

Financial Management Service

Overview of Initiatives

Karen Price

Agency Assistance Team Lead

Program Assistance Division

Financial Management Service



Agenda

- **Pay.gov**
- **Paper Check Conversion**
- **Automated Deposit Machine – Proof of Concept**
- **Stored Value Card**
- **U.S. Debit Card**
- **Internet Payment Platform – Proof of Concept**
- **New General Lockbox Network**
- **International Direct Deposit**



Pay.gov

“Re-Inventing Government Collections”



What is Pay.gov?

Pay.gov is a part of a suite of electronic collection products developed under the auspices of the Financial Management Service (FMS) exclusively and specifically for Federal agencies.

It is a government-wide transaction portal that offers common electronic financial services to citizens for collection of fees, fines, loan repayments, and certain taxes over the Internet.

Pay.gov is free to using agencies.



How Can an Agency's Customers use Pay.gov?

- **Log onto the Internet and fill out forms and make payments**
 - **ACH Credit/Debit**
 - **Credit/Debit Card**
 - **Fedwires**

- **Make payments on-site at the Agency**
 - **Credit/Debit Card**

- **Call into an Agency sponsored telephone site**
 - **ACH Credit or Debit Card**



What Services are Provided?

Collection

The Customer makes payment (ACH, Credit Card), the payment details are forwarded for processing

Forms

Screens configured to mirror the paper form – used for data reporting and collections

Billing/Notification

Notifications of payment due and/or information available are sent to the customer



Verification Service

Confirms the parties involved are correct

Reporting

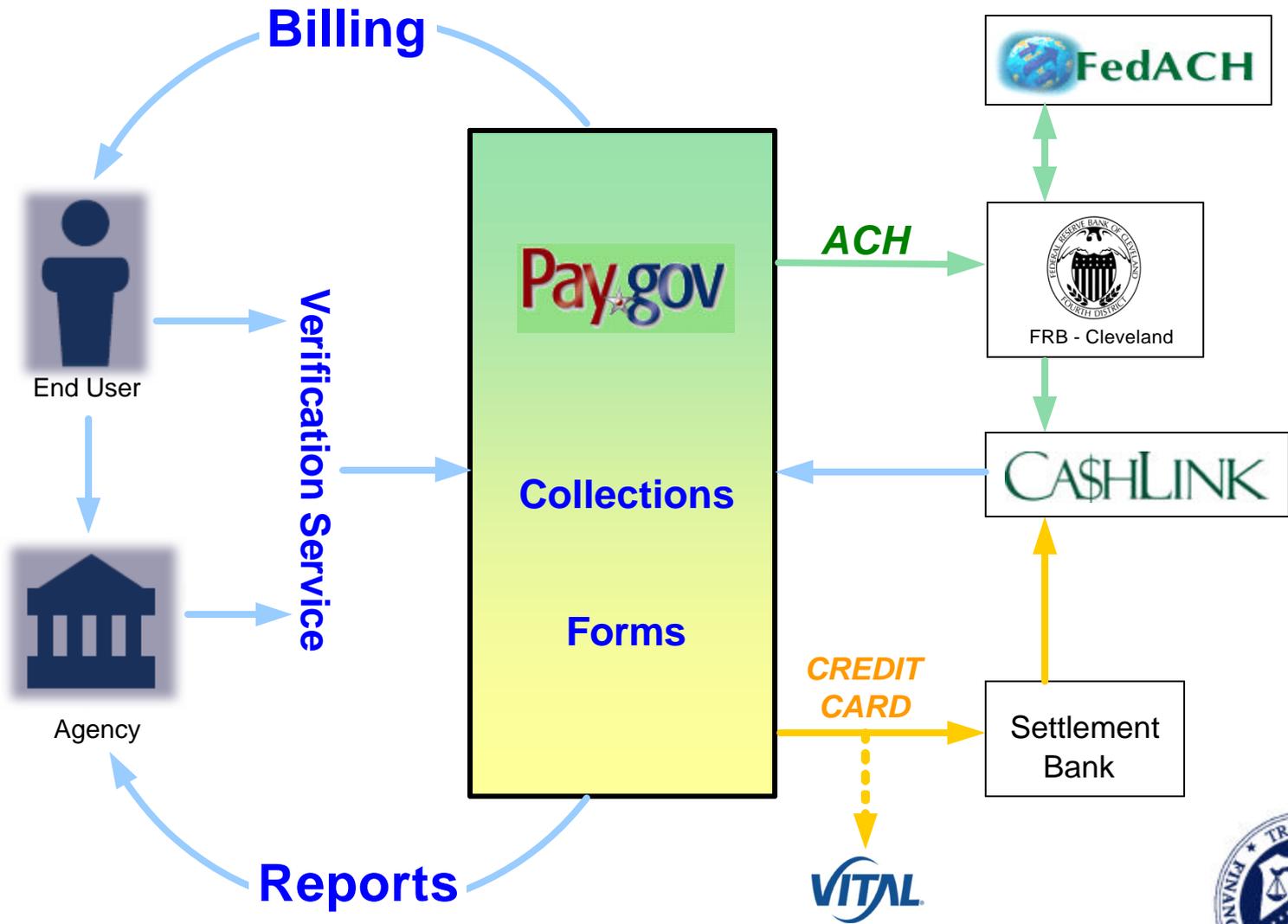
Details of all transactions via Pay.gov, both pending and completed



Why was Pay.gov Developed?

- Move from paper to electronic payments
- Respond to customers' increasing demand for Internet payment tools
- Improve governmental efficiency
- Government Paperwork Elimination Act (Oct 1998)
- Secure
- Faster receipt of funds for agencies (EFT)
- Meet compliance issues





Pay.gov is real!



has processed as of January 31, 2004:

- 632,566 items
- Valued at \$10,401,191,503



Which Agencies Use Pay.gov for Collections?

- NOAA: Individual Fishing Quota
- Department of Defense: MOCAS contract payments, DOD Property Surplus
- Federal Emergency Management Agency: Southern Farm Bureau Casualty Insurance
- Federal Mediation Conciliation Service: Arbitration Panel Fees, FMCS Institute, Conference
- Federal Trade Commission: Do Not Call List
- General Services Administration: Multiple Award Schedules Program & Federal Premier Lodging Program
- Homeland Security - Bureau of Citizenship and Immigration Services: Replacement of Green Card I-90, Application for Employment Authorization I-765, School Certifications
- Department of Interior - Office of Surface Mining: Abandoned Land Mine Fees
- Library of Congress: Royalty License Fees
- Department of Transportation: Federal Motor Carrier Administration & Hazardous Materials
- Alcohol and Tobacco Tax and Trade: Excise Tax Form, Monthly Tobacco Report, Brewer's Report, Brewpub Report, Storage Operations Report
- Treasury: EFT Reclamations, & Surety Branch
- Department of Veterans Affairs: Funding Fees, VA Canteen



To find out more about how Pay.gov can be a part of your online collection process contact:

Susan Helm
202-874-6873

Susan.Helm@fms.treas.gov

Jackie McCray
202-874-6912

Jacquelyn.McCray@fms.treas.gov

Russ Kuehn
202-874-5784

Russell.Kuehn@fms.treas.gov

Kevin R. Jones
202-874-6517

Kevin.R.Jones@fms.treas.gov



Paper Check Conversion



PCC Overview

- Paper Check Conversion converts paper checks into electronic debits to a check writer's account. Since the Paper Check Conversion process is automated, the collections and reporting process is more efficient.



PCC Can Be Used.....

- At the Point-of-Sale

- Face to Face transactions with the customer.
- Customer is given his/her VOIDED check back at the end of the transaction

- At an Agency Collected Lockbox Location

- Where mail-in checks are received at the Agency
- Customers check has to be destroyed within 14 business days



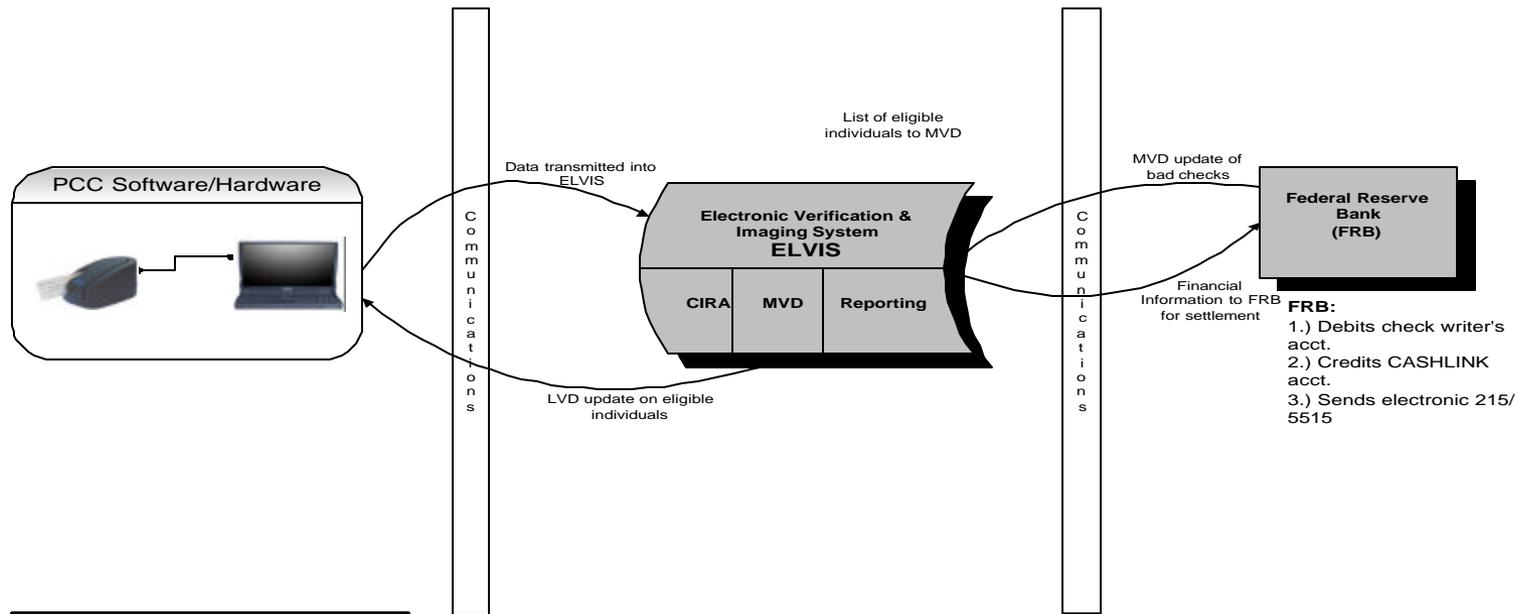
PCC Benefits & Features

- ***Imaging*** - Captures a complete electronic image of the check and allows for the retention of a facsimile, without retaining any paper.
- ***Verification*** - Verifies that the account upon which the item is written is not closed, or that the check writer does not have a history of writing bad checks.
- ***Conversion*** - Converts paper checks to electronic debits for processing through the Automated Clearing House network. Checks converted to electronic debits are collected much faster.
- ***Representment*** - Resubmits failed items up to 2 times. The representments can be timed to occur on specific days of the month (i.e., 1st and 15th).
- ***Reporting*** - Reporting occurs by emailing CA\$H-LINK Deposit Tickets and Debit Vouchers (SF215&SF 5515) to the collection site. Pending redeposit reports may also be sent at the agency's option.



PCC Workflow

Paper Check Conversion Workflow

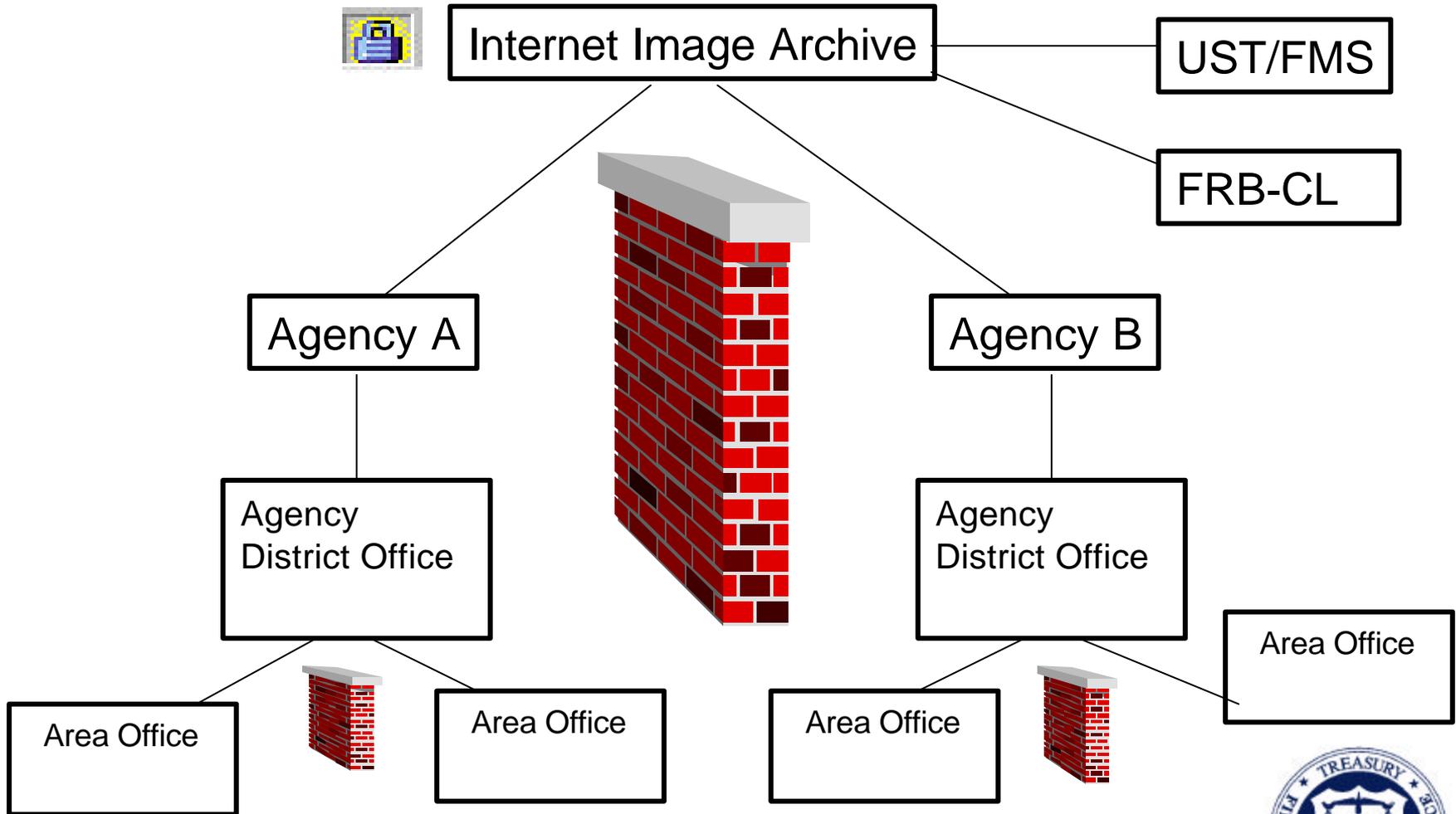


Legend:
PCC- Paper Check Conversion
MVD- Master Verification Database
LVD- Local Verification Database
CIRA- Central Image and Research Archive
 Gray areas denote existing PCC platform

All data transmissions are 128 SSL bit encrypted



Access Control



PCC Software User Interface

PCC for the Library of Congress - Copyright Bureau

File Mode Tools Help

User:

Amount:

*Receipt/Remittance No.:

Note:



- Business
-
-
-
-
-
-
-

TELECHECK
5251 WESTHEIMER
HOUSTON, TEXAS 77056
PH 800-884-3700

101

78-56781234

IRN: 110425500458400000693

Bank No.: 123456780

Check No.: 101

Account No.: 1234567890

Date Time: 2002:11:22 13:17:53

DATE 02-13-2003

PAY TO THE ORDER OF United States Treasury \$ 100.00

SAMPLE-

one hundred and 00/100 DOLLARS



For TRAVEL OVERPAYMENT

NON-NEGOTIABLE
SAMPLE ONLY

Dr. Federal Employees

⑆ 23456780⑆ ⑆ 234567890⑆ 010⑆

FILE 4021

Done.

Use Esc or Enter to clear the screen.

21

11/22/2002

LVD Screen Shot

Check Verification



SUSPEND

Current Item

SSN	xxxxx0002
Bank Number	111906271
Account Number	012928159

Problem Item

IRN	100701500117200002879
Until Date	2/7/2003
Capture Date	1/8/2003 12:43:13 PM
Amount	\$1,001.00
Reason	Account Closed
Comments	[None]

Print

Override

Close

Central Image and Research Archive (CIRA)

Welcome to the U.S. Treasury Paper Check Conversion - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search Favorites History Mail Print Real.com

Address <https://www.cira.gov/mvdapp/webapp/Login.jsp> Go Links



**U.S. Treasury
Paper Check Conversion**

Welcome! Please enter your User Name and Password:

Login Name: Password:

[Change your Password](#)

WARNING:
You are entering an Official United States Government System, which may be used only for authorized purposes. The Government may monitor and audit usage of this system, and all persons are hereby notified that use of this system constitutes consent to such monitoring and auditing. Unauthorized attempts to upload information and / or change information on these web sites are strictly prohibited and are subject to prosecution under the Computer Fraud and Abuse Act of 1986 and Title 18 U.S.C. Sec.1001 and 1030.

Build Version: Built at 04/28/2003 12:37 PM

Done Internet

Start My Comp... Sd-ff-afd... Paper Ch... Presentati... Current Pr... Microsoft ... Welco... 9:00 AM

CIRA Search Results Screen

Welcome to the U.S. Treasury Paper Check Conversion - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search Favorites History Mail Print Real.com

Address locationcheckbox=on&select1=Inclusive&field1=&account=&t=&transactionId=&field2=&amount=&batchId=&rDate=Inclusive&rdS=&rhS=&ccDate=Inclusive&ccdS=&View=ViewItems Go Links

U.S. Treasury Paper Check Conversion Mon Jun 30 09:31:59 EDT 2003

CIRA Search Display Home Admin Location Verification CIRA Report Logout

[Role](#) [Account](#) [Audit](#) [Terminal](#) [About](#)

Results for : User:AdamMartin1 Sort by :IRN Records: 263 items TotalAmount:\$9,374.50 [< back](#)

Unique Transaction ID	ALC or DSSN Code	Capture Date	Bank Routing Number	Check Amount	INVOICE NUMBER	CashierID	Check Type	Processing Mode
120922500121200000019	4700001601	2003/06/11 14:55:25	322270356	\$10.00	5164	Pamela Richards	Consumer	LOCKBOX
120922500121200000025	4700001601	2003/06/11 15:26:20	323276430	\$10.00	5168	Pamela Richards	Consumer	LOCKBOX
120922500121200000043	4700001601	2003/06/13 15:30:02	103000017	\$10.00	5364	Pamela Richards	Consumer	LOCKBOX
120922500121200000045	4700001601	2003/06/13 15:32:00	021000021	\$20.00	5365	Pamela Richards	Consumer	LOCKBOX

SCHUMANN PRODUCTIONS INC.
6407 81ST STREET PH. (301) 229-7543
CABIN JOHN, MD 20818

FIRST UNION NATIONAL BANK
65-320550 - 97761

1382

6/2/03

PAY TO THE ORDER OF NATF \$ *****112.50

One hundred twelve and 50/100***** DOLLARS

MEMO #124A - Still repro.

[Next >](#)

Unique Transaction ID : **120922500121200000061**

ALC or DSSN Code 4700001601

Capture Date 2003/06/19 14:23:59

Bank Routing Number 055003201

Bank Account Number 2000700195239

Check Number 001382

Check Amount \$112.50

INVOICE NUMBER 5724

CashierID Pamela Richards

Check Type Business

Processing Mode LOCKBOX

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Start Lotus Notes Desktop Northern Arizona Universit... Welcome to the U.S. ... 9:33 AM

Automated Deposit Ticket - SF215

ALC - 0000380108 Location Name - A A SALEM AB

Cashier ID	Transaction Date	Summary Count	Summary Amount
sa1em1	06/19/2003	19	\$4,655.76
Total ALC- 0000380108		19	\$4,655.76

ALC - 0000380109 Location Name - PSAB

Cashier ID	Transaction Date	Summary Count	Summary Amount
psab1	06/19/2003	66	\$14,668.00
Total ALC- 0000380109		66	\$14,668.00

215 Summary

Summary number of transactions	<u>368</u>
Summary of total Dollars	<u>\$109,563.84</u>



PCC Statistics - 9/14/01 – 01/31/04

Deployed Agencies:

- U.S. Army
- U.S. Air Force
- U.S. Marines
- Defense Finance & Accounting Service
- Presidio Trust
- Library of Congress - Copyright Office
- Environmental Protection Agency
- Bureau of Engraving & Printing
- Census Bureau
- U.S. Holocaust Memorial Museum
- Federal Mediation & Conciliation Service
- U.S. Mint
- Veteran's Affairs
- IBWC
- USDA - Commodity Credit Corporation
- Federal Trade Commission
- Department of Labor
- National Finance Center
- National Oceanographic and Atmospheric Administration
- U.S. Senate Restaurants
- U.S. Agency for International Development
- Tennessee Valley Authority
- Department of Transportation
- Farm Service Agency
- Office of the Comptroller of the Currency
- Government Printing Office
- Drug Enforcement Agency
- NTIS
- Federal Maritime
- NARA
- U.S. Courts



PCC Statistics

9/14/01 – 01/31/04

- 1,018,20 Total ACH Transactions for \$520,102,810
- 1,014,028 (99.88%) Transactions Successfully Processed for \$514,295,841
- 4175 Transactions (1.1%) Retired / Debit Vouchers Issued (*Many Due to Closed Accounts*)
- 25,180 of Total ACH Transactions Represented for \$27,044,626. Successfully collected 23,137 for \$22,539,333 (83% of \$ and 92% of items)



Terms of the Pilot – (Currently)

- Pilot is 100% FREE to the Agency (2 - 3 Agency Sites)
 - Includes hardware, software, archiving, reporting, ACH processing, customer service support, etc...
 - After the pilot, only cost to the Agency is hardware (Scanner and terminal (if necessary)).
 - Depending upon agency hardware, the software can most likely reside on Agency computers.
- Length of pilot can be set by the Agency (ex. 3/6/9 months, 1 year, etc...)



Paper Check Conversion Contacts

- Matthew Friend - Project Manager 202.874.1251**
- Norina Carpinteyro - 202.874.6599**
- Reggie McKinney - 202.874.6893**
- Patty Earland - 202.874. 6789**
- Sarah Coleman Leach – 202.874.6651**
- Program Assistance Division / Agency Assistance Team - www.fms.treas.gov/eft/liaison**

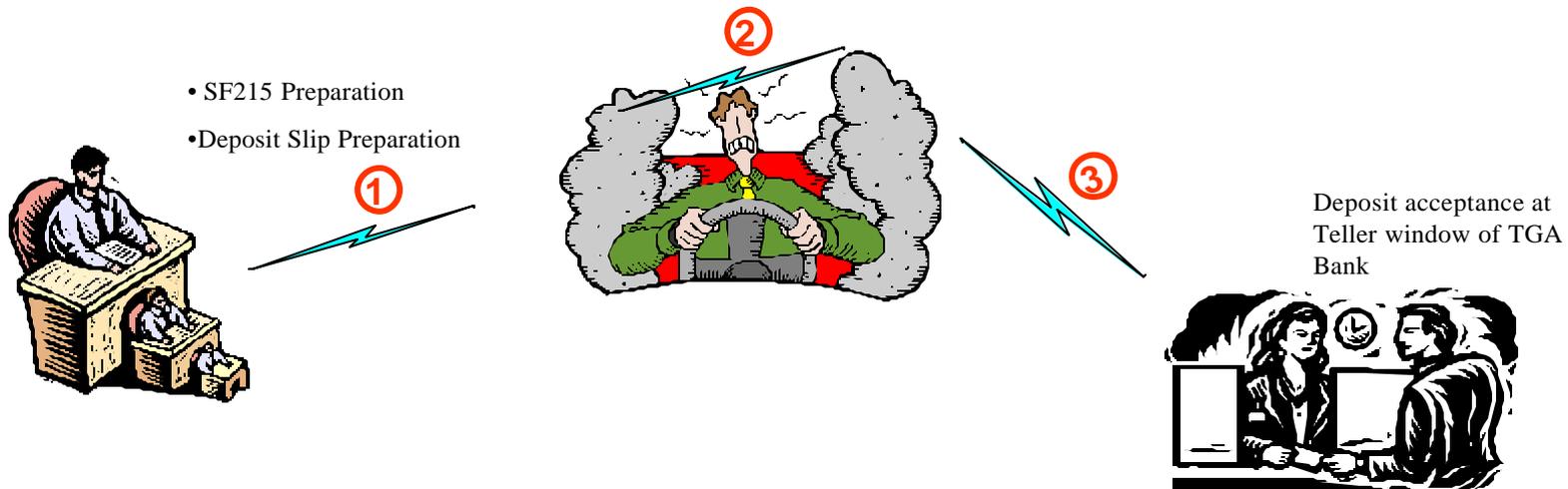


No Envelope Automated Treasury Deposits

(Automated Deposit Machine -
Proof of Concept)



Existing Deposit Processing



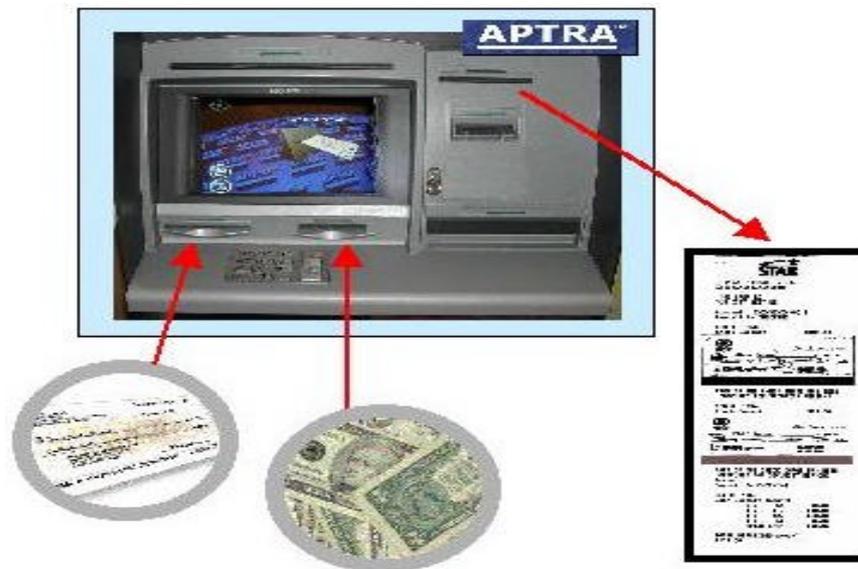
■ Check Imaging at the ADM

- Check 21 is (US) legislation -signed in October- that allows banks to process and exchange images of checks rather than the actual paper
 - Goes into effect October 28, 2004
- Will allow deposit taking at ADMs without the expense of having to pick up the checks daily
- Will significantly reduce the cost of processing ADM deposits
- May make deposit taking economically feasible at more locations



Automated Deposit Machine

- Bunch note cash acceptor
- Check processing module (CPM)
 - active MICR reader -double sided image capability
- Automated SF 215





Smart Card Cash Management Applications

Graham Mackenzie - U.S. Department of the Treasury
Tel: 202-874-1845 e-mail graham.mackenzie@fms.treas.gov



The Military began using financial smart card programs in 1997...

- **1997:** Implemented at Ft. Leonard Wood to support US Army Basic Training
- **1999:** Implemented at all US Army and Air Force Basic Training sites, and at the peacekeeping mission in Bosnia
- **2000:** Implemented at both US Marine Corps Recruit Training Depots, and at the peacekeeping mission in Kosovo
- **2002:** Implemented at Soto Cano AB, Honduras
- **2003:** Implemented on 12 Navy vessels; approved for roll-out in Afghanistan, Kyrgyzstan, Uzbekistan, and Qatar



Treasury smart card programs help the Military manage cash...

- Credit card sized plastic with computer chip
- Stores and processes information on card
- Issued/Replaced on-site
- No “on-line” telecom requirement; transactions authorized “off-line”
- Solves multiple business objectives...
 - Convert cash and paper transactions to electronic
 - Reduce cash handling costs
 - Automate administrative processes
 - Reduce risk of loss/theft
 - Speed transaction times
 - Auditable
- Supports the President’s Agenda for Electronic Commerce
- Aligned with DOD and Treasury Transformation Initiatives



Military Smart Card Usage Through March 2004.....

- Basic Training: 1M cards issued/\$270M loaded
- Deployed OCONUS: 50k cards issued/\$85M loaded
- Ships at Sea: 40k cards issued/\$25M loaded

- Total: 1.1 million cards issued/ \$380M loaded





U.S Department of the Treasury
Financial Management Service

US Debit Card



Brett Smith
eMoney Program Manager
Financial Management



What is the US Debit Card?

- Magnetic stripe card
 - Disbursement card
 - **Not** a credit, purchase, travel, or fleet card
- Delivers recurring or non-recurring payments
- ATM debit (600,000 locations) or MasterCard Debit (anywhere MasterCard is accepted)
- Distributed two ways: immediately or mailed
- 24 X 7 Customer Service
- Flexibility



U.S. Southern Command as an Example

- Cards Issued on-the-spot
- Cards assigned to escort officers using internet to access database
- Subsequent funding automatically deposited into card account
- Cards used immediately



Range of Use

Use of Card	Agency
International Visitors	Forest Service International Programs, Foreign Agriculture Service
Clandestine	DHS BCIS
Evacuations	Peace Corps
Incentives	Census
Stipends	Peace Corps
Payroll	Forest Service - Job Corps Sites
Missions	SouthCom
Bonus	FMS, FCC
Replace Cash	DHS BCIS
Law Enforcement	ATF



US Debit Card Statistics

- For Fiscal Year 03
 - 11,180 transactions
 - \$2.3 million dollars
- MasterCard Purchases are 51% of the transactions while ATM Domestic withdrawals are 30%
- Typical deployment is 2 - 3 months. The shortest was 5 days.



Treasury Approach

3 Step Approach	
Step	Deliverable
1. Discovery	Agency Requirement Sheet Memorandum of Understanding Card Design Order
2. Deployment	Implementation Package Security Package Training
3. Evaluation	Survey 6 months after deployment

■ Treasury Team:

- Project Manager: Brett Smith, FMS
- Implementation Team: JPMC and its E-Funds Group



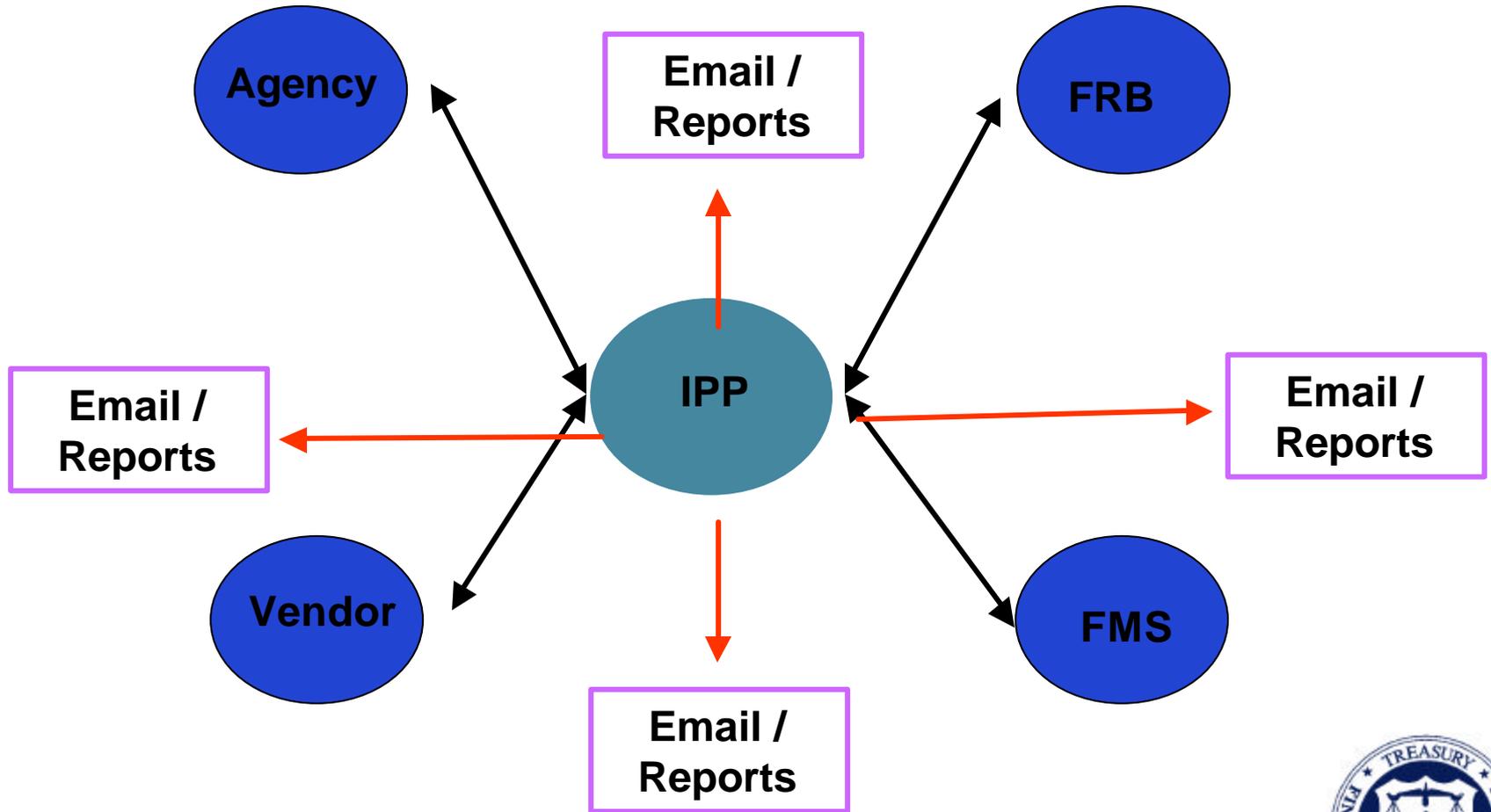


Internet Payment Platform

***Complete Payables Automation for
Government Agencies
(Proof of Concept)***



IPP Architecture: connect all participants



General Lockbox Network (GLN)

- **New Network**
- **Qualified Lockbox Providers**



Selection of QLPs

On December 19, 2003, FMS announced the selection of nine QLPs:

- **Bank of America**
- **Bank One**
- **CitiBank**
- **First National Bank of Omaha**
- **Fleet National Bank**
- **JP Morgan Chase**
- **Mellon Bank**
- **US Bank**
- **Wachovia Bank**



Where We Are Today - Phase II

- **Beginning of phased-in implementation of the new network**
 - **will involve ongoing planning for account transition and agency outreach and support.**

- **Depending on the specific Federal agency collection, either:**
 - **Conduct a mini competition among eligible QLPs in the pertinent region to determine which QLP will be awarded the work, or**
 - **Assign the work to an eligible QLP without further competition**



New Technologies and Services

- Paper Check Conversion
- Check Truncation (Check 21)
- Transaction Reporting System (TRS)
- Document Imaging



What Federal Agencies Need to Know

- **Implementation Rollout**
 - **First round of a rolling implementation in the coming months**
 - **Beginning in regions 4 and 5**
 - **Lockboxes in the remaining regions will be bid in subsequent rounds**
 - **Federal agencies may incur additional financial charges if they are unwilling to transition to a new QLP at the designated time.**



Transition to Pay.gov

- **Consolidate ACH and wire transactions and certain paper check lockboxes to Pay.gov**
 - **ACH and wire cashflows will be moved out of the lockbox network to Pay.gov**
 - **Selected Federal agencies with targeted agency cash flows will be contacted to discuss the benefits and implementation process of converting to Pay.gov**



Agency Information Sessions

- **FMS will be holding Agency Information Sessions as we prepare to bid accounts in each of the 5 regions**
 - **For lockboxes in regions 4 and 5, information sessions were held on March 17 and 18, 2004**
 - **Stay tuned for future sessions**



International Direct Deposit



International Direct Deposit

- Enables Federal payments to go directly to the recipient account in foreign countries
- Agency Use: SSA Benefits, Civil Service Retirement, GSA Vendor Payments, VA Benefits.
- Payments sent to 40 countries



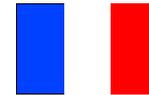
International Direct Deposit

Bi-Lateral Agreements

Canada



France



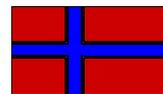
Ireland



Italy



Norway



Spain



Sweden



Portugal



Germany



Australia



United Kingdom



Mexico



IDD Multi-Country Agreements

BANK OF SCOTLAND

-  Austria
-  Belgium
-  Cyprus
-  Denmark
-  Finland
-  Israel
-  Malta
-  Netherlands
-  Switzerland
-  Hong Kong
-  New Zealand
-  South Africa

CITIBANK

-  Anguilla
-  Antigua and Barbuda
-  Bahamas
-  Barbados
-  British V.I.
-  Cayman Islands
-  Dominican Republic
-  Greece
-  Grenada
-  Haiti
-  Jamaica
-  Netherlands Antilles
-  St. Kitts and Nevis
-  St. Lucia
-  St. Vincent & Grenadines
-  Trinidad & Tobago



IDD - Future Countries - 2004



Poland



Czech Republic



Slovakia



Panama



Japan



Philippines



IDD.gov

- **Web-based front-end to the IDD application**



For more information

Sheryl Morrow

Director, Program Assistance Division

202-874-6847 or sheryl.morrow@fms.treas.gov

Patricia Gallagher, International Funds Team Leader

202-874-6978 or patricia.gallagher@fms.treas.gov

URLs

www.fms.treas.gov/eft/regulations/international.html

www.fms.treas.gov/kfc/ddfact/html



Questions?

