

NEWSLETTER	<h1>PFC Journal</h1>
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CASHLINK II

CASHLINK II, the replacement system for the current CASH-LINK, is an electronic cash concentration and information system used to manage the collection of U.S. Government funds and provide deposit information to Federal agencies. This network electronically links agencies, financial institutions, Federal Reserve Banks (FRB), and Department of the Treasury fund managers. CASHLINK II receives deposit information, initiates fund transfers, and concentrates daily deposits made through multiple collection mechanisms such as the Treasury’s General Account, Lockbox, and Fedwire Deposit System into the Treasury’s account at the FRB.

CASHLINK II provides agencies with real-time information (via the Internet) to verify deposits, Automated Clearing House (ACH) and Fedwire transfers, and voucher adjustments to reconcile their accounts. Collection data is available online for up to seven (7) years, allowing users to access the system to research and analyze detail deposits and summary-level cash flows. In addition, CASHLINK II assists Treasury in managing depository services provided by financial institutions, monitoring the cash position of the U.S. Government, and providing detailed queries, reports, and statistics.

When financial institutions use CASHLINK II, they will have the same deposit reporting and bank management functionality as now and tremendous query capabilities to allow for online research of deposit vouchers and other information. Users will also be able to submit online requests. Agency users will have the same capabilities available in the current CASH-LINK system (Agency Access), and they will be able to electronically request voucher corrections and reversals. Online queries will be more user-friendly.

CASHLINK II implementation is divided into phases (work packages) based on the user, with these deployment dates:

- Work Package I (WPI) is for financial institution, FRB, and Financial Management Service (FMS) users. Administration and implementation dates for these users are still tentative. However, it is anticipated that FMS Customer Assistance Staffs and the CASHLINK II Team will brief financial institution personnel in Los Angeles, CA; Boston, MA; Kansas City, MO; Dallas, TX; and the Washington, DC area over the summer.
- Implementation of Work Package II (WPII), for Federal agency users, is also tentative. During the summer, it is anticipated that the Customer Assistance Staff will offer classroom training for agency personnel in San Francisco, CA; Denver, CO; Atlanta, GA; Boston, MA; Kansas City, MO; New York, NY; and Dallas, TX. The CASHLINK II Team will offer agency training in the Washington, DC area shortly thereafter.

Work Package III (WPIII) includes all future enhancements to CASHLINK II. WPIII will offer, among others, new and enhanced features regarding automated bank management reporting, Cash Management Reviews, Management Metrics Reports, data warehousing, reconciliation tools, and agency-specific codes and amounts. To support the Governmentwide Accounting project, CASHLINK II will also be able to capture the Treasury Account Symbol.

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Access to the CASHLINK II Web application will be through the Internet. Therefore, CASHLINK II can be accessed from any user workstation meeting hardware, software, and connectivity specification requirements. They are posted on www.fms.treas.gov/cashlink and will be in a future notice to all CASHLINK users.

To aid CASH-LINK users in following the progress of CASHLINK II deployment, the CASHLINK II Team periodically posts information on their website. Past postings have included information on CASHLINK II agency and financial institution focus groups, presentations, the Master Plan, and workstation requirements. The website offers a free e-mail notification service for updates.

If you have any questions regarding CASHLINK II, visit www.fms.treas.gov/cashlink.

PAY.GOV Helps Agencies Meet Their Electronic Commerce Needs



The U.S. Treasury Department's Financial Management Service (FMS) has developed Pay.gov to support the business needs of Federal agencies. Pay.gov provides new electronic

collection methods that facilitate the ability of agencies to conduct transactions online. Pay.gov provides assistance to agencies in converting forms into documents that can be accepted electronically and provide means by which agency bills may be presented electronically for collection purposes. Pay.gov provides access control services to facilitate forms acceptance, direct billing, and collections. Pay.gov provides reports to agencies about these automated transactions and assists agencies in integrating the reports into their systems.

Pay.gov's services can help Federal agencies meet their requirements under the Government Paperwork Elimination Act (GPEA). The GPEA requires Federal agencies to electronically accept forms (other than forms governed by internal revenue laws), when practicable as a substitute for paper. Pay.gov also can help agencies meet the demands of those who increasingly are demanding electronic solutions from agencies.

The collection services are of primary importance to Pay.gov and the other services either flow from or support this service. The services of Pay.gov are modular; in other words, each of the services can be invoked separately of the others, sometimes from an agency's own website.

Specifically, Pay.gov offers agencies the following four services:

- **Collections:** Pay.gov can enable agencies to accept collections that are settled through a variety of methods.
- **Forms acceptance and direct billing:** Pay.gov can accept agency forms submitted by end-users over the Internet and present agency bills to end-users over the Internet for collection.
- **Access control:** Pay.gov can establish that an end-user is who or what the end-user claims to be (authentication), along with what an end-user may perform (authorization), in order to access certain applications that would not otherwise be available to the end-user.
- **Reporting:** Pay.gov can provide information to agencies, end-users and the public about financial transactions.

For more information on Pay.gov, please visit www.pay.gov.

Cancellation Reports on the Internet



The Philadelphia Financial Center (PFC) disburses about 404 million payments per year on behalf of Federal agencies, of which 1.4 million payments are cancelled annually.

PFC mails reports to agencies that include a list of these cancelled payments. These cancelled payment reports include the account number, reason for cancellation, check or EFT trace number, amount, and date of payment for each payment cancelled. This data is used by agencies to update individual payment files and to properly report financial activity to FMS on a monthly basis.

PFC is looking to reduce paper and streamline this reporting process by providing its customer agencies with payment cancellation information on the Internet. PFC will be using Pay.gov, FMS' Internet portal and transaction engine, to provide agencies with this information in an automated environment.

It currently takes seven days to process and deliver paper cancellation reports through the U.S. mail. However, reports sent through Pay.gov will be available to agencies the next business day on the Internet.

User Acceptance Testing began at the end of April. This allows PFC to test the functionality that Pay.gov provides for this reporting activity, as well as to test the accuracy of the data reported. A pilot, consisting of eight (8) customer agencies, will follow the testing phase and will last between 30 to 60 days. Remaining agencies will be granted access to Pay.gov in phases.

For more information and updates, please visit the Philadelphia website at <http://www.fms.treas.gov/pfc>.

Paper Check Conversion Streamlines Agencies' Collection Processes



In line with all of the current Federal mandates to reduce or eliminate paper

transactions within the Government's cash management, the Financial Management Service (FMS) has made significant strides electronically through the automated Paper Check Conversion (PCC) Program. FMS has the distinction of bringing, in a very short time, a program from the drawing board to implementation in the United States and at overseas sites.

PCC streamlines the collection process by converting paper checks to Automated Clearing House (ACH) debits, eliminating an agency's need to create SF 215s (deposit tickets) and SF 5515s (debit vouchers), image paper checks, and move them to a depository. More than 20 agencies have signed the Agency Participation Agreement (APA) to pilot PCC for their operations, with numerous other agencies in the final stages of defining their requirements to sign up for the program. Fourteen agencies now process checks through the PCC system. PCC is operating at more than 50 domestic and international processing sites, including San Francisco, CA; Chicago, IL; Washington, DC; Sarajevo, Bosnia; and Livorno, Italy. For the period of September 14, 2001, through September 30, 2002, more than 105,000 items were processed for more than \$47 million.

How PCC Works

PCC is technology that allows a paper check to be scanned, capturing both a complete electronic image of the check and financial institution and account information necessary to convert that payment to an electronic transaction. After the check is scanned, the bank account information is then compared against a database to verify that the account is in good standing. If the account is approved and the check-writer is present, the check is stamped "Void—Processed Electronically" and returned to the consumer.

The cashier then keys in the amount of the transaction and may also capture additional agency-specific data not collected when the check was scanned (i.e., form number, Social Security Number, and the like). At this point, the agency has

all of the information it will need to create an electronic debit to the check-writer's account. Funds are electronically withdrawn from the purchaser's account within 24 hours. The five technologies used by the PCC project to convert paper checks into electronic debit transactions are imaging, verification, conversion, representment, and reporting.

Check conversion in the private sector, governed by rules issued by the **Electronic Payments Association (NACHA)**, has been used in various forms for several years. Similarly, the Federal Government has been piloting PCC under 31 Code of Federal Regulations (CFR) 210, which adopts most NACHA rules but has some differences unique to Government.

Since September 2001, FMS has piloted check conversion with 14 program agencies. FMS anticipates PCC deployment in the very near future at those 22 agencies that have agreed to pilot PCC. As might be imagined, various agencies use PCC for entirely different types of cash flows. Below are a few examples of applications at some agencies that have converted to PCC:

- **Department of Defense** — Military personal checks overseas,
- **Bureau of Engraving and Printing, Department of the Treasury** — Customers' checks for purchasing gifts and souvenirs at its gift shops, and
- **Federal Trade Commission** — Freedom of Information Act (FOIA) requests, employee travel reimbursement overpayments, and other miscellaneous payments.

Following the agency pilot period, FMS and agencies will evaluate how well specific agency requirements were met by the system and determine what changes, if any, an agency may wish to make to its PCC requirements document before moving from the pilot to full implementation.

Agency officials across the Federal Government are making every effort to implement E-government initiatives, which will comply with the 1998 Government Paperwork Elimination Act (GPEA). This mandate requires that, by October 21, 2003, agencies must provide citizens with options to submit information and conduct Government business electronically. Paper check conversion is just one of the technologies FMS has developed to meet this requirement. PCC will be evaluated as a method for substantially reducing processing and transaction costs to agencies. FMS is also looking at evaluating financial agent lockboxes as a future application for PCC.

If your agency has questions regarding PCC or would like to find out more about implementing this program, please call 215-516-8019. Additional information about PCC is at www.pcc.gov.

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<http://www.fms.treas.gov/pfc>

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The Philadelphia Financial Center Newsletter
entitled PFC Journal is presented by the
Customer Assistance Staff and addresses a
variety of topics of interest to individuals in the
Federal financial community.

The PFC Journal will be published on a
quarterly basis and will be available exclusively
on our website.

<http://www.fms.treas.gov/pfc>

Upcoming Events...



CASHLINK II

Training on 7/28/03 in New York, NY and 8/14/03 in Boston,
MA for Federal Agencies.



COMING SOON!

PLEASE NOTE: Effective July 1, 2003 the Philadelphia
Financial Center (PFC) will be changing its mailing addresses.
The new mailing addresses are as follows:

Agencies using PFC to make vendor, miscellaneous or salary payments should direct
their correspondence concerning these types of payments to Philadelphia Financial
Center, PO Box 51318, Philadelphia, PA 19115-6318

The Social Security Administration should forward correspondence concerning Social
Security Administration payments to Philadelphia Financial Center, PO Box 51320,
Philadelphia, PA 19115-6320

The Railroad Retirement Board should forward correspondence concerning Railroad
Retirement Board payments to Philadelphia Financial Center, PO Box 51319,
Philadelphia, PA 19115-6319

All other correspondence should be directed to Philadelphia Financial Center, PO Box
51317, Philadelphia, PA 19115-6317

Questions concerning the above address changes should be directed to Louis Cleary,
Manager, Operations Control and Support Branch at (215) 516-8036.