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Fiscal Service

U.S. DEPARTMENT OF THE TREASURY

Straight-Through Processing Changes to Government Cash Reconciliation

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Agenda

- Cash Forecasting Division (CFD) Overview
 - CFD Responsibilities
 - CFD Information Requirements
- Future Environment
 - What is Straight-Through Processing
 - What changes will occur
 - What new roles will CFD fill

Cash Forecasting Division Overview

CFD Responsibilities:

- Produce and Publish the Daily Treasury Statement
<http://www.fms.treas.gov/dts/index.html>
 - Summarizes the United States cash and debt operations for the Federal Government
 - Presented on a modified cash basis
 - Deposits are reflected as received
 - Withdrawals are reflected as processed

Daily Treasury Statement



DAILY TREASURY STATEMENT Cash and debt operations of the United States Treasury Thursday, June 18, 2015 (Detail, rounded in millions, may not add to totals)

TABLE I - Operating Cash Balance

Type of account	Closing balance today	Opening balance		
		Today	This month	This fiscal year
Federal Reserve Account	\$ 227,775	\$ 251,369	\$ 198,947	\$ 158,302
Supplementary Financing Program Account	0	0	0	0
Short-Term Cash Investments (Table V)	0	0	0	0
Total Operating Balance	\$ 227,775	\$ 251,369	\$ 198,947	\$ 158,302

TABLE II - Deposits and Withdrawals of Operating Cash

Deposits	Today	This month to date	Fiscal year to date	Withdrawals	Today	This month to date	Fiscal year to date
Agriculture Loan Repayments (misc)	\$ 39	\$ 595	\$ 7,546	Commodity Credit Corporation programs	\$ 43	\$ 236	\$ 12,227
Air Transport Security Fees	1	26	2,410	Defense Vendor Payments (EPT)	1,239	15,331	209,901
Cash FTDs Received (Table IV)	2,552	203,201	1,962,080	Education Department programs	481	5,988	130,151
Commodity Credit Corporation programs	7	102	2,527	Energy Department programs	133	1,814	23,078
Customs and Certain Excise Taxes	89	1,146	31,154	Federal Employees Insurance Payments	201	3,898	55,012
Deposits by States:				Fed. Highway Administration programs	308	2,547	25,435
Supplemental Security Income	12	296	2,482	Federal Salaries (EPT)	59	7,105	116,285
Unemployment	31	279	34,810	Food and Nutrition Services (misc)	123	1,872	22,898
Education Department programs	209	2,916	37,729	GSA programs	78	1,173	13,038
Energy Department programs	5	153	5,079	Health and Human Services Grants (misc)	298	4,993	66,968
Excess and GR Taxes	50	754	14,376	Housing and Urban Development programs	136	4,715	55,629
Federal Reserve Earnings	0	6,236	67,046	Interest on Treasury Securities	0	6,691	194,502
Foreign Deposits, Military Sales	57	2,563	19,729	IRS Tax Refunds Business (EFT)	80	742	19,888
Housing and Urban Development programs	4	131	2,215	IRS Tax Refunds Individual (EFT)	39	2,078	242,965
Taxes, Not Withheld	4,775	37,629	399,690	Justice Department programs	47	781	10,543
Interest rec'd from cash investments	0	0	0	Labor Dept. prgrms (excl. unemployment)	87	805	10,288
Justice Department programs	8	496	18,655	Medicaid	1,650	21,929	248,789
Postal Service	262	4,822	65,015	Medicare and Other CMS Payments	1,968	16,738	276,786
Other Deposits:				Medicare Advantage - Part C&D Payments	0	18,847	175,746
International Monetary Fund	418	418	11,022	Marketplace Payments	124	0	17,805
Medicare Premiums	370	1,180	28,201	NSA programs	12	1,055	11,900
Thrift Savings Plan Transfer	200	1,249	28,297	Postal Service Money Orders and Other	94	2,089	28,455
				Public Debt Cash Redemp. (Table II-B)	98,311	435,486	4,946,982
				Social Security Benefits (EFT)	46	52,630	590,555
				Suppl. Nutrition Assist. Program (SNAP)	213	4,543	53,742
				Temporary Assistance for Needy Families (TANF)	51	1,018	10,385
				Transportation Security Admin. (DHS)	8	180	1,832
				Unemployment Insurance Benefits	85	1,852	24,525
				Veterans Affairs programs	249	2,808	38,463
				Other Withdrawals:			
				Library of Congress	185	198	599
				Unclassified	918	14,178	197,588
Total Other Deposits	989	5,222	159,555	Total Other Withdrawals	1,101	45,196	527,210
Change in Balance of Uncollected Funds	0	0	0	Transfers to Depositories	0	0	0
Transfers from Depositories	0	0	0	Total Federal Reserve Account	106,979	867,538	8,019,238
Total Federal Reserve Account	83,384	896,388	8,088,712	Short-Term Cash Investments:			
Short-Term Cash Investments:				Transfers from Federal Reserve Account (Table V)	0	0	0
Transfers from Federal Reserve Account (Table V)	0	0	0	Total Deposits (excluding transfers)	\$ 83,384	\$ 896,388	\$ 8,088,712
Total Deposits (excluding transfers)	\$ 83,384	\$ 896,388	\$ 8,088,712	Total Withdrawals (excluding transfers)	\$ 106,979	\$ 867,538	\$ 8,019,238
				Net Change in Operating Cash Balance	\$ -23,594	\$ 28,828	\$ 69,473

This statement summarizes the United States Treasury's cash and debt operations for the Federal Government. Treasury's operating cash is maintained in an account at the Federal Reserve Bank of New York and in short-term cash investments. Treasury reinvests and then suspends its short-term cash investment program beginning in November 2008, but anticipates investing again when market conditions warrant. Major information sources include: Federal Reserve Banks, Treasury Regional Financial Centers, Internal Revenue Service Centers, various electronic systems, and information on the Public Debt. Information is presented on a modified cash basis. Deposits are reflected as received and withdrawals are reflected as processed.

SOURCE: Bureau of the Fiscal Service, Department of the Treasury. Note: The Daily Treasury Statement (DTS) is available by 4:00 p.m. the following business day on the Fiscal Service website www.fis.treas.gov/dts. For more information, call the Cash Forecasting Office at 202-674-9789.

Thursday, June 18, 2015

TABLE III-A - Public Debt Transactions

Issues	Today	This month to date	Fiscal year to date	Redemptions	Today	This month to date	Fiscal year to date
Bills:				Marketable:			
Regular Series	\$ 73,000	\$ 238,095	\$ 3,479,899	Bills:	\$ 96,984	\$ 300,974	\$ 3,505,900
Cash Management Series	0	30,000	30,000	Notes	0	110,123	1,072,227
Notes	0	134,984	1,349,579	Bonds	0	0	10,530
Bonds	0	13,000	142,376	Federal Financing Bank	0	0	0
Inflation-Protected Securities Increment	89	1,745	-7,754	Nonmarketable:			
Federal Financing Bank	0	0	0	United States Savings Securities	34	882	7,898
Nonmarketable:				Government Account Series	130,070	1,842,579	44,010,120
United States Savings Securities:				Hope Bonds	0	0	0
Cash Issue Price	2	26	619	Domestic Series	0	0	0
Interest Increment	2	427	4,538	Foreign Series	0	0	2,721
Government Account Series	154,824	1,844,728	43,947,323	State and Local Series	9	10,542	70,989
Hope Bonds	0	0	0	Other	1,285	13,165	177,213
Domestic Series	0	0	0				
Foreign Series	0	0	0	Total Issues	\$ 229,184	\$ 2,277,912	\$ 49,105,977
State and Local Series	0	804	86,148	Total Redemptions	\$ 229,181	\$ 2,278,065	\$ 49,857,345
Other	1,287	13,184	177,257	Net Change in Public Debt Outstanding	\$ 2	-\$ 152	\$ 328,628

TABLE III-B - Adjustment of Public Debt Transactions to Cash Basis

Transactions	Today	This month to date	Fiscal year to date
Public Debt Cash Issues:			
Public Debt Issues (Table II-A)	\$ 229,184	\$ 2,277,912	\$ 49,105,977
Premium on New Issues	0	0	4,067
Discount on New Issues	0	0	0
Bills (-)	13	30	964
Notes and Notes (-)	0	1,102	6,510
Federal Financing Bank (-)	0	0	0
Government Account Transactions (-)	154,824	1,844,728	43,947,323
Hope Bonds (-)	0	0	0
Interest Increment on United States Savings Securities (-)	2	427	4,538
Inflation-Protected Securities Increment	89	1,745	-7,755
Total Public Debt Cash Issues	\$ 74,276	\$ 429,878	\$ 5,238,633
Deposited in Federal Reserve Account			
Public Debt Cash Redemptions:			
Public Debt Redemptions (Table II-A)	\$ 229,181	\$ 2,278,065	\$ 49,857,345
Premium on Debt Buyback Operation	0	0	1
Discount on Debt Buyback Operation (-)	0	0	0
Federal Financing Bank (-)	0	0	0
Government Account Transactions (-)	130,870	1,842,579	44,010,367
Hope Bonds (-)	0	0	0
Total Public Debt Cash Redemptions	\$ 98,311	\$ 435,486	\$ 4,946,982
Withdrawn from Federal Reserve Acc.			

TABLE III-C - Debt Subject to Limit

Balance Transactions	Closing balance today	Opening balance		
		Today	This month	Fiscal year
Debt Held by the Public	\$ 13,071,247	\$ 13,073,549	\$ 13,062,706	\$ 12,784,971
Intragovernmental Holdings	5,081,493	5,079,148	5,100,148	5,039,100
Total Public Debt Outstanding	18,152,890	18,152,697	18,162,852	17,824,071
Less: Debt Not Subject to Limit:				
Other Debt	494	494	494	494
Unauthorized Discount	28,138	28,132	28,287	28,314
Federal Financing Bank	13,612	13,612	13,612	13,612
Hope Bonds	494	494	494	494
Plus: Other Debt Subject to Limit Guaranteed Debt of Government Agencies	0	0	0	0
Total Public Debt Subject to Limit	\$ 18,112,976	\$ 18,112,975	\$ 18,112,975	\$ 17,781,107
Statutory Debt Limit	\$ 18,113,000	\$ 18,113,000	\$ 18,113,000	*

*Statutory debt limit temporarily suspended through March 15, 2015.
As of March 16, 2015 the debt limit was increased to \$18,113,000,000,958.35.
Unauthorized Discount represents the discount adjustment on Treasury bills and zero-coupon bonds.

TABLE IV - Federal Tax Deposits

Classification	Today	This month to date	Fiscal year to date
Withheld Income and Employment Taxes	\$ 2,324	\$ 120,619	\$ 1,804,304
Individual Income Taxes	102	8,496	87,390
Railroad Retirement Taxes	1	352	4,695
Excise Taxes	14	3,491	96,486
Corporation Income Taxes	145	74,006	205,542
Federal Unemployment Taxes	2	42	5,250
State and GR Taxes & Misc IRS Rpts.	2	73	1,283
Total	\$ 2,591	\$ 208,170	\$ 2,048,210
Cash Federal Tax Deposits:			
Direct	\$ 130	\$ 1,582	\$ 24,473
Through Depositories	2,422	201,640	1,967,586
Total Cash FTDs	\$ 2,552	\$ 203,201	\$ 1,982,060
Inter-agency Transfers	39	4,669	66,151
Total	\$ 2,591	\$ 208,170	\$ 2,048,210

TABLE V - Short-Term Cash Investments

Balance Transactions	Type of Depository			Total
	A	B	C	
Opening Balance Today	\$ 0	\$ 0	\$ 0	\$ 0
Deposits:				
Transfers to Depositories	0	0	0	0
Special Direct Investment	0	0	0	0
Term Investment	0	0	0	0
Repo Investment	0	0	0	0
Withdrawals:				
Treasury Initiated	0	0	0	0
Depository Initiated	0	0	0	0
Special Direct Investment	0	0	0	0
Term Investment	0	0	0	0
Repo Investment	0	0	0	0
Closing Balance Today	\$ 0	\$ 0	\$ 0	\$ 0

TABLE VI - Income Tax Refunds Issued

Classification	Today	This month to date	Fiscal year to date
IRS Tax Refunds Business (Checks)	\$ 13	\$ 1,628	\$ 26,403
IRS Tax Refunds Business (EFT)	80	742	19,898
IRS Tax Refunds Individual (Checks)	51	2,892	58,992
IRS Tax Refunds Individual (EFT)	39	2,078	242,985



Cash Forecasting Division Overview Con't

- Support Treasury's Office of Fiscal Projection, the Federal Reserve Bank of New York, and the Board of Governors in forecasting the Treasury's cash and debt position
- Work with Agencies on reporting Large Dollar Amounts

Large Dollar Notifications

- References TFM Volume I, Part 6, Chapter 8500 and Part 4A, Chapter 4000
- \$50M - \$500M = Two day notice
- Over \$500M = Five day notice
- One payment/receipt OR multiple payments/receipts that equal over \$50M

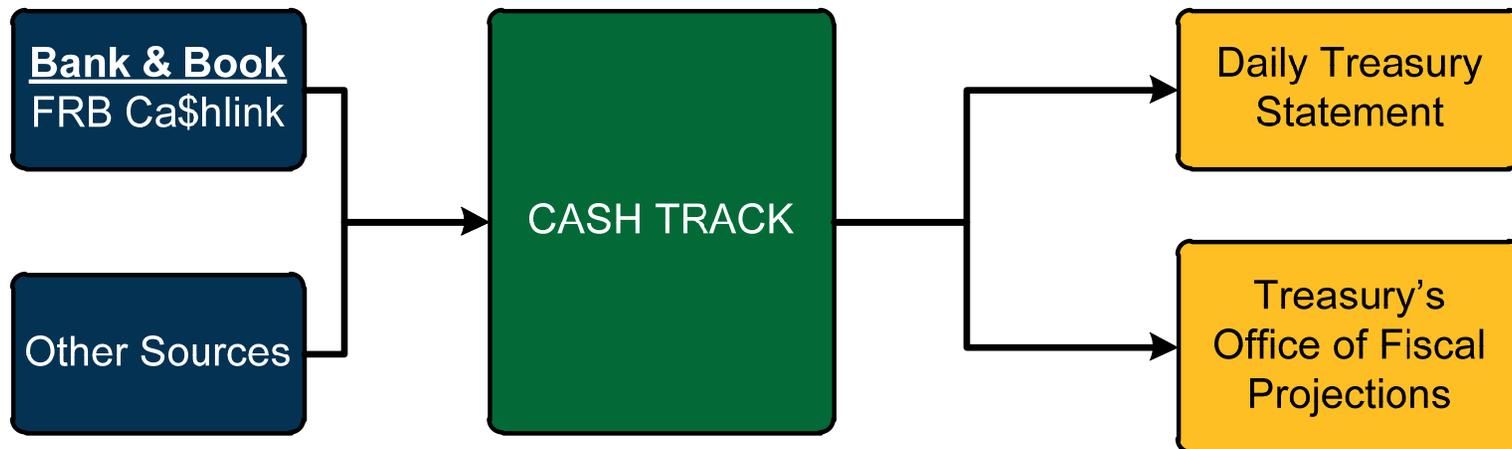
Straight-Through Processing

Under Straight-Through Processing (STP)

- Transaction processing to the Treasury General Account (TGA) will be consistent with financial institutions (FIs) processing and settlement.
- Transactions will be posted directly to the TGA, based on established posting rules.
- TGA balance will remain current and reflect the available balance throughout the business day.

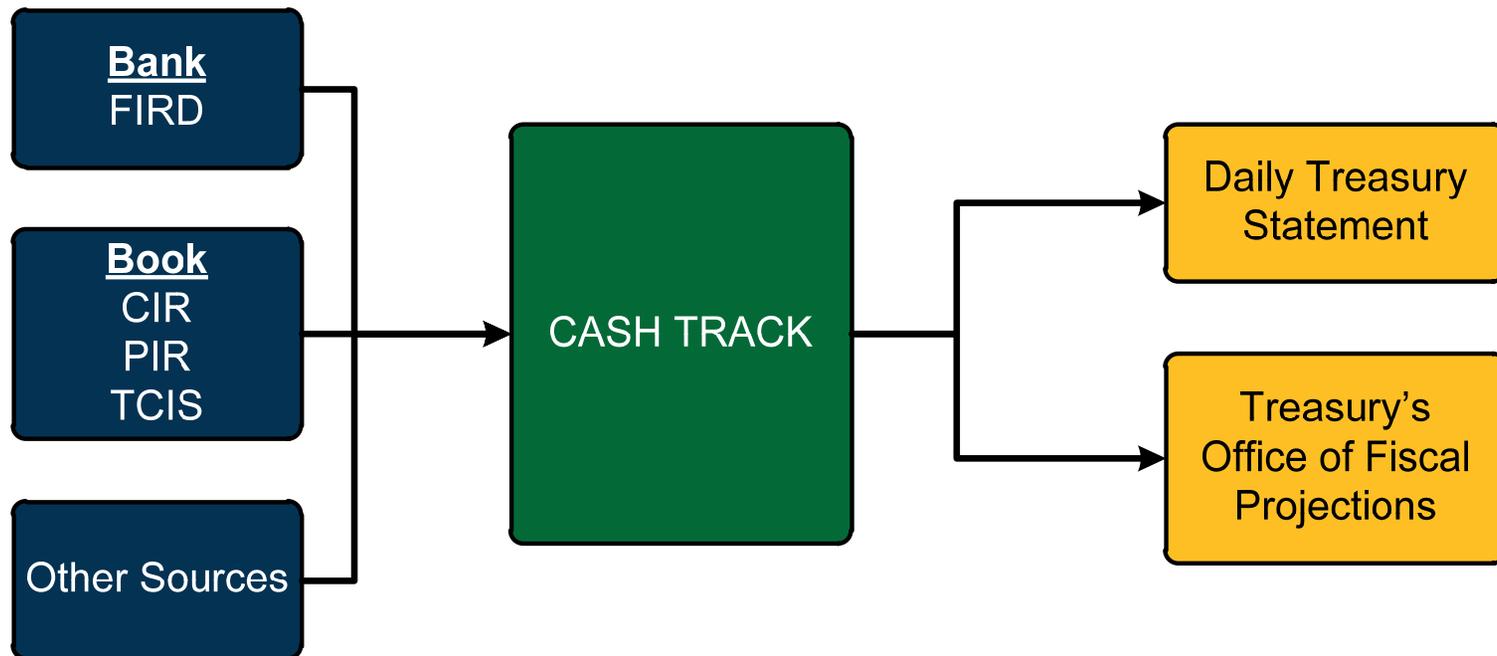
Current Environment

Current Cash Forecasting Process



Future Environment

Future (STP) Cash Forecasting Process



What does this mean for CFD?

- FRB CA\$HLINK will be decommissioning in 2016
- PIR, CIR, and TCIS information will replace the book side of FRB CA\$HLINK feeds
- FIRD information will replace the bank side of FRB CA\$HLINK feeds
- Reconciliations at the Routing Transit Number (RTN) level
- TGA Cash Reconciliation final authority role (June 2016)
- TCIRP owner role (June 2016)

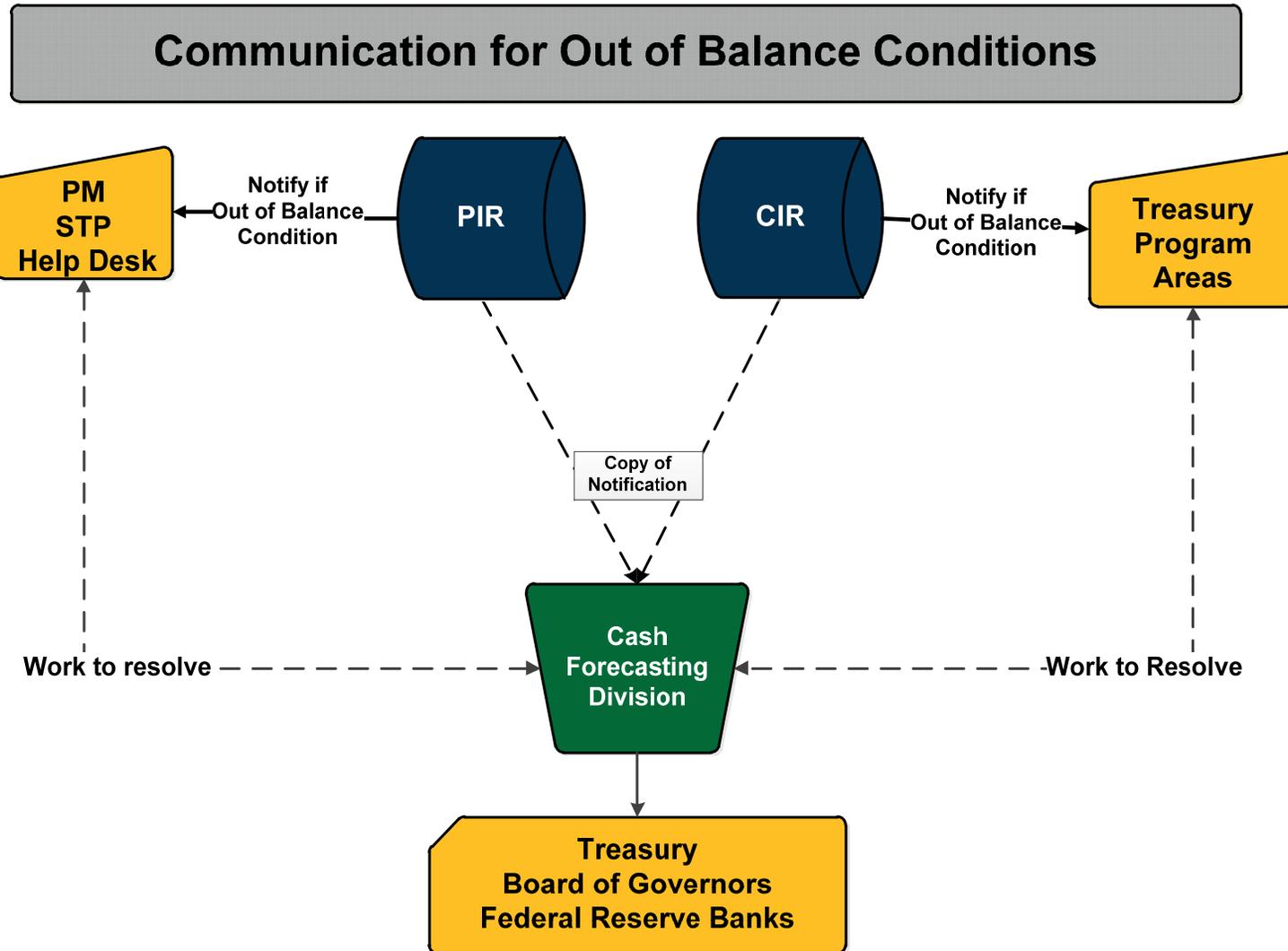
New Sources of Information

- Transparent to our customers
- Allows for more automated verifications
- Earlier information for Treasury's OFP
- Behind the scenes improvement to CASH TRACK

TGA Cash Reconciliation final authority

- Communication matrix
- Quarterly recertification of contacts
- Require availability when FRBs are open
- Notify CFD by 6:00 a.m. EST the day after settlement of RTN recognition of an out of balance condition
- Identify correct balance by 10:00 a.m. EST
- Deadline 1:00 p.m. EST for targeted resolution

Communication



TCIRP Owner Role

- Continue to work with all areas on reconciliation processing
- Aid in communication between areas
- Assist with corrections
- Verify corrective entries
- Notify related parties

Contact Information

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