

# ReclaTrace: Streamlining the Reclamation Process

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# What is ReclaTrace?

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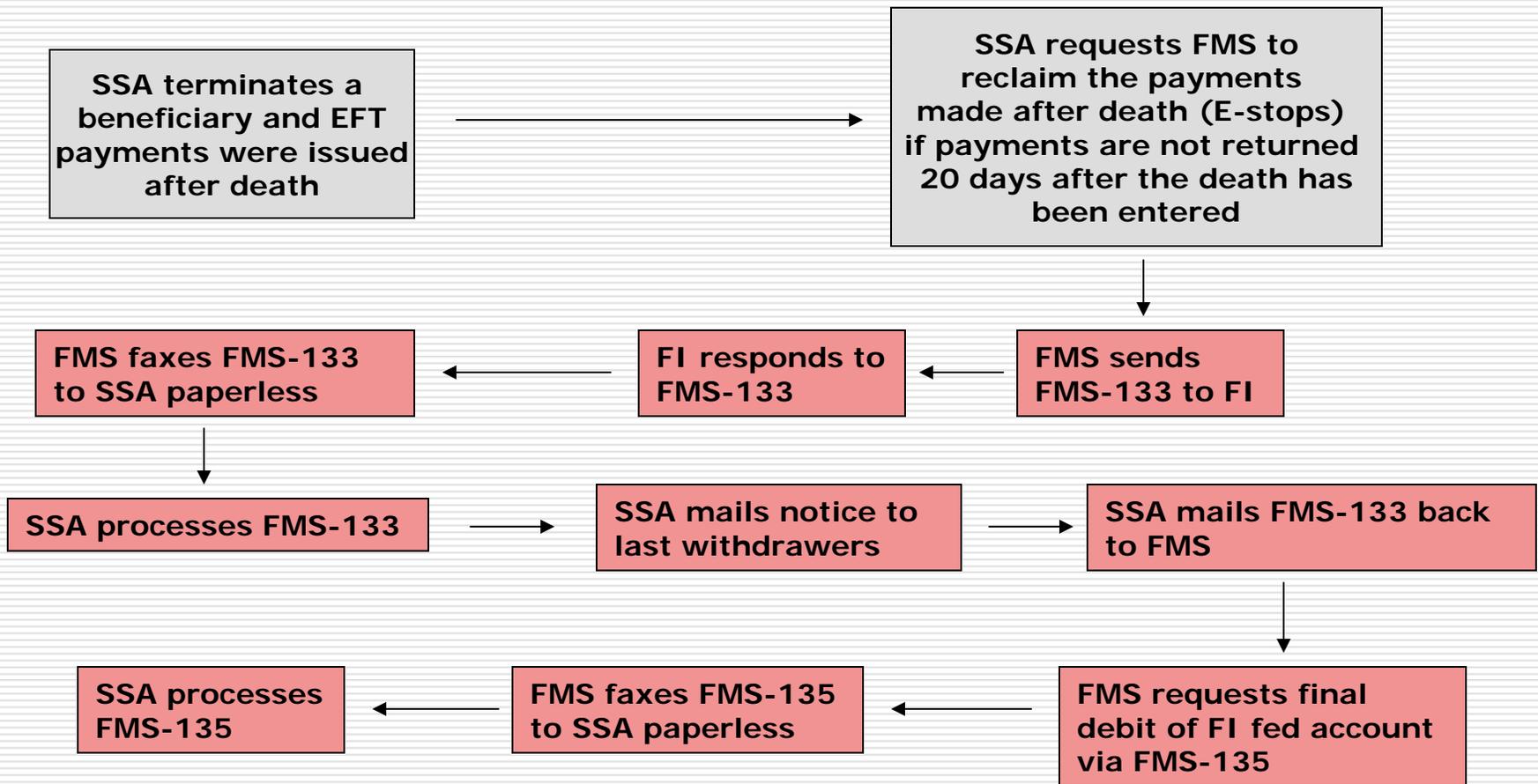
- An idea from the Office of Payment and Recovery Policy (OPRP) to streamline reclamation processing
  - The Department of the Treasury's (DT) Financial Management Service (FMS) would establish a reclamation staff, set up similar to Teletrace, that processes SSA's Title II EFT reclamations to completion
  - FMS' Kansas City Financial Center (KFC) willing to develop the program for the ReclaTrace system
  - No systems changes required at SSA

# What is a Reclamation?

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- Example:
  - SSA receives a late notification of death on 01/15/07 for a beneficiary who died on 01/15/06
  - 12 electronic funds transfer (EFT) payments were made after the beneficiary died
  - Financial Institution (FI) is given 20 days to return payments
  - If payments are not returned:
    - SSA generates E-stops (reclamation requests) to FMS on the 12 payments made after death
    - FMS forwards a notice of reclamation to the FI asking them to return the incorrectly paid funds
    - **Multiple transfers of paperwork between SSA and FMS**
    - FMS returns any funds reclaimed to SSA

# Current Reclamation Process



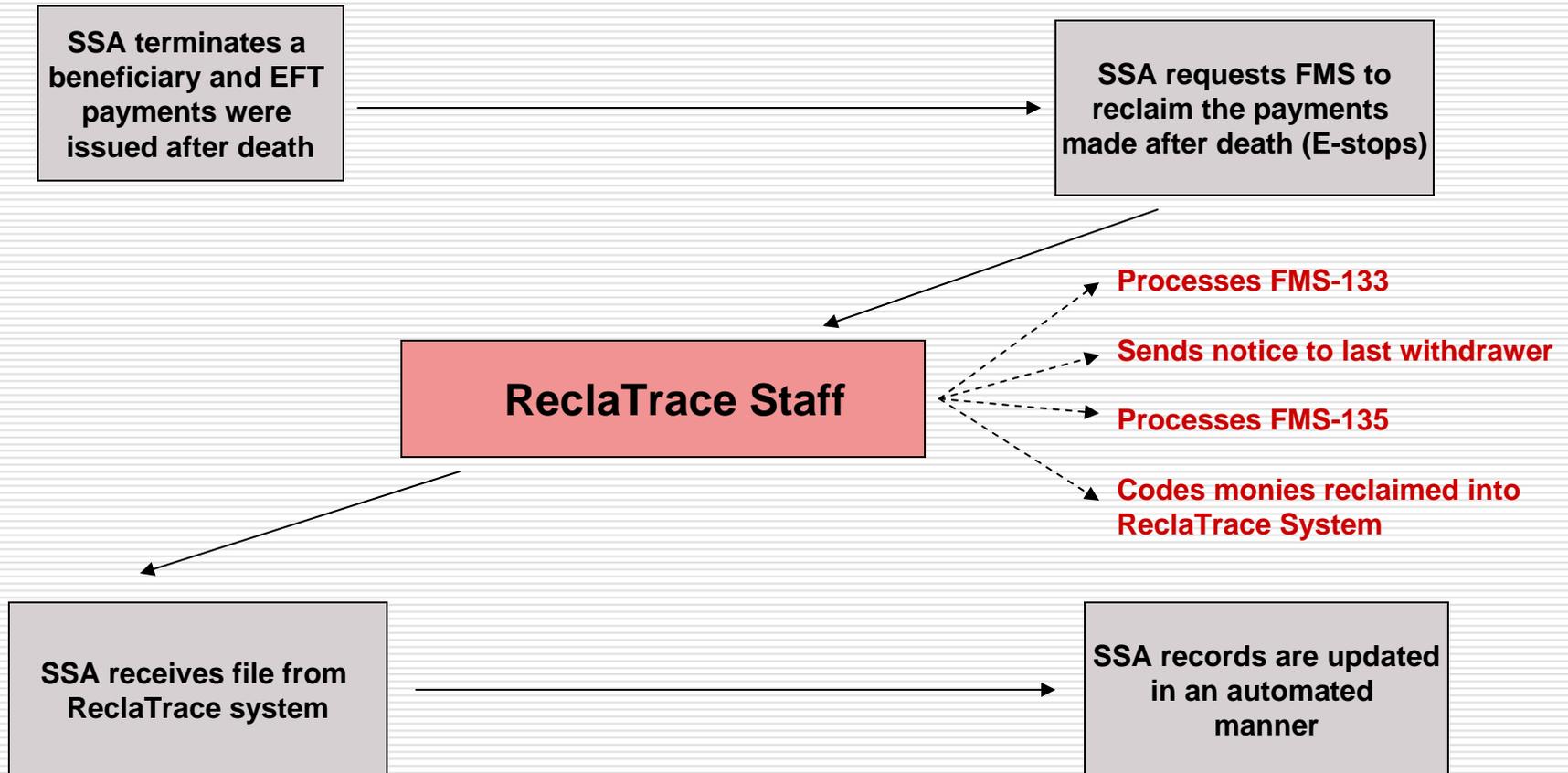
# Why is ReclaTrace needed?

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- ❑ Processing Center (PC) reclamation workload is paper bound and labor intensive
- ❑ Reclamation numbers are expected to increase alongside increased EFT participation
- ❑ Channels for automation already developed

# How would ReclaTrace work?

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# The ReclaTrace Staff

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- ❑ Operates in one of Treasury's Financial Centers
- ❑ Uses SSA payment records (MBR/PHUS) to analyze reclamation requests
- ❑ Contacts last withdrawers (sends notice) on SSA's behalf
- ❑ Forwards final debit requests to FIs based on a time limit (time limit still TBD)
- ❑ Processes reclamation requests from start to finish
- ❑ Transmits payment file to SSA to update records with monies reclaimed just as they are today

# What are the Advantages of the ReclaTrace Process

## Current Process

- ❑ Multiple transfers of paperwork between FMS and SSA
- ❑ Multiple exceptions/alerts generated in the SSA PCs
- ❑ Labor intensive
- ❑ Puts burden on financial institutions
- ❑ Reclamations not completed timely

## ReclaTrace Process

- ❑ FMS and SSA do not have to transfer paperwork
- ❑ Minimizes reclamation workload in the PCs
- ❑ Automation increases accuracy and eliminates backlog problems
- ❑ Eases paths of communication between SSA, FMS and the FIs
- ❑ Collects SSA incorrectly paid funds in a more efficient manner based on a time limit

# What is the Estimated ReclaTrace Workload

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- Title II reclamations only (Title XVI to be phased in at a later date)
- Estimated 10,000 – 15,000 reclamation requests (E-stops) submitted by SSA per month
- Estimated 1,500 cases per month will need an attempt to contact the last withdrawer (18,000 per year)
- Exception process – return to SSA PC via CD
  - Example: Last withdrawer would like to repay the funds in installment payments

# What are the Benefits to FMS?

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- ❑ Simplification of the EFT reclamation process
- ❑ Eliminates the paper
- ❑ Supports FMS' plans to limit the amount of time an agency has to debit an FI's federal account to 3 years
- ❑ Consistent with FMS' plans to increase automation in reclamation processing
- ❑ Strengthens inter-agency communication and partnership

# What are the Benefits to the FI?

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- ❑ More efficient and timely processing of final debit request for limited liability amount
- ❑ Would allow for easier control of SSA reclamations
- ❑ Would be working with one primary agency

# What are the Benefits to SSA?

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- Would minimize:
  - reclamation workload (alerts/exceptions/backlog)
  - Accounts Receivable System (ARS) controlling reclamations issue
  
- Estimated to save 14 SSA workyears
  
- No systems changes required
  
- Automated updates will increase accuracy on payment records
  
- Speedier, more efficient way to collect incorrectly paid funds
  
- Supports SSA's stewardship goals and objectives through process streamlining and automation enhancements to the reclamation process

# Current Systems Integration

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## Inputs to FMS Systems

- E-Stops that flow into PACER
- Scanning and manual entries into PACER at FMS after response from Financial Institution (FI)

## Outputs from FMS Systems to SSA

- GOALS financial reporting
- Forms faxed into SSA PC Debt Management Branch (720/730 Reports with FMS-133/135 remittance data)

# Proposed Systems Integration for ReclaTrace

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- Inputs to FMS Systems and ReclaTrace
  - E-Stops that flow into PACER
  - Daily file generated from PACER inputs and imported into ReclaTrace system (similar to Teletrace process)
  
- Outputs from ReclaTrace to SSA
  - GOALS financial reporting
  - Remittance file in format that SSA can use to update SPA/ARS/PHUS
  - Referrals (e.g., database, spreadsheet, or other format)
  - Performance reporting

\* - New processes in color

# System Integration Issues

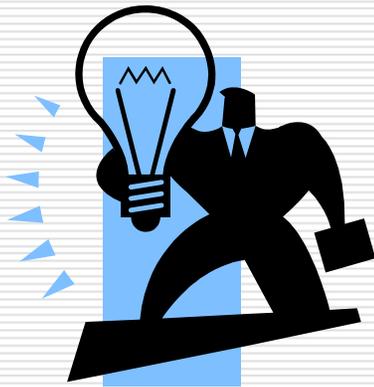
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- ReclaTrace to create file and integrate with SSA's 4208/SPA/ARS process
  - Automate processing of remittances that are associated with reclamations
- Testing/Validation support

# Next Steps

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- ❑ Develop project timeline (Draft Due to SSA 07/09/07)
- ❑ Develop Memorandum of Understanding (MOU)
- ❑ Gather system requirements
- ❑ Develop ReclaTrace system in KFC
- ❑ Add to Change Control Board (CCB) agenda
- ❑ Union Notification
- ❑ Test and validate file transfer
- ❑ FMS Training on MBR/PHUS
- ❑ Implement 60 day Pilot at Austin Financial Center
- ❑ Evaluate results of Pilot
- ❑ Implement ReclaTrace



**Any  
Questions?**