

**Executive Summary**  
Las Vegas Customer Advisory Board Conference  
February 21-22, 2007

**Attendees:**

Federal Agency Representatives (26)  
San Francisco Financial Center (8)  
Financial Management Service —Federal Finance (1)  
Kansas City Financial Center (2)  
Federal Reserve Bank (1)  
Speakers – FMS (2)  
Speakers – non FMS (4)  
Workgroup Facilitator (1)

Speaker presentations are available at the SFC-CAB website: [fms.treas.gov/sfc/CAB.html](http://fms.treas.gov/sfc/CAB.html).

**Speaker Notes:**

**Topic: Holistic Approach and Financial Management Service (FMS) Collection Architecture**  
**Speaker: Carolyn Dunston, Director, Agency Relationship Management Division**

*General:* The focus of the Holistic Approach is to build strategic implementation plans focusing on specific bureaus and to convert Treasury General Accounts (TGAs) to TGA.net. FMS can provide no cost services that the agencies are currently paying for through contracted services. FMS needs to understand the business lines in order to offer the appropriate mechanisms. To accomplish this, the Agency Relationship Management Division will be working with the agencies individually to find out what is the best mechanism.

The Agency Relationship Management Division also conducts customer satisfaction surveys. The next one will be in July of 2007. The agencies have opportunities to provide comments and ask questions.

*Question:* Would FMS come out to do the training on the new method?

*Answer:* Federal Finance is the initial contact. The resident expert (program sponsor) will come out to do the training. Federal Finance will then monitor the process and make sure that the customer's needs are met.

*Question:* Paper Check Conversion Over-the-Counter (PCC-OTC) – Is there a limit to the number of checks?

*Answer:* You can have a small amount of checks or you can bundle the checks if there are many. PCC-OTC may not have the capability to convert all of the information that needs to be converted. However, you can tailor the miscellaneous fields and you also have an image of the check.

*Question:* What is CCMM?

*Answer:* CCMM is the Cash and Collections Management Modernization effort. It will use Pay.gov to have one process for receipts. Pay.gov is one of several tools to be used for the collection of receipts.

*Question:* Do you know if the information coming from Pay.gov is downloadable as a flat file?

*Answer:* Yes, you can download files. Pay.gov will make it easier to download data.

*Question:* How long does it take to get a change to the Treasury Financial Manual (TFM)?

*Answer:* It depends on the change. For example, bulletins can take 1-2 months, but a chapter can take up to 2 years.

Last update: 03/23/07

**Question:** When will the new Governmentwide Accounting (GWA) initiative be available?

**Answer:** We don't have a specific date for implementation.

**Question:** It seems like TFM changes are not coming as often as they used to. Before, once a year, FMS mailed the changes. Where can we get all of the updates that have taken place?

**Answer:** Each program owner is responsible for the chapter. But resources are not always available to provide frequent updates.

**Question:** There are a lot of new things that are coming out of Treasury. Are the chapters also updated?

**Action item:** **Answer-** The Products and Initiatives Branch contacted FMS Headquarters to find out when and how the TFM updates are distributed to the agencies. The most current TFM chapters and updates are available on the Internet at [www.fms.treas.gov/tfms/index.html](http://www.fms.treas.gov/tfms/index.html). Chapters one, four, five and six are available to the public. Chapter two is restricted for authorized personnel only. Chapter three is reserved for future use. There is also a complete listing of both transmittal letters and bulletins. The updates are no longer mailed to the agencies in order to reduce costs. Agencies can also sign up to receive email notifications whenever there are updates.

### **FMS Initiatives:**

- FMS is developing a universal agency participation agreement to eliminate individual Memorandums of Understanding (MOUs).
- FMS is developing an internal single sign on approach to try to give one place of entry for FMS systems. The roll-out of the single sign-on is expected to take some time.
- The new Transaction Reporting System (TRS) will be a centralized repository of detailed collection transaction information that will simplify the federal agency's revenue management and accounting processes.
- The new Shared Accounting Module (SAM) is related to GWA: SAM allows agencies to classify all Fund Balance with Treasury transactions and adjustments to the appropriate Treasury Account Symbol (TAS) and Business Event Type Code (BETC) at the time the transactions or adjustments are reported to the Treasury.
- FMS is looking at whether lockbox is working for the agencies or does it need improvement.
- Bank channel will process all of the Fedwire transactions.
- TGA net pilots are in process to prepare an agency's SF215 deposit ticket. The deposit will be sent to the financial institution. The financial institution will validate it and report it to CASHLINK II.
- Voice Response System for ACH and credit / debit cards.
- Web transaction reporting system. One connection to each bank.
- Enterprise Image Platform - One imaging system. (Currently being done with PCC-OTC)

### **Topic: Financial Controls and Risk Management**

#### **Speaker: David Cushing, Office of Personnel Management (OPM)**

OPM's goal is to have a secure web based automated system of your retirement records. In order to accomplish this goal OPM must document controls, train people, test and monitor controls.

**Question:** When assessing risk, are you looking at what is provided to you? Is OPM looking at the validity of data to calculate benefits?

**Answer:** Data cleanup is one of the things that OPM is looking at. The accurate conversion of data includes steps in which employees can go online to validate their records. Data accuracy is a huge problem.

**Question:** What accounting system are you implementing?

**Answer:** OPM has identified a private and public sector company for selection, but processes are still being worked out and cannot be discussed at this time.

**Question:** Both KPMG and the Yellow Book standards of independence said that the supervisor can't be independent. Do you agree?

**Answer:** Internal managers cannot be relied on to be independent. Your controls will be better if you test your own controls as often as possible.

**Question:** We understand the importance of separation of duties. How do we manage this with a small staff and varied work hours?

**Answer:** Separation of duties is not enough. Many of your work processes are not documented. This is a finding under Circular A123.

**Question:** The Federal Reserve Bank (FRB) has been struggling with focusing on what the key controls are to make it manageable. What are the key controls for testing and monitoring?

**Answer:** Read Circular A123 for more information.

### **Topic: International Treasury Services (ITS)**

**Speaker: Ethan Cole, Kansas City Financial Center**

**Question:** You can set up a template for recurring payments with ITS.gov. Does it include grant payments?

**Answer:** No it does not. The long term plan is to connect ASAP.gov to flow through ITS.gov

**Question:** How do you work reclamations? ITS.gov doesn't process benefit payments.

**Answer:** ITS.gov will recall a payment. We have not had a problem getting the payment back. The FRB service provider has a good working relationship with the foreign bank and is able to get the payment back.

### **Agency Updates:**

**San Francisco Financial Center (SFC):** The SFC launched a public website for agency information. The address is [www.fms.treas.gov/sfc](http://www.fms.treas.gov/sfc). Customer Advisory Board (CAB) members can now view all CAB related information on the site. The new SFC Newsletter is also available on the site.

**SFC- Special Payments & Claims Branch (SPCB):** A team is working to get the Fedline payments under the \$100,000 threshold to a minimum. Agencies that are not complying with this requirement received a letter and a copy of the TFM explaining the rules for same day payments. Contact Debbie Price at 510-594-7170 if you have any questions.

**SFC - Electronic Operations Branch (EOB):** The EOB is focusing on business continuity and disaster recovery. In the summer of 2006, FMS had problems with a power outage in Hyattsville and couldn't switch production to its Kansas City processing site. For SFC, there are only three customer agencies with backup systems to the Kansas City Regional Operations Center (KROC). It took eight hours to process the payments for one agency during the Continuity of Operations Planning (COOP). Is your agency ready for the next disaster?

**Question:** Does that mean that you want us to have dial-ups with Kansas City?

**Answer:** We are going to discuss with each customer agency the kind of connectivity you should have in a disaster. It's possible that we can form a group that can use a shared site with a connection for our system. We're specifically looking at agencies with a file transfer capabilities.

**Question:** Is sending a CD not a secure backup system?

**Answer:** A CD is OK, but you have to have a password so you can encrypt that CD. A CD won't work with benefit payments due to the size of the files.

**Office of Personal Management (OPM):** OPM is going to use the US Debit Card for award and travel expenses. Treasury and JP Morgan Chase have a program available using the debit card for employees in the field so they don't have to use their own cash. OPM is setting up rules for security, payments, and is working out all of the bugs before signing the MOU.

**Environmental Protection Agency (EPA):** Workgroups have been developed to consolidate new accounting systems.

**Social Security Administration (SSA):** SSA's biggest push is customer service and Direct Deposit. The Las Vegas office has an agreement with three banks to set up Direct Deposit for new recipients of Social Security benefit payments. This will help reduce SSA overpayments due to stolen checks which are most prevalent during the months of November, December and July. SSA also uses the Electronic Transfer Account (ETA) for people that do not have a bank account.

**Question:** Has SSA considered using the Debit Card?

**Answer:** Not yet, but SSA is planning to look into it.

**Minerals Management Service (MMS):** MMS is using Pay.gov for right of way leases. They are trying to expand its use for the oil & gas industry. This includes working on getting industry buy-in. If they don't buy in, they will go to Congress.

**Federal Reserve Bank (FRB):** Much of the FRB's efforts are devoted to looking for ways to handle the ACH volume more efficiently. This includes large customer conversions, new products for file and addenda record information and implementation of NACHA codes.

**National Business Center (NBC):** NBC reports to the Office of the Secretary within the Department of Interior. NBC has directorates for payroll, budget and finance, appraisers, acquisition, DOI University, human capital, information technology, and aviation management. Financial services offered are: payroll services, budget and finance, accounting reports, financial statements, and transactional processing such as travel, PCS, IPAC, and vendor payments. All Federal Financial System (FFS) clients are in the process of transitioning to another application such as Oracle or Momentum. The Department of Interior has purchased Standard Application and Processing (SAP) and has developed a transition schedule for all bureaus.

**Question:** Who are some of the customers for non-payroll?

**Answer:** The Office of the Secretary, Advisory Council for Historic Preservation, Commission of Fine Arts, Bureau of Indian Affairs, Fish and Wildlife Bureau. Oracle financial clients include African Development Foundation, Millennium Challenge Corporation, Public Defender Service, Trade Development Association, and Thrift Investment Board.

**Small Business Administration (SBA):** The Debit Card and disaster programs are a main focus for SBA. Housing and Urban Development (HUD) has given grant money to the disaster victims in Louisiana and Mississippi. SBA is processing thousands of dollars in grant money that is paid to SBA to offset borrowers' loan balances. The use of Pay.gov is now expanded with forms used by lenders. The problem with Pay.gov is that there is nothing to compel the vendors to use it. SBA is also working on Taxpayer Identification Number (TIN) compliance which has now reached 90%. There are thousands of lenders of which many are new to SBA. This makes it more difficult to find a way to keep the TINs up-to-date.

**National Aeronautics & Space Administration (NASA):** There has not been a clean opinion since PSAP was implemented in 2003. It is hard to get all of the accounting systems together. Now MYSAP has been implemented to consolidate all of the functions. After migration, all functions will be moved to Mississippi.

**Office of Navajo and Hopi Relocation:** This agency reports directly to the President of the United States. They are a small agency with a staff of about 40 people. The U.S. government mandated the agency to relocate Native Americans, but progress is slow and expensive. The agency has its own accounting system.

**Tricare Management Agency:** Defense Finance & Accounting Service consolidated, combining all of the finance features. Tricare has a 13 billion dollar budget to pay for military off base health care. Tricare does not work with veterans. Tricare has a succession problem due to the lack of specialized talent that is required to replace current staffing. Tricare uses the Oracle accounting system to manage massive contracts with several thousand people. They recently added health care for the reservists.

**Bonneville Power Administration (BPA):** BPA consolidated all of the Treasury functions and operates a revolving line of credit. One account is for paying employees and vendors within 24 hours of a disaster. The second account is to collect receipts. The Kansas City Financial Center helps them use ACH debits for collections. BPA carries a considerable amount of debt due to two failed and one operating nuclear plants. BPA is very much interested in COOP and would like to see an initiative to consolidate the many Treasury systems that are available.

**Presidio Trust:** The Presidio Trust handles the land management of the Presidio after the Department of Defense left. Since 1997, they have renovated and rented commercial space. They rent at market price with subsidized programs for low income, law enforcement, etc., in order to bring a balance to the community. The Presidio is also part of a national park with an environmental remediation program. The agency uses the Oracle financial suite for client/payroll services. They are trying to integrate a system that currently doesn't talk to each other very well.

**Office of Special Trustee for American Indians:** This agency has no external emails or Internet service. The Secure Payment System (SPS) is the primary FMS application used by the Office of Special Trustee for American Indians.

**Mine Safety & Health:** This agency implemented the Carlson system for Etravel. There were no material findings on the Circular A123 audit. Mine Safety & Health is wrapping up outsourcing and effecting 109 Department of Labor positions.

**Internal Revenue Service (IRS):** IRS is focusing on increasing large corporation audits. Other initiatives include: expanding a portal for decision making tools like online google; Spanish online services; and the Telephone Excise Tax Refund (Form 1040EZ-T) for people who have a phone and are entitled to the refund but don't file tax returns.

### **Financial Management Up Close – Project Workgroup**

The goal of the workgroup was to:

- Identify a project based on one of the four categories: Centralization of Function; Payments; Collections; and Governmentwide Accounting
- Develop a member's workgroup to identify a process improvement for the project

Criteria for project selection:

- Is it in our control?
- Must benefit at least three agencies

- Resources, skills and knowledge are available to solve and implement
- Can be completed within six months to one year.
- Has measurable outcomes
- Is not limited to what was discussed in prior CAB meetings

Committee members developed the following suggested projects within the four categories:

- **Centralization of Function:**
  - Web based resource center with federal agency service providers to include a link to agencies that offer the services that you need
  - Message board for typing and answering questions
- **Payments:**
  - Cross servicing for disaster recovery- utilize another agency's facilities that have not been damaged
  - Compilation of names and numbers of agencies within the area to include locations, technical point of contact, and the types of transmissions the agency processes.
  - Quarterly and semiannual testing
- **Collections:**
  - Message to Washington DC to ask Treasury to make an agency requirement to use FMS collection programs
  - Develop a recommendation to change the TFM to require electronic collections such as loan programs. This gives leverage to help the federal agencies
- **Governmentwide Accounting:**
  - Agencies need to know what they are doing and what are their objectives
  - Partner with the GWA Project team prior to implementation
  - Unite with the other CABs to have a stronger voice on implementation needs
  - Survey CAB members with issues and concerns
  - Conference call with the GWA Project team
  - Request e-mail newsletters with GWA information and updates

**Workgroup Project Identified and Defined: DISASTER RECOVERY**

Workgroup members are:

Margaret Tong	San Francisco Financial Center
Joe Paule	San Francisco Financial Center
Nancy Thomas	Office of Navajo and Hopi Relocation
Meyer Persow	Office of Personnel Management
Lake Gardner	Minerals Management Service

First workgroup meeting: March 14, 2007 – 2:00 pm. to 3:00 pm., EST.

**CAB Business Meeting:**

**Election of Vice Chair**

Nominees – Lake Gardner (MMS) and Randall Christopherson (SBA)

Elected Vice Chair – Randall Christopherson (SBA)

**Proposed recommendation:** A recommendation was proposed to have an absentee ballot for members that are not able to attend the conference during the election of officers.

**Action item:** We would like your feedback as to whether you would like SFC to implement this change into the CAB Charter. SFC will send a questionnaire to the CAB members in the near future.

**New San Francisco Financial Center Customer Advisory Board Members**

Michael Rothman	Presidio Trust
Fran Gross	Presidio Trust
Arlene Begay	Office of Special Trustee for American Indians
Art Weiss	U.S. Environmental Protection Agency
Peyton Keese	U.S. Environmental Protection Agency

**Next Customer Advisory Board Conference:**

San Francisco Federal Reserve Bank – August 22-23, 2007

**Action item:** Send your suggestions for agenda topics and speakers to: [SFCCAB@fms.treas.gov](mailto:SFCCAB@fms.treas.gov).