

# *The Kansas City "Dispatch"*

**Spring Edition**

**May 2004**



## KFC Vanguard Award



Susan Robinson, GFS Manager, presents Ed Nasalik, Executive Director, Heartland Finance Division, General Services Administration, with the 2003 Vanguard Award.

The Kansas City Financial Center was pleased to present the 2003 Vanguard Award to the General Services Administration (GSA), Office of the Chief Financial Office, Heartland Region, at a formal ceremony on December 3, 2003. Mr. Edward Nasalik, Executive Director, Heartland Finance Division accepted the award on behalf of GSA. Members of the GSA conversion team include Michael Melloy, Cheryl Nasalik, Patty Clinkenbeard, Mark Robinson, and Cindy Reckart. GSA was recognized for their efforts in converting court-ordered child support payments to Electronic Funds Transfer (EFT).

The Vanguard Award originated from an idea to recognize individuals or agencies that have clearly demonstrated leadership, provided significant contributions, or served as a catalyst for a project or initiative under the auspices of the Financial Management Service's Kansas City Financial Center.

(Continued on page 2)



The GSA EFT Conversion Child Support Payments Team

## The Kansas City "DISPATCH"

(Continued from page 1) As one of the four selected E-Payroll providers, the child support conversion effort was not a minor undertaking for GSA. At the time, GSA was aggressively focusing on numerous government-wide payroll initiatives, including customer migrations, payroll enterprise architecture, as well as maintaining day-to-day operations. However, GSA recognized the importance of converting these payments to EFT and in approximately six months the conversion was completed.

The ceremony was held at the Hyatt Regency Crown Center Hotel in Kansas City as a part of the semi-annual KFC Customer Advisory Board meeting. Approximately 90 individuals representing FMS and 29 Federal Agencies were in attendance.



Carole Kelley opened the ceremony by singing the National Anthem.

KFC is honored to recognize GSA's best, Mr. Ed Nasalik and the EFT Conversion Child Support payments Team!

# Winter 2003 Customer Advisory Board Highlights

On December 2<sup>nd</sup> and 3<sup>rd</sup>, the Kansas City Financial Center (KFC) held its semi-annual Customer Advisory Board (CAB) meeting in Kansas City.

The CAB for the Kansas City Financial Center was established in 1992 to provide an organized forum to encourage involvement in the resolution of product and service issues, as well as to provide opportunities for client agencies/customers to have input into program planning and product development.

David Larsen, Chairperson for the Customer Advisory Board (CAB), welcomed attendees to the winter 2003 meeting. Ninety people representing thirty (Continued on page 3)



### What's Inside?

- 1 KFC Vanguard Award
- 2-3 Winter 2003 Customer Advisory Board Highlights
- 4-5 KFC Director Jack Adams Retires
- 6 The How-To's of Check Claims Requests
- 7 Troy Printers Sail Off
- 8 KFC 2004 Agency Forum
- 9 Paper Check Conversion
- 10 IRS Lockbox Update
- 11 Goodbye, Social Security Numbers!
- 12 General Lockbox Network Rebid Update
- 13 EFT/EDI Child Support Payments
- 14-15 Employee Corner: KFC Welcomes Two New Managers
- 15 ACH Payment Reversals

(Continued from page 2) agencies were in attendance. David Larsen, USDA/RD, and Jack Adams, KFC, commented that this was the largest group in the history of the CAB.



Jack Adams, Regional Director, Kansas City Financial Center, welcomed the CAB members to the meeting and thanked all agencies for their continued support of the CAB. Mr. Adams commented, "Having ninety people here represents the largest KFC CAB meeting since its inception in 1992. I had no idea this group would grow to what it is today, and I would like to announce that this will be my last CAB as I will be retiring in April."

Topics and speakers who presented at the CAB meeting included:

- **John Benoit**, Financial Management Service (FMS), presented the agency impacts of the Government Wide Accounting (GWA) modernization project.
- **Mike Norman**, FMS, briefed the board members on the Government On-line Accounting Link System (GOALS II) and the Intra-Governmental Payment and Collection system (IPAC).
- **Ed Nasalik**, GSA, provided an update on the E-payroll consolidation effort affecting GSA and the other three selected payroll providers.
- **Dick Bauder**, FMS, provided a progress update on the Secure Payment System (SPS).
- **Jesse Chavez**, FMS, provided a brief presentation on the new CAB electronic directory that was deployed on January 25, 2004.

During the CAB meeting, client agencies/customers were given an opportunity to provide the board with a status of upcoming agency-specific projects. Several agencies were eager to report a clean financial opinion on their financial statements for fiscal year 2003 and voiced their appreciation of the support they received from KFC and FMS.

For more information on CAB membership, contact Jesse Chavez at (816) 414-2108.



Mike Norman

## **Kansas City Financial Center Director Jack Adams Retires after 53 Years of Federal Service**

On April 1, 2004, family, friends, colleagues, and former and current employees of the Kansas City Financial Center (KFC) gathered together to bid Jack Adams, Regional Director, a warm farewell. Effective April 3<sup>rd</sup>, Mr. Adams retired after 53 years of federal service, 21 years as Regional Director of KFC.



The celebration began with the reading of a proclamation from the mayor of Kansas City, MO, declaring it "Jack Adams Day". Mr. Gary Beets, Acting Director, opened with a David Letterman style "top ten" list that sent a roar of laughter through the crowd. This was followed by remarks and presentations made by Commissioner Richard Gregg, Deputy Commissioner Ken Papaj, and Assistant Commissioner of Regional Operations Judy Tillman.

That evening, the celebration continued where more than 200 friends, family, employees (past and present) joined together to say "Farewell and Good Luck" in his retirement. Several speakers took the podium, many who had traveled a great distance to be a part of this special occasion to share some of their favorite "Jack" experiences. After making the audience laugh, but before leaving the podium, each speaker presented Mr. Adams with a token of their gratitude for his friendship or the working relationship they had come to value over the years. Most notably the U.S Coast Guard (USCG), Topeka, Kansas, presented Mr. Adams with an oak ship's wheel adorned with brass plates bearing the name of each federal agency for which Mr. Adams was employed. With this presentation, Mr. Adams became the first non-Coast Guard member to receive this honor.



Commissioner Gregg honors Mr. Adams for his 53 years of Federal service.

Mr. Adams' primary belief throughout his federal career has been excellence in customer service and it is evident in the work ethic instilled in the employees of the Kansas City Financial Center. During his final remarks, Mr. Adams expressed his desire that the legacy of excellence continue into the future. (Continued on page 5)



Jack receives a ship's wheel from the U.S. Coast Guard, an honor held previously by only Coast Guard personnel.

(Continued from page 4) It was evident to all by the large number in attendance that Mr. Adams' departure impacts many individuals. The individual friendships and working relationships that had been formed over the years say a lot about his character. Yes, another chapter ends at the Kansas City Financial Center and some say it is an end of an era. But one thing will hold true; that while Mr. Adams may not be physically present in the halls of KFC, mentally, we all have a "Jack story" that we can tell and will re-tell to keep him ever present in our hearts.

## Jack Adams' Significant Awards and Accomplishments

March 1989	Spark Plug Award
May 1992	U.S. Coast Guard Award of Appreciation
October 1992	Elmer Staats Award
April 1993	"Hero's" Recognition Award
May 1993	Association of Government Accountants Distinguished Leadership Award
January 1997	Al Gore Hammer Award for Excellence – for cost saving Efficiencies
February 1999	FMS IT Security Award
March 1999	Al Gore Hammer Award for Excellence – for advances in electronic collections
November 1999	Promoted to Senior Executive Service
March 2003	Federal 100 Award
October 2003	Meritorious Presidential Rank Award
December 2003	Vanguard Award

## The How-To's of Check Claims Requests



How many times has an agency heard a payee call and say "I've lost my check and the bills were due yesterday" or "My check was in my jeans and I just washed them"? As an agency, what do you do? You can request the status of the check by initiating a check claim request either electronically through the PACER On-Line (POL) system or with the manual SF 1184 Unavailable Check Cancellation form.

An SF 1184 form is used to research unavailable check actions involving claims of non-receipt, loss, theft, destruction, mutilation, or forgery of a U.S. Treasury Check. An SF 1184 is utilized to request the status of a check, which could result in subsequent action being taken. If the check was cashed, a photocopy of the paid check would be provided to the agency. If the check is outstanding, the check would be cancelled and the agency credited with the amount of the check.

What about all those really old U.S. Treasury Checks? An agency receives a call "Grandma and Grandpa had some old checks we think were destroyed in a house fire". The agency needs to ask how old are the checks?

Effective immediately, any SF 1184's with payment dates prior to 1976 will be sent back to the agency due to "Status not available for checks dated prior to 1976".



Check Claims can research check information from 1976 to the present using the Check Payment & Reconciliation (CP&R) system. The Financial Management Service (FMS) will be replacing CP&R with the Treasury Check Information System (TCIS). Once TCIS is implemented, FMS will only be able to research payment information that dates back 7 years.

Check Claims will be sending out notifications to all agencies prior to the implementation of TCIS. The notification will inform our customers that FMS will not be able to provide payment data that is older than 7 years. If you have any questions regarding this change please call the Kansas City Financial Management Service, Claims Branch at (816) 414-2150.

# KFC Troys Sail Off Into the Sunset



Just as time passed the dinosaurs, time has also passed the Troy CFO-480 Impact Check Printers at the Kansas City Financial Center (KFC). A part of KFC's history, these printers had been in use in Kansas City since 1986. Surviving one of three relocations of the Kansas City Regional Financial Center, the Troy printers proved durable as well as efficient. However, on December 10, 2002, the final Troy Check Printer was removed from KFC. In its place are the new IBM Combo 4000 Laser printers.

Prior to 1961, checks were produced using a variety of machinery and technology. That changed with the purchase of the first computer check printers in 1961. The first and second generation of printers helped to streamline check production and at their finest could print 15,000 checks per hour. Working much like a giant typewriter, the prior systems had small metal plates for each letter of the alphabet. After receiving and verifying the correct information, the print computer operator would insert a card with the correct information represented by hole punches. The printers would process the information and print the results. For each letter a small hammer would drop on the appropriate metal alphabet plate and impact print the letter onto the check. This is how checks were produced until the inception of the Troy CFO-480 Check Printers.



KFC purchased its first Combo Laser printer in 1999 and began production with these machines in 2000. Much like a computer printer, these check printers read computer data and laser print the correct information onto the checks. Whereas the old Troy's could print 15,000 checks per hour, the new Combo Laser printers can produce between 70,000 and 80,000 printed checks per hour. Along with the increased production and fewer rejected checks, these printers have proven to be more reliable and much quieter.

As financial operations continue to move to more electronic means, one can only speculate on what the future of financial payments holds. KFC pledges to utilize cutting edge technology to issue payments around the world. As evidenced by the purchase of the new Combo Laser printers, the Kansas City Regional Financial Center is committed to providing the highest quality service to all its customers.

# Kansas City Financial Center Hosts 2004 Agency Forum

On March 31<sup>st</sup> and April 1<sup>st</sup>, the Kansas City Financial Center (KFC) hosted an Agency Forum, of which fifty-three individuals representing seventeen KFC customer agencies attended. The forum provided an overview of various FMS-wide initiatives. Specifically, the following topics were presented:

- International Payments
- U.S. Debit Card
- Secure Payment System (SPS)
- ASAP.gov
- Pay.gov
- Debt Management Services (DMS)
- Paper Check Conversion (PCC)
- The New General Lockbox Network (GLN)
- Payment-related Claims
- Check 21 Legislation
- Federal Enterprise Architecture
- Treasury Check Information Systems (TCIS)
- Agency Postage Payments to the U.S. Postal Service
- Treasury Seal Encoding Project

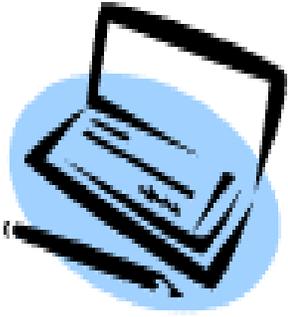


The Global Financial Services Branch (GFS) would like to thank the following individuals who presented at the forum:

- Nancy Fleetwood - Assistant Commissioner, Information Resources (IR)
- Dawn Johns and Michel Spratley - FMS Check Claims Branch
- Denise Hammond, Fabienne Johnson, and Gina Myers - Debt Management Services
- Donna Dahlen - Social Security Administration
- Andy Taylor - J.P. Morgan Chase Bank
- Francie Abbott - Claims Branch Manager
- Ralf Jordan - ECS/SPS Host Coordinator
- Eugene Phillips - Senior Information Technology Specialist

If you would like additional information on any of the topics presented at the Agency Forum, please contact Ethan Cole at (816) 414-2100.

# Paper Check Conversion (PCC) Continues e-Check Initiatives



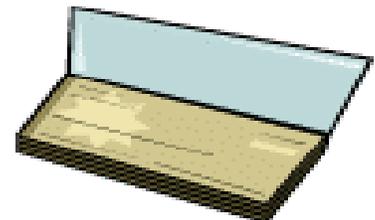
In an effort to reduce costs and stay on the leading edge of technology, the United States Treasury introduced the Debt Collection Improvement Act of 1996 and began the push to convert all federal payments to electronic funds transfer (EFT). The latest step in this process is a Financial Management Service (FMS) program known as Paper Check Conversion (PCC). Over 30 federal agencies have begun using PCC where applicable and additional federal agencies have expressed interest in implementing PCC into their business process.

The basic concept of PCC is that it converts paper checks into electronic debits to a check writer's account at the point-of-sale (POS) or lockbox site. Since the process is automated, the collection and reporting process is more efficient. When checks are written at the POS, customers are given their voided check back at the end of the transaction after the check has been run through the agency's check scanner. At an agency lockbox, checks are scanned and destroyed within 14 business days of receipt.

Once the check has been scanned, the information is transmitted to the Central Image and Research Archive (CIRA) where the images and information are available to the agency for 7 years. Once the information is databased into CIRA, all necessary information to create an electronic debit is forwarded to the Federal Reserve Bank (FRB) of Cleveland for processing. FRB Cleveland will create the debit to the check writer's account, create the CASH-LINK entry on behalf of the agency, and send the agency an automated SF 215 (Deposit Report) and an SF 5515 (Debit Report) for return items, if needed, via email the next business day. This process results in funds being collected in 24-48 hours, with a 99.68% success rate. Currently, FMS is working to incorporate the Check Clearing Act for the 21st Century legislation (Check 21) into the PCC program.

Some of the benefits of PCC include:

- Electronic Imaging
- Account Verification
- Check Conversion, which speeds the collection process
- Ability to re-present items on specific days
- Enhanced reporting and access to information
- Improves exception handling and returns processing



More information on the PCC program can be obtained from the PCC website at [www.pcc.gov](http://www.pcc.gov) or by calling the Kansas City Financial Center Global Financial Services Branch at (816) 414-2100.

# IRS Lockbox Update



The Financial Management Service (FMS) has contractual agreements with four lockbox banks: Bank of America, Bank

One, Fleet Bank, and US Bank. The financial institutions process tax payments at eight locations. Lockbox banks are commercial banks that process certain taxpayer receipts on behalf of the Internal Revenue Service. The FMS Kansas City Regional Financial Center (KFC) provides quarterly oversight coverage for two lockbox facilities.

The intent of the lockbox program is to enhance federal cash management by accelerating the deposit of tax receipts. This in turn, reduces the amount the Federal Government has to borrow to pay its obligations.

KFC's role is to observe the bank's performance to determine if the lockbox has management and internal controls in place to ensure compliance with guidelines published by the IRS and to determine if the bank's management and internal controls are working.

During the IRS' peak tax processing period in April 2004, KFC sent representatives to Richardson, TX and St. Louis, MO to provide the oversight coverage necessary to ensure the lockbox banks adhere to guidelines and comply with safeguarding taxpayer data.

In addition, KFC's presence helped to ensure accelerated deposits of government funds. For additional information contact the Global Financial Services Branch at (816) 414-2100.



The Kansas City Financial Center "Dispatch" is published by the Global Financial Services Branch. It addresses a variety of topics of interest.

If there is a topic or question you would like to see included in the "Dispatch" please contact the Global Financial Services Branch at (816) 414-2100.

# Goodbye, Social Security Numbers!

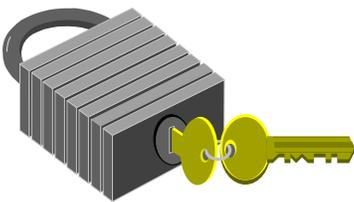
Identity theft affects approximately 750,000 victims every year, according to the Office of the Inspector General for the Social Security Administration. Financial Management Service (FMS) is aware of this shocking statistic and is taking proactive measures to protect the privacy of American citizens. As of January 1, 2004, FMS no longer prints Personal Identification Numbers (PINs) on Treasury checks.

According to the Treasury Financial Manual, Bulletin No. 2003-03, Volume I, PINs consist of the following:

- Social Security Numbers (SSNs)
- Veterans Affairs claim numbers
- Employee Identification Numbers (EINs)
- Other individual identifiers assigned by Federal Agencies.



Originally, PINs were visible on unopened mailings of Treasury checks. At the beginning of 2001, FMS moved the PINs printed on Treasury checks to eliminate visibility on unopened envelopes. The culmination of these events resulted in the removal of PINs from Treasury checks at the beginning of this year.



FMS will suppress the printing of the PINs to alleviate the need for agencies to make changes to payment information submitted to KFC. This is good news for agencies, as they will not have to alter their transmitted payment files. However, agencies may need to make internal changes to processes and data relationships that were dependent on these PINs.

With the needed changes in place, FMS is doing its part to combat identity theft. Hopefully, this effort will further demonstrate the Government's effort to serve the American people. For further information, contact the Kansas City Global Financial Services Branch at (816) 414-2100.

## General Lockbox Network Rebid Update

Financial Management Service (FMS) released the Invitation for Expressions of Interest (IEI) for the General Lockbox Network (GLN) in July 2003. FMS selected nine financial institutions as Qualified Lockbox Providers (QLPs) in the new network.

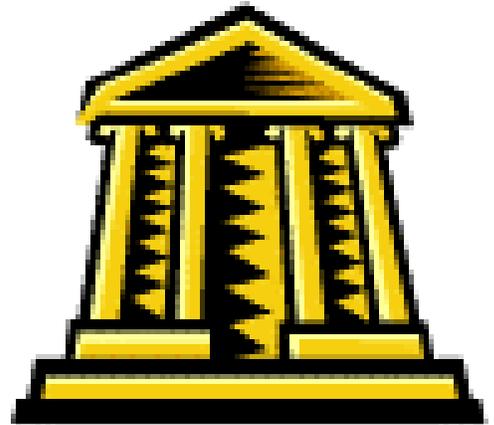
The QLPs are authorized by FMS to perform electronic and paper check collection along with specific processing services on behalf of Federal agencies. Agencies instruct their remitters to mail payments directly to a unique lockbox post office box number at a Treasury-designated financial institution, or QLP, to facilitate the receipt and processing of collections for each agency program.

The order of the implementation is set in five phases specific to five regions of the country: Northeast (1), Midwest (2), Southeast (3), Rocky Mountains (4), and the West Coast (5). The first phase,

involving agencies with lockbox processing in Regions 4 and 5, is under way now. The QLPs will review agency Statements of Work (SOW) and submit a bid on pricing by June 21, 2004. FMS will award the Lockboxes in July, and anticipate that processing at the new sites will begin in September 2004.

The new GLN will further the government's acceptance of 21<sup>st</sup> Century collection processes by utilizing flexible Web-based information flows and emerging technologies to expedite the collection and settlement of paper remittances received at designated lockbox facilities.

Federal agencies interested in more information on the new GLN, or ensuring that all requirements are currently being met for each lockbox collection program they maintain, including all processing and deposit requirements, may contact the Kansas City Financial Center's (KFC) Global Financial Services Branch at (816) 414-2100 to answer questions about the new GLN or to schedule an on-site quality review of their Lockbox Depository.



## EFT/EDI Child Support Payments Update

Kansas City Financial Center (KFC) is working with Federal agencies that process payroll on-site to convert their wage withholding child support payments from checks to Electronic Funds Transfer. This process will allow Federal Agencies to use today's technology to send their wage withholding payments using the Automated Clearing House (ACH) Cash Concentration or Disbursement (CCD+) format with a single 80-character field, DED Segment addendum record.

KFC has taken a proactive approach and is assisting the General Services Administration and the National Finance Center as a liaison between the State Child Support Disbursement Units (SDU). In addition, KFC has assumed the responsibility for GSA and NFC for the following:



- 1) KFC will be responsible for contacting each state to obtain necessary program requirements.
- 2) KFC will be the representative/contact and work with each state child support enforcement agency contact in gathering and maintaining current information on the Child Support Enforcement Program.
- 3) KFC will provide the expertise for the EFT/EDI Child Support Payment Application and the ACH Vendor and Miscellaneous Payment (Vendor/Misc) format specifications for creating an agency input file.
- 4) KFC will contact the appropriate child support enforcement agencies indicating plans to process child support payments by EFT/EDI and provide notification to the states of their first "live" payment date.
- 5) KFC is working with the states to conduct a pre-note file run.
- 6) KFC is coordinating the reconciliation of Child Support cases with GSA and has been answering questions from the SDU's on GSA's behalf.

KFC's involvement with the conversion of Child Support Payments to EFT has made us a model for other Regional Financial Centers to follow suit. With these efforts and a phased in approach, GSA converted their first SDU in October 2003. As of April 30, 2004, GSA has converted a total of 48 states and is scheduled to convert their remaining SDU's to EFT by the end of fiscal year 2004.

## Employee Corner: KFC Welcomes Two New Branch Managers

In April 2004, the Kansas City Financial Center (KFC) announced the selection of two new branch managers. Cynthia Sheppard was selected for the Electronic Operations Branch Manager position and Francie Abbott was chosen as the Claims Branch Manager.

**Cynthia Sheppard** brings a wealth of knowledge and experience to the Electronic Operations Branch (EOB). Upon graduating from the Data Institute with a B.A. in Programming, Cynthia came to the Electronic Operations Branch in 1985 as an entry-level Computer Operator. Since that time Cynthia has worked in a variety of positions in EOB, including Print Operator, Lead Computer Operator, Lead Programmer, and Technical Support Staff Supervisor.



Cynthia Sheppard

After serving six years as Technical Support Staff Supervisor, Cynthia sees her new position as a new and exciting challenge. "The staff of EOB is like family to me and I look forward to leading the transition to new technologies employed by FMS. The Electronic Operations Branch will be more involved with web-development applications and is excited by the challenge involved with the changing technology environment."

Outside of work, Cynthia enjoys spending time with her family and stays involved with her church. Cynthia has two grown children and one grandson, with whom she spends as much free time as possible. (Continued on page 15)



**Need help? Pull a check? Reverse a payment? Does a payment need to be retrieved after you sent the file to FMS?**

**Call the Global Financial Services Branch at (816) 414-2100.**

(Continued from page 14)



Francie Abbott

**Francie Abbott**, named Claims Branch Manager for KFC in April 2004, heads the branch that is responsible for a variety of customer-centered tasks. As Claims Manager, Francie is responsible for overseeing the research of payments that arise as a result of various claims made by beneficiaries, financial institutions, and the Federal Reserve Banks.

Francie began her Federal career in 2000 when she was hired as the Claims Supervisor. After receiving her B.S. in Marketing and Management from Northwest Missouri State University, Francie spent a year with Coca-Cola Bottling Company, and then moved to Century Personnel, a hiring management firm.

Outside of work, Francie enjoys spending time with her husband and two daughters: JoAnna, 3, and Alayna, 1. Francie is also an avid shopper and enjoys catching up with a close group of girlfriends when opportunities allow.

**Congratulations to Cynthia and Francie on your new positions!**

# ACH Payment Reversals



Have you ever issued a duplicate or erroneous payment? Agencies now have the ability to have the payment reversed. Simply contact the Kansas City Financial Center, Customer Assistance Staff (CAS) and request the erroneous/duplicate payment be returned.

To have the payment reversed, agencies should notify CAS within five business days of the payment date. For requests after five business days, CAS will contact the financial institution directly and request the return.

Agencies requesting a payment reversal should contact the Customer Assistance Staff at (816) 414-2100 for additional details.



## The Kansas City "DISPATCH"

At the Kansas City Regional Financial Center, we strive to provide quality service and are committed to excellence. If we can be of assistance to you in any way, please contact the Global Financial Services Branch at (816) 414-2100. Staff members: Susan Robinson, Manager; Dwight Sage, Financial Operations Supervisor; Tom Nelson, Reimbursable Supervisor; Mike King, Jesse Chavez, Dianne Keith, Carl Szczesny, Dorothy Perrett, Annette Gomez, Ethan Cole, Sarah Recob, Curtis Radke, and Randy Brown.

***Department of the Treasury-FMS  
Financial Management Service***