



Payment Application Modernization (PAM)

**SFC/CAB Meeting
March 15-16, 2011**

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PAM Overview



- ❖ Background
- ❖ Release 3.0
- ❖ Best Practices
- ❖ International ACH Transactions (IAT)
- ❖ Same Day Pay Requests (Wires)
- ❖ Corporate Trade Exchange Payments (CTX)
- ❖ PAM Website / Contact Information



Background

- ❖ **PAM** is an effort to standardize and modernize the current main-frame based software applications that are used by the four FMS regional financial centers (RFC's) and Debt Management Service center to distribute approximately 1 billion federal payments annually.
 - Centralized support roles
 - One standard format to maintain

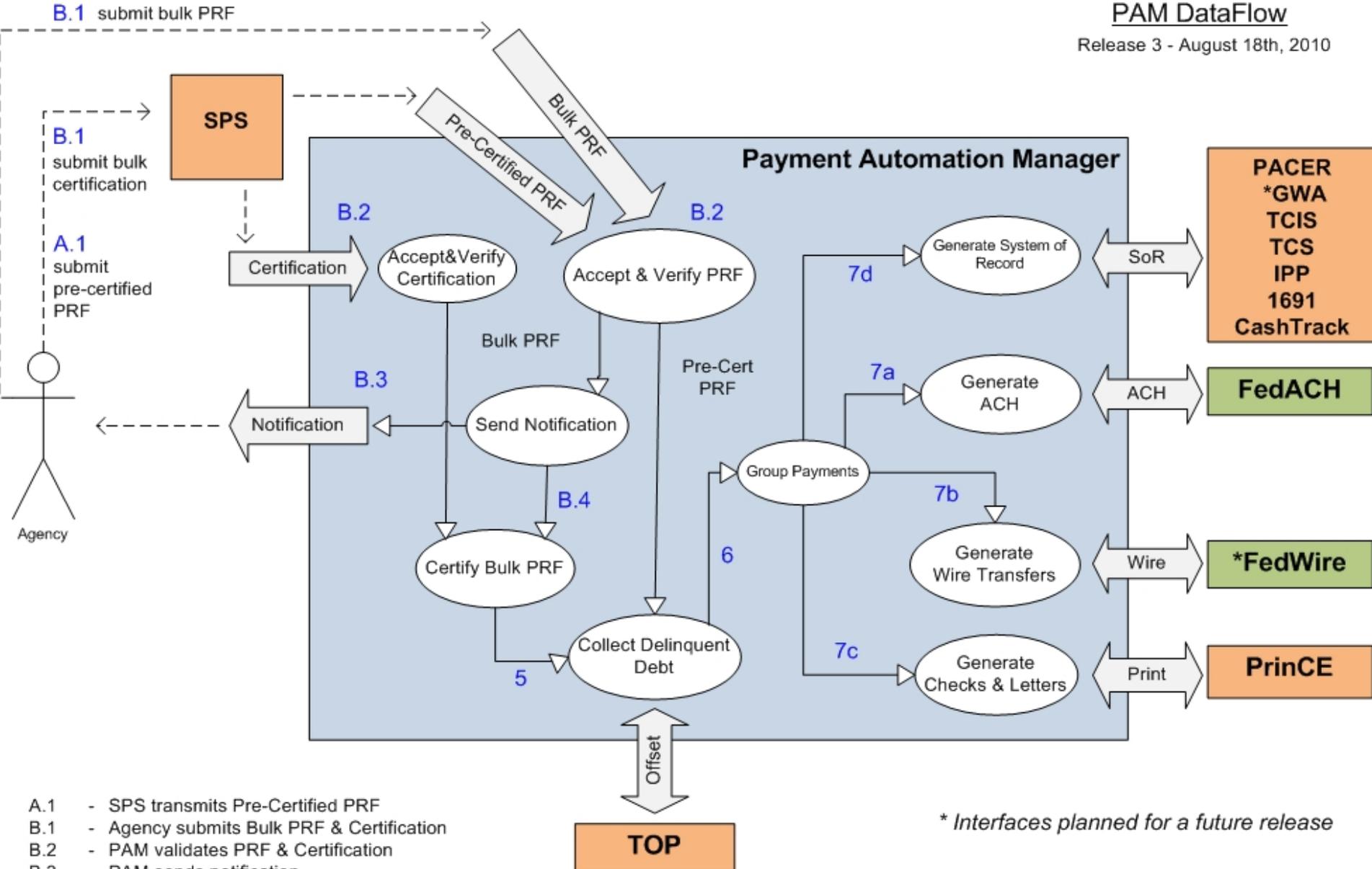
Payments made through the system are done right the first time: on time, every time



Release 3.0 – Daily, Vendor, Salaries, Travel and misc. payments



- ❖ New Functionality:
 - TOP Offsets with interface to TCS
 - Partial Payments
 - CashTrack
 - Internet Payment Platform (IPP)
 - PrinCE Standard Check Face
- ❖ Implementation Strategy:
 - November 2010 – April 2011
 - Transition Type B's beginning with KFC followed by AFC, SFC & PFC
 - Type A's available mid-February
- ❖ After agencies are transitioned based on the PAM transition schedule, agencies will see these changes:
 - Standard check face
 - Standard notification report (via email or connect direct)
 - SSN suppression
- ❖ Release 3.0 supports the current file formats. The PAM Standard format is supported beginning with release 3.1, except for CTX payments. Please reference the PAM timeline.



- A.1 - SPS transmits Pre-Certified PRF
- B.1 - Agency submits Bulk PRF & Certification
- B.2 - PAM validates PRF & Certification
- B.3 - PAM sends notification
- B.4 - PAM certifies Bulk PRF
- 5 - PAM processes offsets
- 6 - PAM assigns payment groups
- 7abc - PAM disburses for payment
- 7d - PAM sends data to systems of record

** Interfaces planned for a future release*



Reminders For Release 3.0



- ❖ PAM's automation involves schedules being streamed more quickly
 - Payment Request File is automatically matched to the SPS certification. In PAM there isn't any functionality to back out certified files, once they are matched, they are processed.



Certifying Officers should be sure that information is correct prior to certifying

- ❖ Payments will be processed with much less manual intervention.
 - No manual batch processing by an RFC operator. Certified schedule files are automatically picked up by PAM within seconds.



Reminders For Release 3.0



- ❖ All validations are conducted upfront.
- ❖ PAM 3.0 will provide the status of your Payment File via email and/or Connect:Direct file transmission.
 - Email distribution list maintained by the agency.
- ❖ Notification reports from PAM can be expected shortly after the transmission of the payment file.
 - Time could vary depending upon internet speed
- ❖ Check symbols are different for payments issued by legacy and PAM. Symbols will change as payments transition to PAM.



SSA / PAM Best Practice



❖ Early and Often Communication

❖ Meetings

- Right People
- Structure
 - Agenda
 - Action Items
 - Decisions

❖ Formats

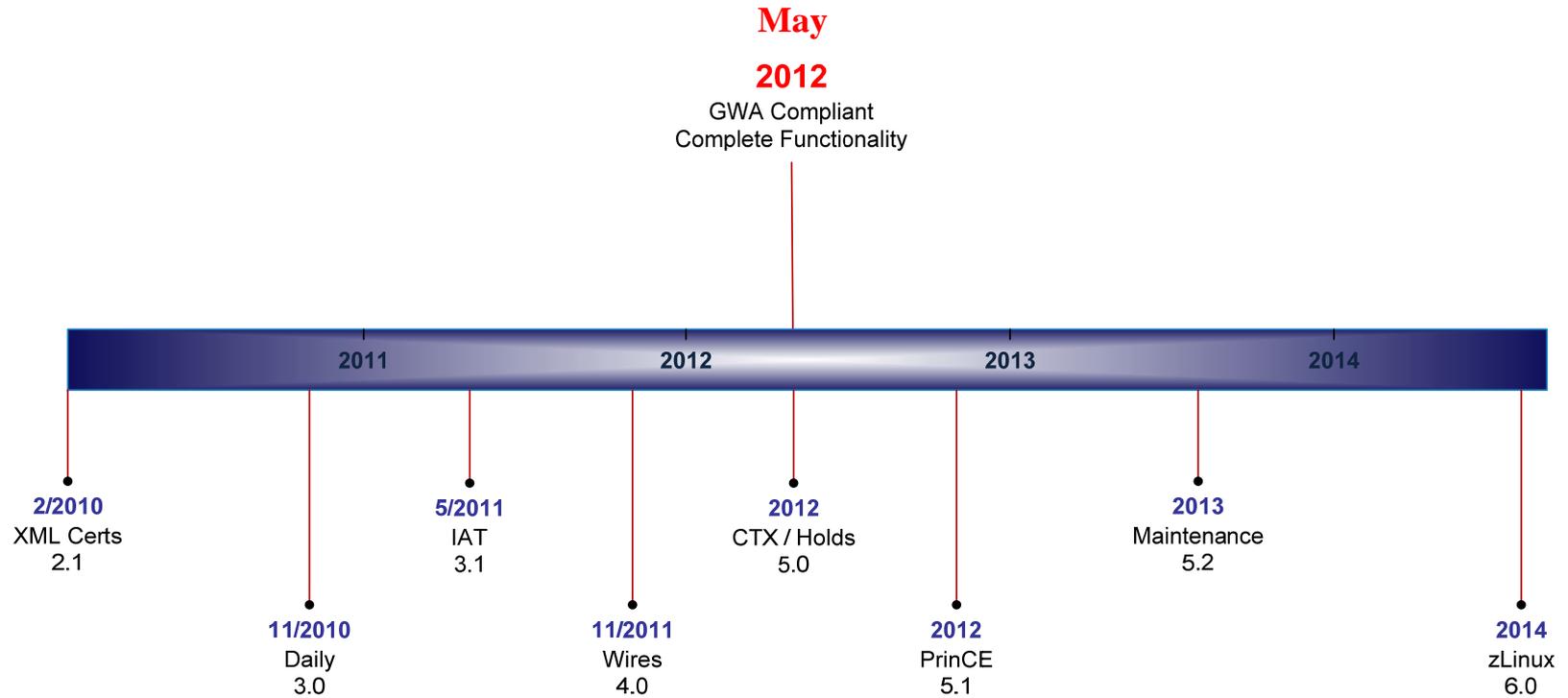
- Crosswalk



Future Releases



PAM Timeline





International ACH Transactions (IAT)



Release 3.1 IAT Payments



- ❖ NACHA rule change effective September 18, 2009 to support Bank Secrecy Act's "Travel Rule"
 - ACH payments to a domestic bank with the ultimate destination is overseas require Office of Foreign Assets Control (OFAC) screening.
 - OFAC administers the sanctions and embargos programs affecting target countries, target nationals, and other specifically identified companies and individuals on the Specifically Designated Nationals (SDN) list of "blocked parties"
 - Not ITS.gov payments
 - Contact San Francisco Regional Financial Center



Release 3.1 IAT Payments



❖ PAM's Role

- PAM has the responsibility for providing the mechanism to accommodate IAT payments
- Must use PAM Standard Input Format
- PAM will be able to receive IAT payments in the standard format in May 2011
- When ready, PAM will review in detail the Standard Input Format

❖ Recent decision by Treasury to send payments for secondary screening

- OFAC compliance for FMS
- Agencies still responsible for conducting OFAC screening
- PAM will not have functionality to send payments for screening until November 2011.



Release 3.1 IAT Payments



❖ Agency's Role

- Identify payments that meet IAT requirements
- Convert IAT payments to PAM standard format
- Agency will send payment data to PAM on a separate schedule/file as IAT
- Examples of additional information required for IAT payments
 - Request for additional address information
 - Party Name will be 35 for IAT as opposed to 22 characters for CCD & PPD
 - Payee Address Line 1
 - CityName
 - ISO Country Code (International Organization for Standardization)



Release 4.0 (Wires)



❖ Scheduled for November 2011

- No change to agencies
- Agencies will continue to enter information into SPS as you do today
- Streamed to PAM as they are received by agencies
- Same Day Pay Requests are subject to offset (New)
- OFAC Screening (NEW)
- GWA Alignment for GWA reporting
 - TAS/BETC Adjustments
 - Difference Report



Corporate Trade Exchange Payments (CTX)



Release 5.0



❖ CTX - May 2012

- CTX – PAM Standard Input Format
- All functionality available in PAM to accommodate GWA with this release



PAM Website / Contact Information



PAM Website



- ❖ <http://fms.treas.gov/pam/index.html>
- ❖ Will contain information on
 - PAM Project Updates
 - PAM 3.0 Transition Schedule
 - PAM File Formats (PAM Standard Format, C:D File Format)
 - Training Dates & Times for 2010
 - Formats can be downloaded from the website
 - TAS/BETC information
 - Related websites
 - <http://www.fms.treas.gov/pam/resources.html>
 - Sign up to receive e-mail notifications when the PAM website has been updated.
 - Frequently Asked Questions
 - Do I have to use the PAM File Format?
 - Who will be my RFC Contact after my agencies payments are processed by PAM?



PAM Contact Information



❖ RFC Contacts

- Austin Financial Center: 512-342-7300
- Kansas City Financial Center: 816-414-2100
- Philadelphia Financial Center: 215-516-8000
- San Francisco Financial Center: 510-597-7300

❖ PAM Program Management Office Contacts

- **Jesse Chavez**, PAM Program Management Analyst
 - Contact for Agency Outreach
 - 816-414-2108
 - Jesse.Chavez@fms.treas.gov
- **Lori Meyer**, PAM Training Coordinator
 - Contact to schedule Standard Format Training
 - (816) 414-2237
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Questions

