissioner area work very closely with the FPAs and the Financial Agents to ensure the efficiency and accuracy of the collection products and services. Recently, the Agency Relationship Management (ARM) Division of Federal Finance distributed its annual Customer Satisfaction Questionnaire. This is FMS's way of measuring the FPAs level of customer satisfaction with FMS's collection programs and services. These programs include, but are not limited to: the General Lockbox Network, Pay.gov, Paper Check Conversion Over the Counter (PCC OTC), credit card, ACH Collections, TGA deposits, and CA\$HLINK II.

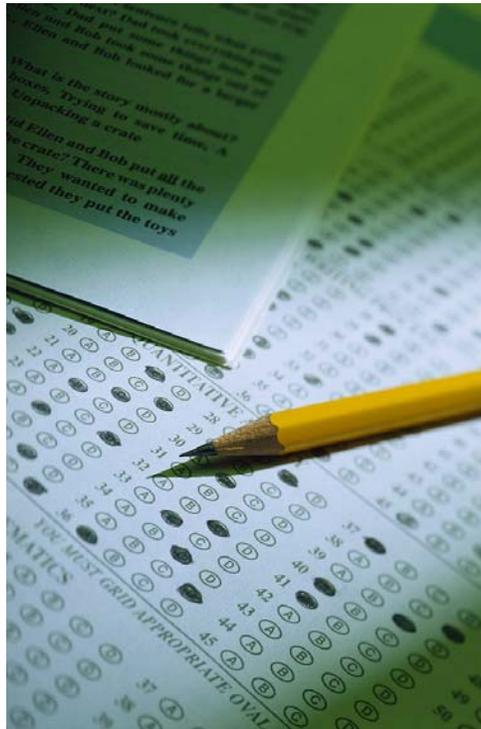
The online questionnaire asked respondents to rate their level of customer satisfaction regarding the following aspects of FMS's collections programs for: People, Service, Products, Features, Problem Resolution, Policies, Communication and Overall Satisfaction.

ARM was very pleased to receive responses from 100% of the Chief Financial Officer (CFO) agencies and 70% of the non-CFO agencies. FMS has been striving to improve overall customer satisfaction with all agencies. In particular,

improvements have been noticed in the collections arena. The results of the 2007 questionnaire show an increase in the combined satisfaction rate (satisfied or very satisfied responses) across all categories. The overall combined satisfaction rate for 2007 was an impressive **88.6%**; a 10% increase from the previous year.

Many respondents took the time to provide comments for each question. The criticism and praise received via these comments is very valuable, as FMS strives to increase customer satisfaction each year. The ARM division forwarded these comments to the appropriate FMS program areas for review. Additionally, Carolyn Dunston, the Director of Agency Relationship Management Division, personally followed up with the Cash Management Liaison (CML) of each agency that expressed any concern or dissatisfaction. Because responses to the questionnaire were anonymous, ARM was unable to address every concern voiced by agencies. However, FPA

representatives are encouraged to contact their assigned Customer Relationship Manager (CRM) with any concerns they might have throughout the year, in order that FMS might continue to provide a high level of service to all agencies. A list of CRM contacts available to assist FPAs is listed at: <http://www.fms.treas.gov/eft/contacts.html>.



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Publisher: Carolyn Dunston
Editor: Teri Hoehn
Assistant Editor: Gregory Crawford
Editorial Board: Jennifer Evans, Vivian Lopez, Eva Rhodes, Fabienne Robinson, Margie Springer, Marilyn Teunis and Denice Wilson

Regional Financial Centers Receive 99% Customer Satisfaction Rating for Payments

BY LYNN FEINGOLD

The Payment Management's Customer Satisfaction Questionnaire is an annual assessment to determine how well the Regional Financial Centers (RFCs) perform customer service. The customer satisfaction questionnaire was originally developed to meet a Financial Management Service (FMS) performance measure, in accordance with the Government Performance and Results Act (GPRA) of 1993 and the President's Management Agenda (PMA).

The entire questionnaire included 7 questions, both quantitative and qualitative, and was sent electronically to 866 agency customers using a questionnaire clearinghouse called Zoomerang. Agency customers were given 3 weeks to complete the

questionnaire.

This year's questionnaire results indicate that the RFCs continue to do a superb job in meeting customer needs for processing payments (electronic and check) and for providing overall customer service. On average, 99% of customer agencies returned an overall customer satisfaction level of very satisfied or satisfied.

Each year, the Customer Satisfaction Questionnaire Team is committed to improving the questions to obtain more value-added information and to reflect the diverse services provided by the RFCs. For questions or comments on the Customer Satisfaction Questionnaire, please contact Lynne Feingold at 202-874-6725.

Debt Collection Training for Federal Program Agencies

BY SHIRLEY WILLIAMS-JEFFERSON

Each year, the Financial Management Service (FMS), Debt Management Services (DMS) sponsors workshops and conferences for Federal Program Agencies on all aspects of the Debt Collection Improvement Act. Our 2008 training schedule offers regional training across the country in the areas listed below and includes training on Debt Collection 101 (DC101) and the Treasury Report on Receivables (TROR). Upon request, DMS will also provide tailored agency specific training sessions for DC101, TROR, and Fed Debt to individual agencies on an as-needed basis.

The DC101 workshop is targeted to individuals who are new to debt collection, but it will also serve as a valuable refresher for more experienced personnel. It is based on Chapter 6 of FMS's Managing Federal Receivables, "Delinquent Debt Collection." It provides a step-by-step overview of the techniques and tools available to collect non-tax debts owed to the Federal government, including information on how to develop a debt collection strategy for specific classes of debts. Among the topics covered will be Treasury's Offset and Cross-Servicing Programs.

The TROR training provides in-depth instruction for accurate completion of this quarterly report and reporting on an agency's delinquent debt

in accordance with the Debt Collection Improvement Act of 1996.

The FedDebt training provides information and a "hands-on" approach for managing the agency's delinquent debts within the FedDebt system.

Tentative Schedule of Upcoming Training

<u>Month</u>	<u>Location</u>	<u>Training Type</u>
March 2008	San Francisco, CA	DC101 & TROR
May 2008	Atlanta, GA	DC101 & TROR
June 2008	Norfolk, VA	DC101 & TROR
July 2008	Kansas City, MO	DC101 & TROR

For questions about workshops and conferences, or if you need to request agency specific tailored training for your agency, please contact Stephanie Anderson or Shirley Williams-Jefferson at 202-874-8580. Be sure to check our website for upcoming training locations and dates at: <http://fms.treas.gov/debt/training.html>.

Electronic Collections Climb the Charts

BY DAVID BURGESS

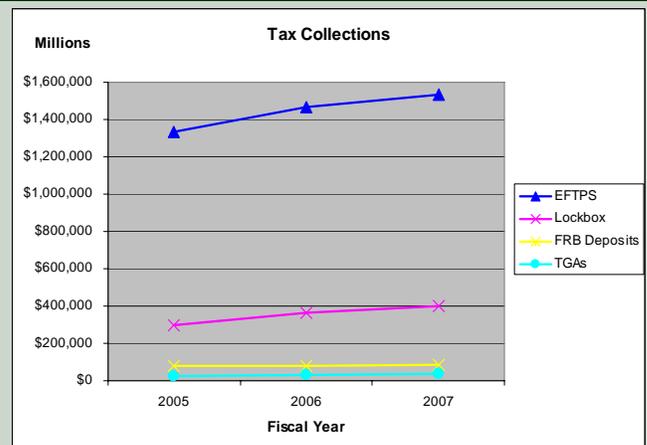
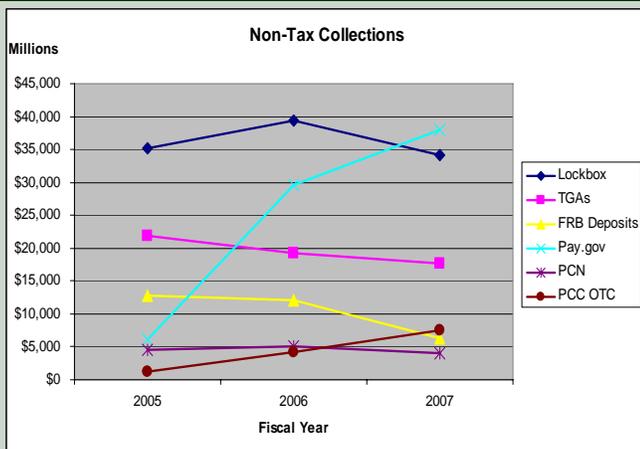
Statistical data, along with charts, provides for interesting conversations, especially in the financial arena. At the close of Fiscal Year 2007, the Financial Management Service (FMS) has something to talk about regarding collections – increased usage of electronic collection mechanisms for tax and non-tax collections over the past three years.

The charts below demonstrate the government's successful strides in converting paper processes to Electronic Funds Transfer (EFT). With numerous meetings, conference calls, agency forums and other forms of communication, the term "Holistic Approach" has now become a household name.

The charts for both tax and non-tax collections below show huge gains between fiscal years 2005 and 2006, as growth in Pay.gov, Paper Check Conversion

Over the Counter (PCC OTC), the Plastic Card Network (PCN) and the Electronic Federal Tax Payment System (EFTPS) has gained speed in recent years. Even more importantly, the charts for non-tax collections, which include: lockboxes, FRB Deposits, and Treasury General Account Depository's (TGA), demonstrate a slowing down in overall growth.

While collection totals continue to grow each fiscal year, more and more growth is being diverted from paper collection mechanisms towards more efficient electronic tools. This is a hopeful sign for the continued diversion of funds from paper collection mechanisms towards electronic. For additional information regarding FMS's electronic collections, contact your assigned Customer Relationship Manager listed at: <http://www.fms.treas.gov/eft/contacts.html>.



Note: Fedwire collections are excluded from the charts above to avoid skewing of the data.

NON-TAX COLLECTIONS (in \$ millions)			
	2005	2006	2007
Fedwire	\$262,790	\$274,301	\$274,067
Lockbox	\$35,225	\$39,450	\$34,204
TGAs	\$21,816	\$19,181	\$17,711
FRB Deposits	\$12,743	\$12,117	\$6,335
PCN	\$4,559	\$5,082	\$4,033
Pay.gov	\$6,068	\$29,513	\$37,945
PCC OTC	\$1,158	\$4,173	\$7,543

TAX COLLECTIONS (in \$ millions)			
	2005	2006	2007
EFTPS	\$1,333,803	\$1,466,397	\$1,532,387
Lockbox	\$299,985	\$361,047	\$402,745
FRB Deposits	\$76,375	\$79,765	\$83,627
TGAs	\$26,335	\$30,674	\$35,159
Fedwire	\$19	\$4	\$3

**FMS
UPCOMING
EVENTS**

**Collections and Cash Management Modernization (CCMM)
Upcoming Forums**

Washington, DC – December 6, 2007 · Atlanta, GA – January 14, 2008

San Francisco, CA – March TBD, 2008

For information, contact Angela Dixon at 202-874-6615