

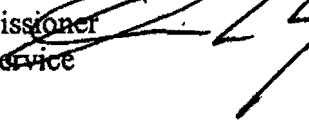


COMMISSIONER

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
WASHINGTON, D.C. 20227

January 14, 2011

MEMORANDUM FOR ALL CFOs AND DEPUTY CFOs

FROM: David A. Lebryk, Commissioner
Financial Management Service 

SUBJECT: Upcoming FMS Systems Changes and Timelines

The Department of the Treasury's Financial Management Service provides payment, collections, and financial reporting services to your agency. In an effort to improve, strengthen and reduce the cost of these services while increasing efficiencies to your agency -- something that we know is becoming increasingly important to you -- FMS has undertaken a number of modernization efforts in each of these areas. Consistent with our responsibilities and authorities related to payments, collections, and central accounting and reporting, this letter outlines upcoming requirements and timelines for each of these areas. Agencies will need to comply with the stated requirements by the dates indicated. We are providing this information now so that your agency can begin planning well in advance.

In some cases, the changes will be invisible to the agencies. Where the change will have an impact on your agency, we are interested in working with you to ensure a smooth transition. We have included points of contact in each section to assist in that process. I would also encourage personnel from your agency to attend the Governmentwide Accounting Conference we are holding on January 26 and 27 at the GSA auditorium in Washington, D.C. More information on the conference and other outreach efforts can be found in the attachment.

Payments

FMS is modernizing payment operations through the Payment Application Modernization (PAM) project, which will consolidate more than 30 legacy applications into a single application that will process agency payment requests in a more efficient and cost effective manner.

Effective October 1, 2014, all Federal agencies using Treasury disbursing services will be required to submit payment data in a newly developed standard input format. Using the new PAM standard format, your agency will provide Treasury Account Symbol/Business Event Type Code (TAS/BETC) information along with your payment files, satisfying new Governmentwide Accounting (GWA) reporting requirements.

Much of the information associated with making a payment is uniform and lends itself to using a standard input format. We expect agencies to use the standard format to prepare and submit both check and electronic payments (ACH/Wire) to their servicing Treasury/FMS Regional Financial Center (RFC).

Agencies may begin using the new PAM standard format as early as mid-2012, when they will be able to process payments with the TAS/BETC. Payment certifications through the Secure Payment System (SPS) will also accommodate the TAS/BETC beginning mid-2012. In the coming months, we will contact you to discuss conversion implications and a transition timeline. The current version of the PAM standard format can be found at fms.treas.gov/pam/formats.

Agencies making payments through the Automated Standard Application for Payments (ASAP.gov) and International Treasury Services (ITS.gov) are also required to begin reporting TAS/BETC information by October 1, 2014. If agencies are prepared to report earlier, ASAP.gov can be used effective the end of 2012, and ITS.gov effective mid-2012.

Agencies that disburse their own payments will have additional reporting requirements and FMS will be contacting those agencies directly.

Collections

To improve our revenue collections services, FMS continues to advance the Collections and Cash Management Modernization (CCMM) initiative. This will ultimately save the government money by eliminating duplicative functions and simplifying systems, and will provide better service by implementing a streamlined enterprise architecture that focuses on efficient ways to meet our customers' business needs. In addition, the collections channels and the Transaction Reporting System (TRS) will facilitate the data capture and reporting of classification information for the GWA initiative discussed later in this letter.

All agencies are required to convert from legacy systems to the new end state systems and enterprise architecture for collections by December 31, 2012, the date for full CCMM implementation. To meet this deadline, it is imperative that all Federal agencies adhere to the following transition timeline:

- Transition from Treasury General Account Network (TGANet) to the Over The Counter-Network (OTCnet) by June 30, 2011.
- Transition from using Treasury Tax and Loan (TT&L) Plus for collateral monitoring to the new Treasury Collateral Management and Monitoring System by December 31, 2011.
- Enroll in the Transaction Reporting System, the one stop centralized revenue collection data repository, to view detailed and summarized collection data (replacing data provided through CASHLINK II) by December 31, 2012.
- Recognize that FMS will complete all steps to break apart and decommission CASHLINK II by December 31, 2012.
- Convert all over the counter deposits entered into CASHLINK II to OTCnet, the new web-based system for electronic check capture and deposit reporting, by December 31, 2012.
- Transition from Paper Check Conversion Over-The-Counter (PCC OTC) to OTCnet by December 31, 2012.
- Convert Fedwire and Automated Clearing House (ACH) credit electronic lockbox transactions to the Credit Gateway by December 31, 2012.

As the CCMM effort progresses toward full implementation, we will continue to reach out to agencies to provide information about upcoming requirements. We will also provide ample time to prepare for the transitions. We held two webinars in 2010 to inform agencies about CCMM. Additional webinars are scheduled for February 3 and June 30. These presentations are on the FMS website, along with other CCMM information including commonly asked questions.

FMS has the structure in place (such as customer service support, various training models, automated conversion tools, etc.) to support agencies in achieving the conversions and implementations of CCMM end state systems in accordance with the transition timeline highlighted above. For more information, please visit our website at fms.treas.gov/ccmm, or contact the CCMM team at ccmm@fms.treas.gov.

Governmentwide Accounting and Reporting

The Governmentwide Accounting Modernization Program (GWAMP) laid the foundation to modernize the Federal government's central accounting and reporting system, transforming current governmentwide central accounting into real-time, event-driven processes and enabling better financial management across government. With the December implementation of Parallel Agency Transaction Support (PATS) 3, FMS has successfully enhanced the capability in the central accounting system to classify transactions in real time and eliminate the need for two tier classification/reconciliation, thereby completing the GWA Modernization Project (GWAMP).

In order to achieve governmentwide benefits and efficiencies, all Federal agencies will be required by October 1, 2014, to submit TAS/BETC information on all transaction types (IPAC, Payments, Collections). Currently, 80 Agency Location Codes (ALCs) have transitioned to classifying transactions at initiation, many eliminating their end-of-month reporting. Though most activity is IPAC-related, collection and payment transactions are also being classified daily.

To meet the October 1, 2014 deadline, agencies should:

- Reference and adhere to Intragovernmental Business Rules at <http://www.fms.treas.gov/tfm/vol1/bull.html>.
- Review standardization updates, such as CGAC data implementation dates, at our Financial Management and Budget Standardization website at <http://www.fms.treas.gov/finstandard/index.html>.
- Minimize the use of clearing accounts.
- Incorporate the requirement to provide the TAS/BETC at the time of transaction.

FMS will complete modifications to these systems to capture the TAS/BETC at the transaction level by December 31, 2012. We will meet with each CFO agency to discuss the agency's transition plan and to identify specific dates when your systems will be ready to capture and report TAS/BETC information by transaction type.

Finally, by early 2013, FMS plans to have replaced several legacy systems with a trial-balance reporting system, the Financial Information Reporting and Standardization (FIRST) initiative. This will require quarterly Adjusted Trial Balance (ATB) submissions

for all Treasury Account Symbols and replace the existing requirements for input into Federal Agencies' Centralized Trial-Balance Systems (FACTS I and FACTS II), Intragovernmental Reporting and Analysis System (IRAS), and the Intragovernmental Fiduciary Confirmation System (IFCS) submissions. FIRST will completely integrate the GWAMP data, and reduce the number of central reporting systems agencies must use, ensuring consistency of the data.

For more information, please visit our website at www.fms.treas.gov/gwa or contact us at gwa.project@fms.treas.gov.

Treasury Financial Manual

Concurrent with the implementation of the initiatives described above, FMS is reviewing The Treasury Financial Manual (TFM) to ensure that agencies have the necessary requirements and guidance to carry out their responsibilities with respect to these and other initiatives over the next 18 – 24 months. We will be working with agencies to determine possible changes to the TFM to make it as accessible and informative as possible.

End Results

Implementing these initiatives will greatly facilitate the ongoing effort to modernize the Federal government's payments, collections and central accounting and reporting systems. The end result will be greater efficiency, cost savings, and data quality improvements throughout government.

Collaboration is key to a successful, smooth and seamless transition to these new systems, and crucial to maintaining continued excellence in providing financial management operations and support. An example of this collaboration will be a two-day GWA Conference that will be held on January 26 and 27 at the GSA auditorium. The conference will provide up-to-date information on future and on-going FMS initiatives allowing attendees to raise issues and have questions addressed. In addition, you have my commitment to continue our one-on-one meetings to discuss important initiatives and how we can work together to resolve issues.

Attached is a chart outlining upcoming FMS conferences, webinars and training classes regarding implementation of these modernization initiatives. Please do not hesitate to contact FMS the e-mail addresses listed above or at CFOletter@FMS if you would like to schedule a similar type of meeting. We look forward to working with you on these critical transitions in the coming months.

Attachment

cc: Daniel Werfel
Richard Gregg