



Payment Application Modernization (PAM) Supplemental Security Income (SSI) & Agency Best Practice

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Treasury Payments Environment



Federal Program Agencies (FPAs)

- **200+** FPAs generating payments
 - Social Security Administration
 - IRS
 - Social Security Income
 - Veterans Administration
 - Payrolls
 - Vendors, etc.
- Payment instructions & payment authorizations are transmitted from FPAs in various formats to the Treasury

4 Treasury Regional Financial Centers

- 1 standardized application will replace **30+** payment processing applications, many of which have redundant functionality
- Use of current technology to replace legacy applications that are decades old and use COBOL and Assembler
- Automated workflow will eliminate numerous manual processes
- **11** interfacing applications
- Application operates within FMS computing environment

Payments Issued

- Nearly **1 billion** payments issued annually
- Annual disbursements exceed **\$1.6 trillion** to more than **100 million** individuals
- **80%** are electronic payments

PAM 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

Past Releases:

- ❖ **Release 1.0** implemented on **March 15, 2008**
 - 51.2 M SSI ACH payments totaling over \$23 billion dollars annually
- ❖ **Release 2.0** implemented on **February 21, 2009**
 - 38.1 M SSI Check payments totaling over \$18 billion dollars annually
 - All RFC's began printing checks through PAM
- ❖ **Release 2.08** implemented on **November 1, 2009**
 - SSI Daily Check and ACH payments

Recent Releases: Release 2.1



❖ Release 2.1 deployed to production on **February 13, 2010**

- SPS streaming functionality
 - SPS began streaming certifications June 5th
- Completed RFC Training and setup new users
- Includes garnishment exempt code for Benefit Agencies
- Additional performance improvements



No Impact to Customer Agencies

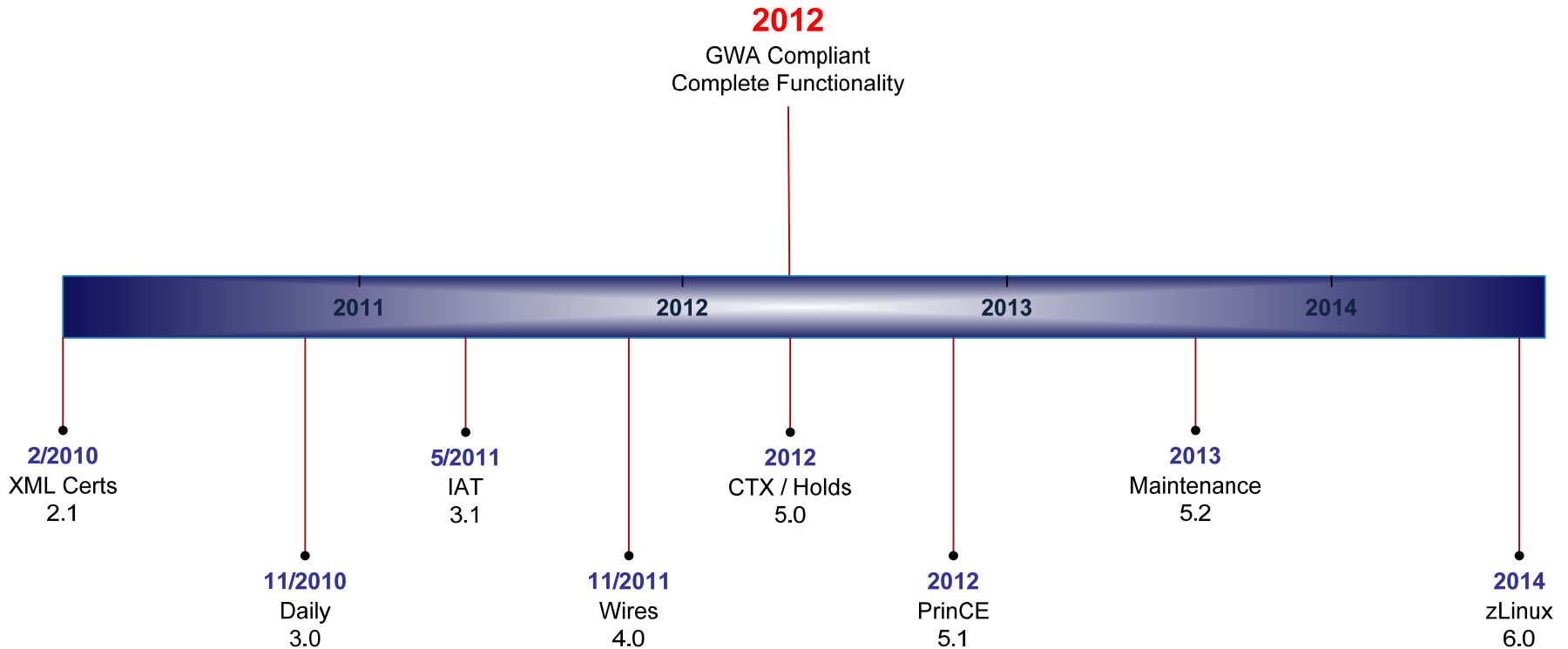
Upcoming Releases: Release 3.0



- ❖ Includes Daily, Vendor, Salaries, Travel and misc. payments
- ❖ New Functionality for Release 3.0
 - TOP Offsets with interface to TCS
 - Partial Payments
 - PAM Standard Format
 - Internet Payment Platform (IPP)
 - 164 Million Payments Annually
- ❖ **Target Production Date – November 2010**
- ❖ Implementation Strategy:
 - November 2010 – March 2011
 - Transition Type B's beginning with KFC followed by PFC and SFC *
 - Type A's available mid-February



PAM Timeline



I-Clicker Question 1

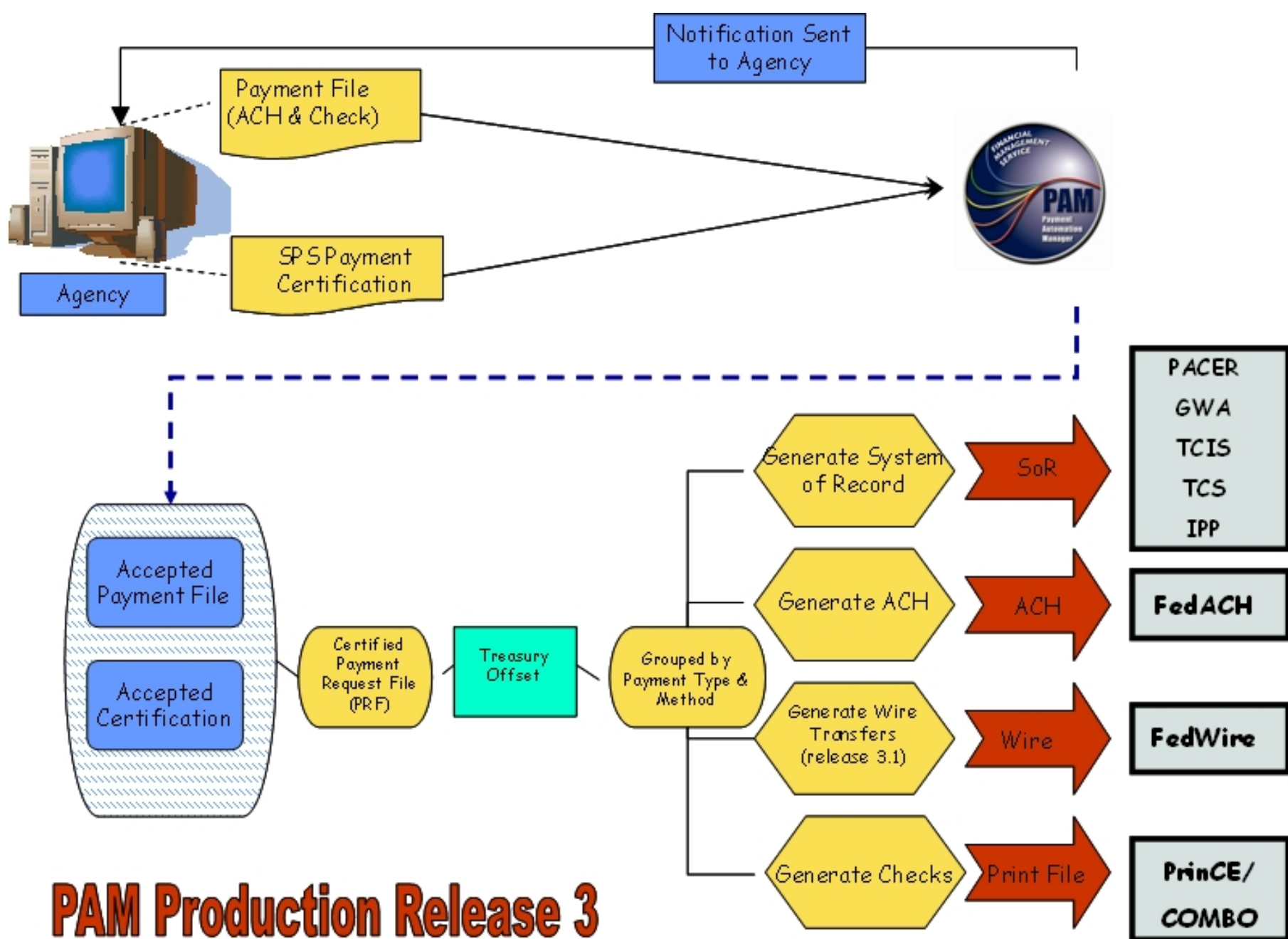
**What “new” functionality is included
in the PAM Release 3.0?**

- a) Same Day Payments**
- b) International ACH Transactions (IAT)**
- c) TOP Offsets**
- d) SSI Monthly Checks**

What “new” functionality is included in the PAM Release 3.0?

- a) Same Day Payments
- b) International ACH Transactions (IAT)
- c) **TOP Offsets**
- d) SSI Monthly Checks

PAM 3.0 Flow



PAM Production Release 3

PAM vs. Legacy

- ❖ 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 payment files are automatically picked up by PAM Input Management and processed every 15 minutes.

PAM vs. Legacy (cont.)

- ❖ 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.
- ❖ PAM will provide one standard notification report by Connect:Direct. The format will be similar to the legacy format but may require a few agency modifications if the file is uploaded into an internal application.
- ❖ Notification reports from PAM can be expected shortly after the transmission of the payment file.
 - Time could vary depending upon internet speed
- ❖ C:D Notification format is posted on the PAM Web-site.

PAM vs. Legacy (cont.)

- ❖ Email and C:D will include notification if the file was:
 - Successfully validated with no invalid records
 - Successfully validated with invalid records
 - Rejected and include reasoning
- ❖ Email and C:D will also detail:
 - Type of payment request
 - Date and time the request was accepted
 - Payment Request File (PRF): total items and total amount received
 - ACH: items and total amount received
 - Check: items and total amount received
 - ALC on E-mail (Enhancement Request issued) TBD
- ❖ Received file status will also be provided including:
 - Control Number
 - Date and Time Validation was performed

I-Clicker Question 2

The certifying officer should be sure that information is correct prior to certifying.

- a) True
- b) False

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The certifying officer should be sure that information is correct prior to certifying.

- a) True**
- b) False**

I-Clicker Question 3

What is the method in which the notification report from PAM will be sent?

- a) Fax
- b) E-mail
- c) Connect: Direct
- d) Both b and c

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PAM Standard Notification

- ❖ Work with the servicing RFC to:
 - Identify type of notification requested:
 - E-mail notification and/or
 - Standard Notification by Connect:Direct
 - Identify file transmission requirements such as ACID and Dataset Name.
 - Use of an existing ACID and Dataset Name can be supported by PAM without Security Access changes..
 - If a new receiving Dataset Name is required by the Agency the RFC can assist with Security Access requests.
 - Perform connectivity and standard notification testing.
- ❖ Agency code to read/process the Standard Notification format (as desired)

RFC	Incoming DSN	ACID	Agency Notification Name
Current	FROXr.xxxx.EFT	RrUT	Current or New DSN
	FROXr.xxxx.SALCHK		
	FROXr.xxxx.VENCHK		
	Benefit DSN - FROXr.xxxx.		

Standard Notification: Connect:Direct



RUN DATE = mm/dd/yyyy PAM VALIDATION REPORT RUN TIME = hh:mm PAGE nnn

ACH

AGENCY FILE DSN: FROK agency.type.moreinfo				IM FILE DSN: FROPr.agency.type.cnnnnnn		
CONTROL NUMBER	AGENCY ID	AGENCY FILETYPE	AIC NUMBER	SCHEDULE NUMBER	ITEMS	AMOUNT
Cnnnnnn	nnnnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnnnnnnnn	n, nnn, nnn, nnn	\$n, nnn, nnn, nnn, nnn. nn
Cnnnnnn	nnnnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnnnnnnnn	n, nnn, nnn, nnn	\$n, nnn, nnn, nnn, nnn. nn

Accumulated Payments =
 Reported Totals =
 File is Accepted with Errors

- 5 invalid RTN 1st occurrence on payment request # 1015
- 3 invalid CityName 1st occurrence on payment request # 983

CHECK

AGENCY FILE DSN: FROK agency.type.moreinfo				IM FILE DSN: FROPr.agency.type.cnnnnnn		
CONTROL NUMBER	AGENCY ID	AGENCY FILETYPE	AIC NUMBER	SCHEDULE NUMBER	ITEMS	AMOUNT
Cnnnnnn	nnnnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnnnnnnnn	n, nnn, nnn, nnn	\$n, nnn, nnn, nnn, nnn. nn
Cnnnnnn	nnnnnnnnnn	nnnnnnnn	nnnnnnnn	nnnnnnnnnnnnnn	n, nnn, nnn, nnn	\$n, nnn, nnn, nnn, nnn. nn

Accumulated Payments =
 Reported Totals =
 File is Accepted with Errors

Standard Notification: E-Mail



pam.uat@fms.treas.gov

04/20/2010 03:15 PM

Please respond to
pam.uat@fms.treas.gov

To Integration Test NFC <pam.uat@fms.treas.gov>

cc

bcc

Subject Status of your PRF Rel 3.0.4

The US Treasury (FMS) has received a payment request of type **VENDOR CHECK** for the National Finance Center.

On 04/20/10 at 04:14:45 PM EDT the validation process was accepted.

PRF DETAILS:

11 items for a total of \$151,298.55
Control Number C004233

PAYMENT DETAILS:

Schedule Number: 0000M031060045
11 CHECK items for a total of \$151,298.55
Certification control number is C004233

RECEIVED FILES:

File 1: Status Passed validation. ACCEPTED.
Agency Dataset FRYU5.NFC1.VENCHK.D100420,
PAM Dataset FRYUK.NFC1.VENCHK.C004233,
Item Count 11,
Total Payment Amount \$151,298.55,
Date Validation Performed 04/20/10,
Time Validation Performed 04:14:44 PM EDT

Standard Notification: E-Mail



pam.uat@fms.treas.gov
04/20/2010 03:15 PM
Please respond to
pam.uat@fms.treas.gov

To Integration Test NFC <pam.uat@fms.treas.gov>
cc
bcc
Subject Status of your PRF Rel 3.0.4

The US Treasury (FMS) has received a payment request of type **Daily ACH** for the National Finance Center.

On 04/20/10 at 04:14:46 PM EDT the validation process was accepted with errors.

PRF DETAILS:

1874 items for a total of \$17,374,617.69
Control Number C004232

PAYMENT DETAILS:

Schedule Number: 331020042
112 ACH items for a total of \$166,669.24
Certification control number is C004232

Schedule Number: 381020037
18 ACH items for a total of \$236,833.97
Certification control number is C004232

Schedule Number: A429112501
350 ACH items for a total of \$7,269,256.15
Certification control number is C004232

Schedule Number: 671020036
48 ACH items for a total of \$17,541.34
Certification control number is C004232

PAM 3.0 Transition



- ❖ Projected production for November 2010
 - Transition on target for November 2010 thru March 2011
- ❖ Transition daily payments over to PAM from Legacy
 - Excludes remaining Legacy payments (SSA, RRB, Tax, OPM, VA etc.)
- ❖ Bulk Payment File with Summary Certification will be transitioned first.
- ❖ SPS Manual Certifications will be transitioned second.
- ❖ Agencies may be contacted by your serving RFC
 - Connect:Direct set-up information
 - Email Distribution information.
- ❖ The agency Transition Schedule is not finalized
 - Final Transition Schedule will be posted on the PAM Website.

PAM Standard Format

PAM Standard File Format



- ❖ Implemented with Release 3.0
 - Agency Testing begins
- ❖ Standard Format will be required by 2014:
 - GWA Reporters
 - IAT (International ACH Transaction) payments
 - Agencies will be able to send payments with TAS/BETC using the Standard Format after release 3.1.
- ❖ Updated Format posted to the PAM Website
 - (version 3.1.0 dated August 2010)
- ❖ Format does not include CTX data elements

PAM Standard File Format



- ❖ Submit one file with one or more schedules
 - Not intended to allow for more than one file per schedule (i.e. one file can have multiple schedules but one schedule cannot span across multiple files).
- ❖ One summary certification should be submitted for each schedule in the file. (One certification cannot cover multiple schedules i.e. Blanket Certifications)
- ❖ PAM format will need a schedule number/ALC for ease in matching to the certification
- ❖ The assigned Input Management control number will be used to correlate the payment files to the certification

Standard Check Face

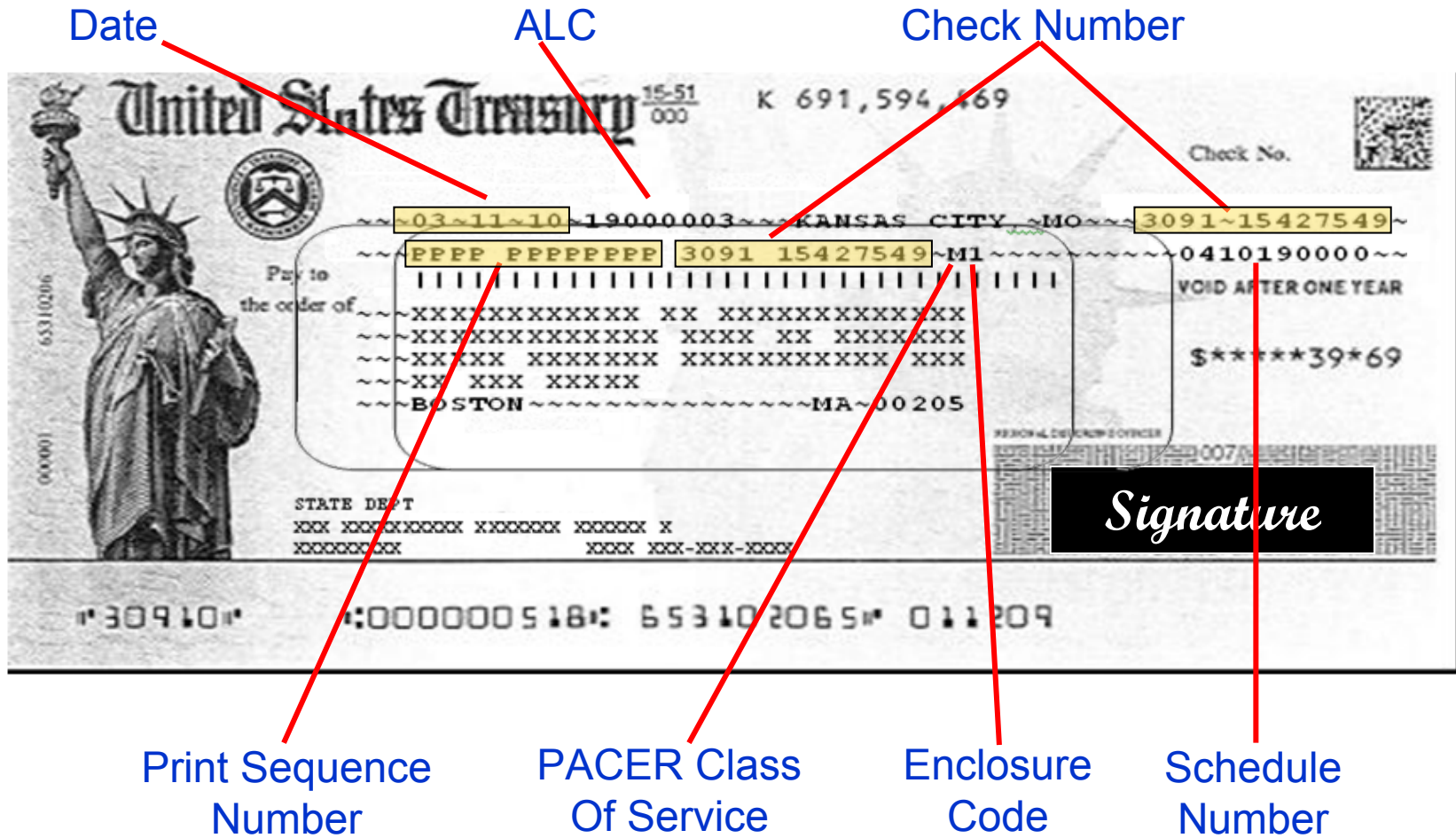
PAM Standard Check Format



❖ Why Standardize?

- Currently supporting 30+ unique formats
- Undocumented – buried deep in legacy code
- Directive to eliminate agency uniqueness
- Reduce maintenance for PAM and PrinCE
- Old formats created for a device FMS retired 15 years ago
- Simplify
 - Print Sequence Number
 - Check Number
 - Schedule Number

PAM Standard Check Format



SSN Suppression



- ❖ Goal – Suppress the Payee ID (SSN, TIN, EIN etc.) in all ACH records for personal privacy protection reasons (includes Prenotes & NOC's)
- ❖ Display only the last four digits of the Payee ID on the Payee's Bank Statement
- ❖ Cancellations – PACER will include full SSN from the original payment data
- ❖ Financial Institutions and Agencies will be notified prior to implementation
 - FRB Broadcast notification to Financial Institutions
 - Email notification to Agencies from servicing RFC
- ❖ Agency Impact Minimal – Payee may see a difference on Bank Statement
- ❖ Implementation – PAM Release 3.0



SSI/PAM Partnership

Denny Lessner

SSI/PAM Partnership



❖ Background

- SSA began the relationship with Kansas City Financial Center when responsibility for the Legacy SSI payment Application was transitioned from Birmingham. At that time, SSI became an active member of the KFC Customer Advisory Board and established a lasting relationship with the center's staff. Because of the rapport, when approached by KFC to participate in the early release of the PAM application, we became a willing participant.

❖ Key Partnership Activities

- Requirement and schedule planning
- Payment and aftermath testing
- Policy discussions
- Release acceptance

SSI/PAM Partnership



❖ End to End Testing

- SSA and FMS coordinated testing of all production ready changes to verify and document batch payment and aftermath processes, file exchanges, and data acceptance within systems at both agencies.
- Processes tested included:
 - SSI payment file transmits
 - PAM payment processing:
 - E-mail notifications
 - ACH and Check payment generation
 - System of Record Information (PACER and TCIS)
 - Backend Processes:
 - Return Payments and Cancellations
 - Claims Processing (PACER and SSA systems)
 - Courtesy Disbursement
 - Teletrace
- Benefits:
 - SSA received a complete set of documentation on all payment and aftermath test results including payment samples and views of data in on-line system such as PACER-Online.
 - SSA and FMS reviewed results and signed a joint acceptance letter for audit purpose.

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SSI/PAM Partnership



- ❖ SSI recognized several key factors that have contributed to PAM's successful releases:
 - Cooperation
 - “SSA realized the importance of the project and became a willing participant. Because of the rapport, the excellent working relationship between Treasury, Federal Reserve Bank and Social Security paved the road for success.”
 - Communication
 - “Because of all of the people involved and the demanding changes required, the weekly calls were a benefit and should continue throughout the life of the project.”
 - Flexibility
 - “If there was a determination of a high failure rate on any aspects that might adversely affect our recipients, Treasury displayed the flexibility to make necessary changes.”



- ❖ <http://fms.treas.gov/pam/index.html>
- ❖ Will contain information on
 - PAM Project Updates
 - 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
 - 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?



Overview: Payment Application Modernization (PAM): ...

Home Feeds (J)

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Payment Application Modernization (PAM)
Overview
The PAM Project is an effort to modernize the current mainframe-based software applications that are used to disburse approximately 1 billion federal payments annually. The existing payment system is a configuration of numerous

Updates
Updated November 06, 2009

- [Formats Training Update](#)
- [UPDATE Milestone Chart & Release Schedule](#)
- [Letter from PAM Project Sponsor SPS, PAM File Formats with GWA Changes](#)

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I Clicker Question 4

What key factors contribute to SSA and PAM's successful partnerships?

- a) Cooperation, Communication, Flexibility
- b) Quick Decision Making, Judgmental, Cynical
- c) Computer Geeks, Generation X, and Trekkies
- d) Both have major league baseball teams (Orioles & Royals) in transformation

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Contacts

❖ 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

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Questions?

