

Financial Management Service

PFC Journal

Agency Forum

Philadelphia Financial Center Agency Forum Rings the Bell on FMS Initiatives

The Philadelphia Financial Center (PFC) met with several agency customers on August 22 and 23 at the Financial Management Service's (FMS) Liberty Center in Washington, DC to brief them on important changes and updates being made to key FMS programs and policies and to allow agencies the opportunity to provide input on FMS' services. Many of the policies and programs discussed at the forum were directly in line with FMS' strategic goals. There were over 40 representatives from various Federal program agencies in attendance.



Front row: Kathryn Gave (FMS), Idelisa Valentin (HUD) Lisa Andre (FMS), Back Row: James Wilde (Peace Corps), Matthew Helfrich (FMS)

Gavin Jackson, director of the Project Management Division in Payment Management (PM), welcomed all meeting attendees and talked about the nature of the forum. Gavin specifically discussed FMS' efforts to increase the percentage of Federal payments made by electronic funds transfer (EFT). He thanked PFC's customer agencies for their efforts to increase the number of vendor and miscellaneous payments made by EFT, and encouraged them to continue this progress. Gavin also offered praise to the agencies for achieving and maintaining a high level of compliance providing Taxpayer Identification Numbers (TINs) in payment requests to FMS. In particular, Gavin recognized Betty Theuer from the Department of Education, whose efforts helped Education dramatically increase their TIN compliance from 2005 until present.

Mike Norman from Government-wide Accounting (GWA) briefed the agency representatives on the progress of the

Government-wide Accounting Modernization Project (GWAMP), and Mike Berdak from PM spoke about the impact of GWAMP on the Secure Payment System (SPS). Teresa Ricoy from the Federal Reserve Bank of Boston discussed the features and benefits of the Internet Payment Platform (IPP), which provides agencies with a multitude of solutions to improve their accounts payable services. Susan Helm addressed the issue of international direct deposit by providing the agency representatives with information on ITS.gov. Peter Moore and Gregory Crawford from Federal Finance (FF) provided agencies with insight into FMS' Holistic Approach for collections, and Dean Balamaci from Debt Management Services (DMS) concluded the first day of the forum with a presentation on the Treasury Offset Program (TOP) and other DMS programs.

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Agency Forum (Continued)

On the second day of the Forum, Matt Helfrich, Kathryne Gave, and Lisa Andre from PFC discussed FMS' payment policies and payment-related issues with the attendees; including EFT, TIN compliance, and Notification of Change (NOC) compliance.

An important component of the Forum was the input and feedback that PFC received from the agency attendees. Agencies offered best practices on important topics such as EFT compliance, provided feedback on important initiatives such as the SPS changes to implement GWAMP, and shared ideas to improve the NOC process.

For additional information, please contact Lisa Andre at (215) 516-8142 or lisa.andre@fms.treas.gov.

Providing Consistency for the Federal Financial World

FMS Implements the Pilot Financial Data Registry

The Financial Management Service (FMS) Enterprise Data Architecture Team is pleased to announce implementation of the pilot FMS Financial Data Registry. It is located on the FMS website at <http://fms.treas.gov/eda>.

The Registry is an authoritative reference for information about government-wide financial data elements, specifically those data elements commonly used across multiple business lines within FMS and across multiple external agencies. It is being developed to promote the common identification, use, and appropriate sharing of financial data/information across FMS and the Federal government. Standardization of financial data/information will help FMS facilitate several government-wide financial projects designed to promote efficiency and reduce costs.

This initial release of the Registry encompasses data elements documented in the Common Government-wide Accounting Classification (CGAC) Structure, which was released in August 2007 by the Financial Systems Integration Office (FSIO). Additional data elements will be added as various business lines are incorporated over time.

This release of the Registry also contains the current version of the FMS Transaction XML Schema, which will become a standard way of representing financial transaction data across all of FMS' business lines. Responsibility for establishing and maintaining the FMS Financial Data Registry and data-related standards falls under the Enterprise Data Architecture Team. The Enterprise Data Architecture Team is also diligently engaged with other US Government organizations such as Financial Management Line of Business (FMLoB), Financial Systems Integration Office (FSIO), Common Government-wide Accounting Code (CGAC), that are charged with the responsibility of maintaining a consistent and uniform set of financial data-related standards.

Please contact Ed Coia at (202) 874-7039 or EDA@fms.treas.gov if you have any questions.

Updating Your Financial Institution's Information with the FRB – A Quick Guide

The Financial Organization Master File (FOMF) is a Department of the Treasury master list of financial institutions receiving Federal government Automated Clearing House (ACH) payments. It contains the Routing Transit Numbers (RTN) and a single financial institution name, mailing address and contact phone number for each RTN. The FOMF is derived from the Federal Reserve Bank's (FRB's) ACH Customer Directory (ACD), which contains the RTNs and related information of all valid ACH participants. The FOMF is updated on a monthly basis using information from the most current ACD file.

The Department of Treasury's Financial Management Service (FMS) relies on the contact information provided via the FOMF to send financial institutions time sensitive correspondence, such as Notices of Reclamations. These documents are mailed by FMS to the address listed on the ACD. In the event that a Notice of Reclamation is returned to FMS for an insufficient or incorrect address, the financial institution's liability does not change. If the financial institution fails to respond to the Notice of Reclamation correctly and timely, they are liable for the entire amount of the Notice of Reclamation. This could result in a substantial debit to your Federal Reserve account that could have been avoided if correct information was provided in your ACD profile.

The phone number provided in the ACD is used by our Teletrace program to research ACH non-receipt claims from Federal payment recipients. It is important for us to be able to contact your institution's ACH Department by phone so that your customer's non-receipt claim can be resolved in a timely fashion.

Ultimately, financial institutions are responsible for keeping their name, mailing address and phone number for each RTN current and accurate with the FRB. Any changes to RTN data should be provided to the FRB as soon as possible so that the ACD and FOMF contain current data. If the financial institution fails to notify the FRB, it will be held liable for information (e.g., reclamation notices) mailed to obsolete addresses.

If a financial institution changes RTNs (e.g., due to merger), it must notify its servicing FRB's ACH Department as soon as possible to have the old RTN updated on the ACD. Updates to the ACD will automatically update the FOMF. Additionally, financial institutions should send a Notification of Change (NOC) to each originating Federal agency from which it receives recurring payments to update their RTN in their respective payment files.

The following steps should be taken in updating RTNs:

- Delete an obsolete RTN only after all activity has been transferred to the surviving RTN
- Confirm that no activity is being received on the obsolete RTN prior to deletion
- Allow at least three months after the update to the ACD before deleting an obsolete RTN

If an institution wants to update the information that appears on the ACD file, they should submit "Attachment E" of the FedACH Participation Agreement to their designated FedACH Central site. The FedACH Participation Agreement can be accessed on the FRB website: <http://www.frbservices.org/StandardForms/index.html>.

If you have any questions in reference to updating data, you should contact the appropriate Central Operations Support Site:

Atlanta

Toll Free: (866) 234-5681

Minneapolis

Toll Free: (888) 883-2180

Districts Supported: Boston (1), New York (2), Philadelphia (3), Cleveland (4), Richmond (5), Atlanta (6)

Districts Supported: St. Louis (8), Minneapolis (9), Kansas City (10), Dallas (11), San Francisco (12)

Tip Sheet for Financial Institutions: How to Limit Your Liability for ACH Treasury Reclamations

Reclamation is a procedure used by the Federal government to recover benefit payments made through the Automated Clearing House (ACH) to the account of a recipient who died or became legally incapacitated or a beneficiary who died before the date of the payment(s). The government's right to reclaim funds is established in Title 31 of the Code of Federal Regulations Part 210, Subpart B, Section 210.10(a). By accepting a recurring benefit payment from the government, a receiving depository financial institution (RDFI) agrees to the provisions of 31 CFR 210, including the reclamation actions and debiting of the RDFI's Federal Reserve Bank account for any reclamation for which it is liable.

Under 31 CFR Part 210, financial institutions are fully liable for all Federal benefit payments received through the ACH after death. Financial institutions can limit their liability for payments subject to reclamation if they had no actual or constructive knowledge of death at the time of deposit or withdrawal of post death payments, and adhere to the following guidelines outlined below:

- Immediately return any post death payment(s).
- The financial institution should immediately determine if the account balance is sufficient to cover the amount of the Notice of Reclamation and return any remaining balance up to the amount of the reclamation. This minimizes the risk of incurring any liability for the withdrawal of any post-death payments. When returning a partial payment, the financial institution must return a check to the Regional Financial Center specified in the notice.
- The financial institution should check for other types of Federal benefit payments received by the deceased and take steps to ensure these post-death payments are returned promptly. If the account remains open and additional payments are credited to the account, these payments become a part of the amount that must be returned in response to the Notice of Reclamation.
- The financial institution must mail the Notice to Account owners copy of the Reclamation form to the last address of the account owners, notifying the owners of any action it plans to take against the account and certify on the form (in certification #1) that the account owners copy was mailed.
- The financial institution must also provide the name and address of any account owners or persons with access to the account if returning less than the full amount of the Notice of Reclamation for Federal benefit payments received from the Railroad Retirement Board, Social Security Administration, and Veterans Administration. The Right to Financial Privacy Act prohibits financial institutions from releasing account holder information for all other Federal benefit payments subject to reclamation. Financial institutions should enter "*Federal Law Prohibits the release of this information – refer to Title 31, CFR Part 210 and the Green Book*" for these payments, if attempting to limit their liability.
- The financial institution must certify (certification # 2) the date it received the reclamation and the date it first learned of the death or incapacity of the recipient. When any of the above information cannot be provided, the financial institution should include a written statement explaining why the information cannot be furnished.
- Respond to the Notice of Reclamation timely so that it is received by the Regional Financial Center within 60 days from the date of the notice. If the financial institution fails to limit its liability by the 61st day after the original notice, their Federal Reserve account will be debited for the full amount of the reclamation.

For more information on reclamations policy questions, please contact the Customer Service Branch, Philadelphia Financial Center, at (215) 516-8154. Questions on specific reclamations should be directed to the San Francisco Financial Center at (510) 594-7183 or the Austin Financial Center at (512) 342-7300.

Introducing the Customer Service Branch at PFC

On June 10, 2007, important organizational changes occurred at the Philadelphia Financial Center (PFC) designed to improve agency customer service. The reorganization combined two different organizational units, both with customer-focused missions, into the newly-formed Customer Service Branch (CSB).

Specifically, the reorganization that occurred on June 10 combined PFC's Customer Assistance Staff (CAS) and Claims branch into a single unit. PFC's CAS was responsible for educating agencies on FMS' programs and policies, and providing assistance to agencies to comply with FMS policies. The branch also worked closely with the financial community to ensure compliance with FMS policies related to Automated Clearing House (ACH). PFC's Claims branch was responsible for a full range of ACH processing and research tasks on behalf of PFC's customer agencies, specifically the processing of ACH non-receipt claims for Federal payment recipients. An analysis of the two branches in late 2005 determined that combining the branches into one single unit would improve customer service and professionalize the ACH services that PFC provides to its customer agencies. For example, the combination of CAS and Claims into CSB has already improved collaboration between employees responsible for ACH processing and the employees responsible for outreach with the financial community. This collaboration among the employees has allowed PFC to better identify financial institutions that require assistance from PFC to comply with FMS ACH regulations.

The newly-formed CSB is made up of three sections: two ACH processing sections and the Education and Marketing section. The ACH processing sections are responsible for researching agency non-receipt claims, processing ACH returns, return remittance, notifications of change, and assisting agencies and the public with ACH claims issues. The Education and Marketing section is responsible for outreach to agencies and the financial community to educate them on new policies and systems and help them comply with FMS policies.

The manager of CSB is Matthew Helfrich, who previously served as the manager of PFC's CAS. The supervisors of the ACH sections are Phyllis Daniels and Leonard Watley, who collectively have extensive supervisory experience in the Federal government. The supervisor of the newly-formed Education and Marketing section is Lisa Andre, who maintains a wide array of experience in ACH issues as a former supervisor of an ACH processing section. Matt, Phyllis, Leonard, Lisa, and the entire CSB staff invite you to contact them with any issues or questions related to Government ACH and FMS' policies, programs, and systems.

Questions or issues related to agency non-receipt claims and ACH returns/remittance should be directed to Phyllis Daniels at (215) 516-8150 or Leonard Watley at (215) 516-8078. Questions or issues related to FMS programs, policies, and/or systems should be directed to Lisa Andre at 215-516-8142.

The Philadelphia Customer Service Branch is available to assist you.

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The Philadelphia Financial Center Newsletter entitled PFC Journal is presented by the Customer Service Branch and addresses a variety of topics of interest to individuals in the Federal financial community.

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The PFC Journal is available exclusively on our website.

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