



PFC Journal

Minority Bank Deposit Program

Written by Vendetta Patterson, Management & Program Analyst

The Minority Bank Deposit Program (MBDP) is a voluntary program that encourages Federal agencies, state and local government, and the private sector to use banks participating in the MBDP as depositories and/or financial agents. Institutions participating in the program as depositories and/or financial agents can offer services such as deposits of public money, cash advances to Federal grantees, certificates of deposit (CDs), and card services. The program was designed to stimulate economic development for underprivileged communities and businesses, including minority-owned financial institutions.

Minority banks are an important part of the communities they serve and are vital to many inner city neighborhoods. Most minority-owned banks have a mission to assist communities that are challenged with economic weaknesses. They typically offer financial services to small minority-owned businesses, and help to strengthen and add vitality to the communities they serve. Historically, minority-owned banks have worked diligently to strengthen their institutions by aggressively marketing and providing efficient and competitive services to their communities.

In order to participate in the MBDP, a financial institution must be a federally-insured depository where 51 percent or more of the voting stock is owned or controlled by one or more socially and/or economically disadvantaged individuals. These groups include African Americans, Native Americans, Hispanic Americans, Asian Americans and/or women. A minority-owned financial institution that wishes to participate in the program must complete an application online at <http://fms.treas.gov/mbdp/forms.html>. The Financial Management Service (FMS) is responsible for providing certification of eligibility for institutions wishing to be designated as a participant in the MBDP. FMS maintains and publishes the roster of participating financial institutions, which is accessible to Federal agencies, state and local government agencies, as well as the private sector and minority banks. For a list of current participants in the MBDP, please visit the MBDP website at <http://www.fms.treas.gov/mbdp/index.html>.

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Federal agencies are encouraged to utilize participants in the MBDP for financial services through guidance outlined in the *Treasury Financial Manual*, Volume 1, Part 6, Chapter 9000 (Securing Government Deposits in Federal Agency Accounts), which can be accessed at <http://www.fms.treas.gov/TFM/vol1/v1p6c900.html>.

Additional information regarding the MBDP can be obtained from its website at <http://www.fms.treas.gov/mbdp/index.html>. Specific questions about the program can be directed to Mary Bailey at (202) 874-7055 or Mary.Bailey@fms.treas.gov.



Internet Payment Platform (IPP)

Written by Diane Jackson, Lead Management & Program Analyst

The Internet Payment Platform (IPP) is an application provided by the Financial Management Service (FMS) and the Federal Reserve Bank of Boston that automates and streamlines many of the processes associated with Federal government vendor payments. IPP offers Government-wide efficiencies by reducing or eliminating paper based processing associated with accounts payable units, enhances FMS' service to vendors by increasing access to quality payment data, and provides a single, central application for Federal agency and vendor interactions.

IPP consolidates up-to-date information from three major sources: the proprietary payment data from existing FMS disbursement and accounting systems, purchase order and receipt data from Federal agency systems, and invoice data from vendor systems. The efficient consolidation and use of this critical information allows IPP to offer the presentment and receipt of electronic purchase orders and invoices, automated routing and approval, and electronic notifications to vendors and agencies providing detailed payment information.

IPP offers its users modularity, thereby providing Federal agencies with the option to implement all or some of the IPP functions. For example, an agency that can already route its purchase orders electronically may wish to use IPP to provide its vendors with payment-related information.

The modules offered by IPP are:

- Electronic orders
- Electronic invoices and approval Workflow
- Payments reporting

It costs a vendor an average of \$7.50—\$30.00 per invoice to process a Federal purchase order.

Some of the features of IPP include:

- Single website to view EFT-based vendor and misc. Federal payments
- Payment information containing full and offset payments
- Allows Federal agencies to obtain discounts more easily
- Facilitates compliance with Prompt Payment Act
- Centralized vendor directory
- Email notification
- Easy enrollment options for vendors

Source: International Account Payable Professional (IAPP), Gartner and Aberdeen Group

Federal agencies often face difficulty in providing prompt response to customer inquiries regarding payment transactions. This is largely due to the fact that detailed transaction information is housed in a variety of unconnected accounts receivable systems. This disconnect results in research which is both time consuming and costly for both the Federal agencies and their vendors. These factors place customer service, a key performance indicator for all Federal agencies, in jeopardy. IPP offers agencies and vendors a central repository of transaction information which allows them to respond to orders expeditiously, avoid unnecessary disputes, and to reconcile outstanding invoices.

Additionally, many Federal agencies currently struggle to make payments on a timely basis because of the time-consuming nature of paper-based document approval and routing systems. Agencies' inability to make timely payments not only result in costly Prompt Payment penalty costs, but also may discourage vendors from doing business with the Federal government. IPP's ability to automate and streamline important internal and external vendor payment processes
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Reclamations Exception Handling

Written by Debra Young-Stevens, Management & Program Analyst

Receiving Depository Financial Institutions (RDFIs) often encounter situations where they are uncertain of how to handle exceptions, or unusual circumstances related to Reclamation notices. Reclamations entail financial responsibility on the part of the RDFI and it is therefore important that they handle these exceptions properly. As a result, we have provided some *Quick Tips* below on handling unusual reclamation scenarios:

Date of Death Incorrect:

If the Day of the Month of the Death is Wrong

If only the day of the month of death is incorrect, the RDFI must provide a copy of the death certificate with the correct day of death in its response, as this could affect the calculation of the limited liability amount they are responsible for.

<i>If...</i>	<i>Then...</i>	<i>And...</i>
Only the day of the month of death is wrong	The RDFI must provide a copy of the death certificate with the correct day of death in its response, because this date change could affect the calculation of the limited liability amount	The RDFI must respond timely to the Notice of Reclamation

If the Month or the Year of Death is Wrong

If the month or year of death is incorrect, the RDFI must enter the correct date of death on the back of the Disbursing Office Copy of the Notice of Reclamation and sign Certifications 1 & 2. The RDFI must complete and return the Notice of Reclamation in a timely fashion so it is received by the Financial Management Service (FMS) within 60 days of the date on the Notice.

<i>If...</i>	<i>Then...</i>	<i>And...</i>
The date of death is later than the reported date of death	Sign Certification #1 on the back of the Disbursing Office copy of the Notice of Reclamation	The RDFI must respond timely to the Notice of Reclamation
The date of death is earlier than the reported date of death	<p>The RDFI must inform the account owners of the error, check the appropriate box on the back of the Disbursing Office Copy of the Notice of Reclamation, and pay the appropriate amount using the adjusted outstanding total.</p> <p><i>If the amount returned is less than the adjusted outstanding total:</i></p> <ul style="list-style-type: none"> - Sign Certification #2 on the back of the Disbursing Office Copy of the Notice of Reclamation - List by name and address all withdrawers, co-owners, and authorized signers. 	The RDFI must respond timely to the Notice of Reclamation

Questions regarding reclamations policy can be directed to Lisa Andre, Accredited Automated Clearing House Professional (AAP), at (215) 516-8142 or Lisa.Andre@fms.treas.gov. Inquiries related to specific reclamation cases can be directed to either the San Francisco Financial Center at (510) 594-7183 or the Austin Financial Center at (512) 342-7300.



PFC Brings Home the Gold!

On May 8, 2009, the Philadelphia Financial Center (PFC) Wage Grade and Wage Leader employees in the Payment and Mail Operations Branch (PMOB) were awarded the Gold Medal in the 2009 Excellence in Government Awards. The competition is sponsored by the Philadelphia Federal Executive Board (FEB). This award, in the “Trades and Crafts” category, was in recognition for PMOB’s tremendous accomplishments in support of the 2008 Economic Stimulus Program.

The Philadelphia area Excellence in Government Awards program is managed by the FEB, which serves 170 Federal activities encompassing three states and approximately 50,000 military, civilian and Postal Service employees. The annual awards ceremony takes place each year during “Public Service Recognition Week” to celebrate individual and group accomplishments, before an audience of Federal agencies and military commands serviced by the Philadelphia FEB.

PFC’s Wage Grade and Wage Leader employees were nominated for the award in the “Outstanding Trades and Crafts Performer” category. This category encompasses achievements of an exceptional nature, in occupations such as electricians, maintenance mechanics, plumbers, etc. This nomination was included amongst a record-breaking 312 individual submissions, across 15 award categories. Each nomination was screened rigorously, and ultimately ranked by a team of 21 senior managers from across 15 Federal agencies.

PFC’s nomination described how, from May 9, 2008 to July 11, 2008, the Wage Grade and Wage Leader employees in the Payment and Mail Operations Branch plated, printed, enclosed, wrapped, sorted and disbursed over 24.5 million “Stimulus Payments” with an estimated dollar value of over \$18.9 billion dollars. The PFC laborers, equipment operators, repairers, helpers and leaders cancelled vacations, voluntarily changed their work schedules, and worked diligently during weekends and Federal holidays to ensure these “Stimulus Payments” were made timely. The Wage Grade and Wage Leader employees at PFC displayed exceptional teamwork and exhibited extraordinary dedication to PFC, Financial Management Service, and Department of the Treasury goals.

PFC’s First Place Excellence in Government Award for Trades and Crafts winners are:

Amon Barnett	Roxann Hargust	Linda Tarkenton
James F. Beisel	David B. Harris	Lawrence Thompkins
Donald M. Blanco	Daniel Hart	Mark Wilson
Joseph P. Capece	Sharon Johnson	Christelle N. Woods
Sylvester D. Cooper	Tin Yee Lock	
Henry Deas, Jr.	Gary T. Lucchetta	
Joseph Dugan	Joseph Marshall	
Michael Ferebee	Charles J. Moffett	
Raynard Fluellen	Donnie E. Mole	
Brian R. Fontain	Matthew Moore	
Randy Q. Fowler	Mark Overby	
Barbara A. Gahan	Joseph J. Schuhl	
James A. Godboldt	Paul P. Smith	

Congratulations to the employees listed above for an exceptional job and their well deserved Gold Medal!



PFC Agency Forum—April 2009

Written by Deborah Jackson, Management & Program Analyst



The Philadelphia Financial Center (PFC) hosted an Agency Forum on April 29 & 30, 2009, at the Smithsonian Institution's African Art Museum and Peter Sackler Gallery in Washington, DC. The meeting provided agencies with insight into important program and policy changes that will have a significant impact on their financial management operations, as well as upcoming changes to critical Financial Management Service (FMS) systems that agencies routinely utilize. The meeting participants also had an opportunity to enjoy the impressive artifacts and paintings hosted in the Museum and Gallery where the meeting took place.

This Forum was a record setting event, as more than 100 agency representatives were in attendance, easily the most in

PFC history. PFC received positive feedback from the attendees about the Forum, including compliments on the topics addressed at the meeting, the quality of the speakers, and the unique nature of the meeting location. PFC is grateful to the Smithsonian Institution for allowing them to host this Forum at one of their museums.

Maria Middleton from FMS' Check Resolution Division presented on the Treasury Check Information System (TCIS) Integrated View, in which she shared several new system features that will benefit the agencies. Brett Smith from FMS' Federal Finance discussed the benefits of the Internet Payment Platform (IPP) with the audience. IPP provides an automated alternative to some of the time consuming paper-based tasks in the Federal Government vendor payment process.

Richard Haug from Federal Finance spoke about the US Debit Card, which provides agencies with a convenient, electronic alternative to check payments. Once issued, the card may be used at automated teller machines (ATM) to make cash withdrawals, or at point-of-sale (POS) terminals to make retail purchases. The launch and success of the Direct Express® Debit Mastercard was also discussed during this presentation. Susan Helm, from the Electronic Funds Transfer (EFT) Strategy Division, highlighted the benefits of International Treasury Services (ITS.gov), which provides agencies with the capability of making electronic payments to recipients in over 150 Countries. Susan spoke about the tremendous growth of ITS.gov from its inception in 2004, with \$1 billion dollars worth of transactions, to Fiscal Year 2008, in which \$20 billion dollars worth of transactions were made overseas.

Sam Kolb from the United States Secret Service (USSS) provided an informative and interactive presentation on Fraud and Counterfeiting of the U.S. Monies and U.S. Treasury Checks.

Keith Jarboe from FMS' Government-Wide-Accounting (GWA) presented updates on the GWA modernization effort. This modernization effort will eliminate monthly reconciliation by capturing all necessary data at the initial transaction and will have all accounting data available to agencies within 24 hours, if they become a GWA "Player." Keith further informed the attendees of the steps they need to take to become a GWA "Player", and the benefits of becoming a "Player" early on in the conversion effort. Margaret Flynn, from FMS' Payment Management division, presented the audience with upcoming changes to the Secure Payment System (SPS) that will improve system functionality. These changes became visible to agency users on June 22, 2009. Prominent SPS changes highlighted by Margaret were the ability to print details for multiple schedules from the main screen, providing Certifying Officers (CO) with cash forecasting reminders for large dollar schedules, and the ability to reuse schedule numbers when corrections are necessary for certifications.

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PFC Agency Forum—April 2009 (Continued)

Jesse Chavez from the Payment Application Modernization (PAM) team discussed the ongoing efforts of PAM, which is an initiative to modernize the various internal applications that FMS utilizes to make agency payments. In his presentation, Jesse highlighted the project goals for PAM, milestones, and future production releases.

The presentations delivered at the Forum revealed the ever-changing environment of Federal agency financial operations and the importance of effective coordination between FMS and its customer agencies to adapt to these changes. PFC is planning its next Forum on October 27th and 28th 2009, to continue to keep agencies abreast of new FMS products and initiatives.

For additional information, please contact Lisa Andre at (215) 516-8142 or lisa.andre@fms.treas.gov. Copies of the presentations delivered at the Forum on April 30th can be accessed at <http://fms.treas.gov/pfc/training.html>.



Left to Right: Donna Dahlen (SSA), Susan DeLabio (SSA), Richard Haug (FMS), Brett Smith (FMS)

Internet Payment Platform (Continued from Page 2)

improves agencies' capability of making timely payments and, in some cases, to take advantage of discounts by paying a vendor early.

IPP went into production in November 2007, with the Bureau of Engraving and Printing (BEP) and the Government Printing Office (GPO) as the first active customers. IPP is now used by a variety of Federal agencies, including the Small Business Administration (SBA), Bureau of Public Debt (BPD), Holocaust Memorial Museum, and Department of the Interior. In October 2008, IPP replaced Treasury's Payment Advice Internet Delivery (PAID) system that made payment information available to Federal agency vendors. All of the agencies using PAID services were transitioned to IPP at that time.

For more information on the IPP please contact Pavita Murthi at (202) 874-3685 or Pavita.Murthi@fms.treas.gov, or Teresa Ricoy (FRB Boston) at (617) 973-3027 or Maria.T.Ricoy@bos.frb.org.

*Mark your calendars!
PFC is having an
Agency Forum
October 27-28, 2009
at FRB Philadelphia!*

P.O. Box 51317
Philadelphia, PA 19115

Phone: 215-516-8000
Fax: 215-516-8010

Email: philly@fms.treas.gov

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.

The PFC Journal is available exclusively on our website.

<http://www.fms.treas.gov/pfc>