



Kansas City Financial Center

Customer Advisory Board



Payment
Application
Modernization



PAM Overview

- **Background**
- **PAM Today**
- **PAM Tomorrow**
 - International ACH Transactions (IAT)
 - Office of Foreign Asset Control (OFAC) Screening
 - Wires (Same Day Pay Requests)
 - Electronic Data Interchange (EDI) / Corporate Trade Exchange (CTX)
 - Payment Holds
 - Courtesy Disbursements (Benefit Agencies)
 - Enhanced Standard Payment Request (SPR)
- **Commissioner's Memo**
- **Webinars and Forums**
- **PAM Website & Contact Information**





Treasury Payments Environment



Federal Program Agencies (FPAs)

- **200+** FPAs generating payments
 - Social Security Administration
 - Internal Revenue Service
 - Office of Personnel Management
 - Veterans Administration
 - Railroad Retirement Board
 - Vendor, Salary, Misc.
- Payment instructions & payment authorizations are transmitted from FPAs in various formats to the Treasury

3 Treasury Regional Financial Centers

- 1 standardized application will replace **30+** payment processing applications, many of which have redundant functionality
- Use of current technology to replace legacy applications that are decades old and use COBOL and Assembler
- Automated workflow will eliminate numerous manual processes
- **14** interfacing applications
- Application operates within FMS computing environment

Payments Issued

- Nearly **1 billion** payments issued annually
- Annual disbursements exceed **\$1.6 trillion** to more than **100 million** individuals
- **80%** are electronic payments





Background

- **PAM** is an effort to standardize and modernize the legacy software applications that are used by the three FMS Regional Financial Centers (RFC's) to distribute approximately 1 billion federal payments annually.
 - Centralized support roles
 - Standard Payment Request (SPR)
 - Standard Notification Report
 - Standard check face

Delivering quality products and services in a timely manner.





PAM – Today

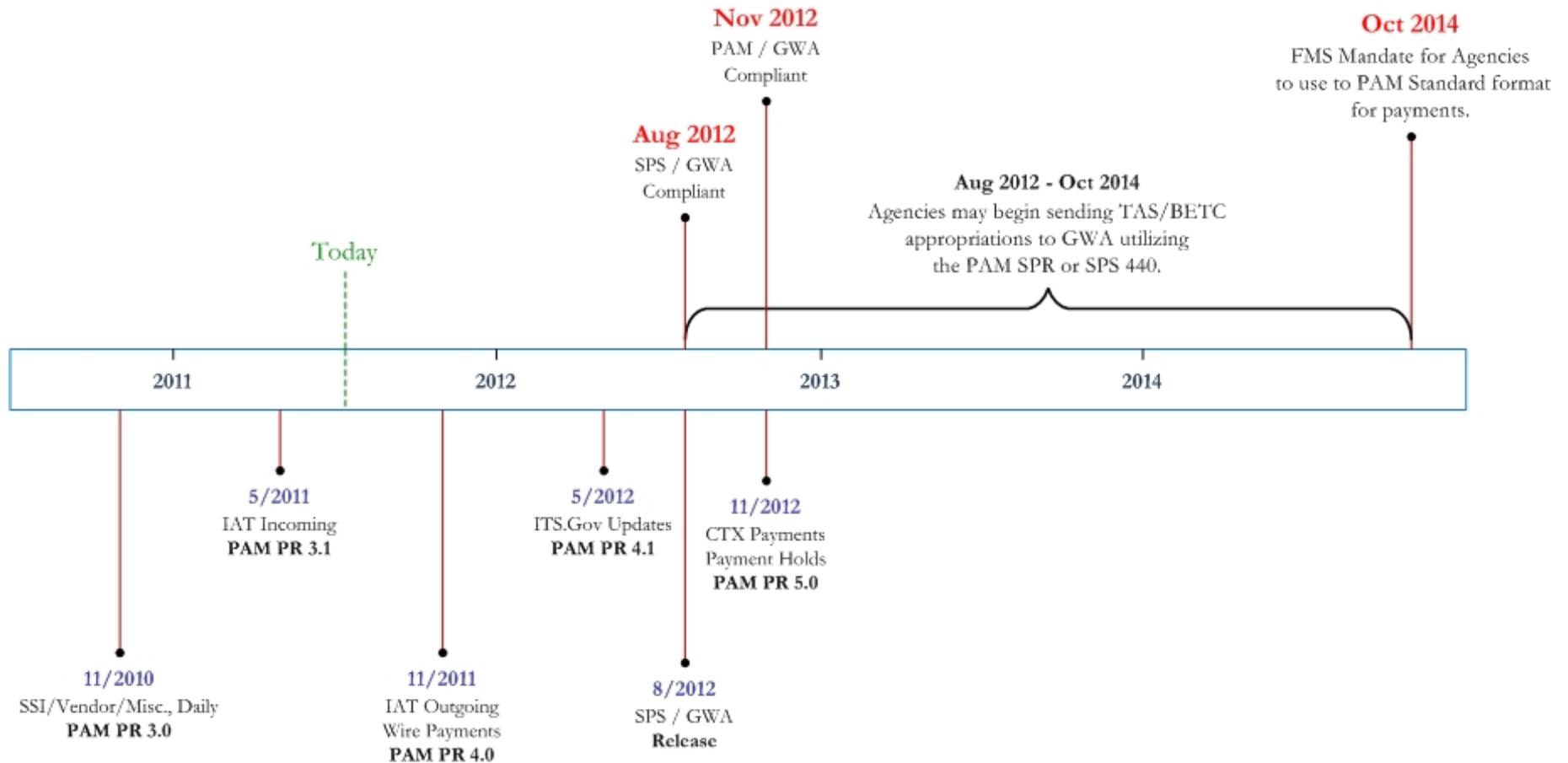
Release 3.1

- SSI Benefits, Daily, Vendor, Salary, Travel and misc. payments are processed in PAM as of May 2011
 - Standard Payment Request (SPR) available
 - Standard Notification Report
 - Standard check face
 - SSN Suppression
- New check symbols
 - 4030 – KFC
 - 2057 – PFC
 - 3159 – SFC
 - 4500 – Partial
- Payment requests processed more quickly
- All validations are conducted upfront.





PAM Timeline





PAM – Tomorrow

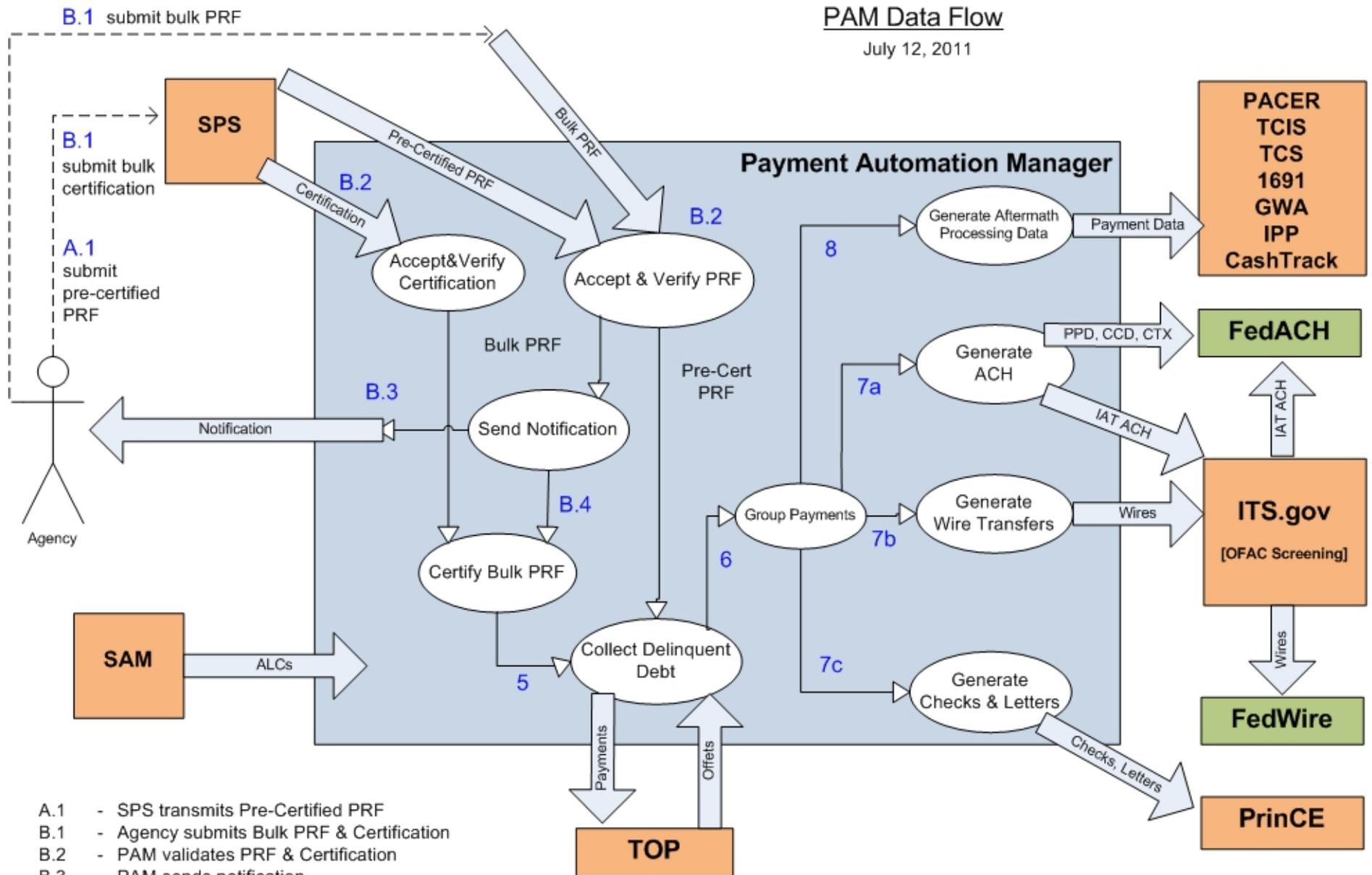
Release 4.0 and beyond

- International ACH Transactions (IAT)
- Office of Foreign Asset Control (OFAC) Screening
- Wires (Same Day Pay Requests)
- Electronic Data Interchange (EDI) / Corporate Trade Exchange (CTX)
- Payment Holds
- Courtesy Disbursements (Benefit Agencies)
- Enhanced Standard Payment Request (SPR)
- GWA Compliance Reporting



PAM Data Flow

July 12, 2011



- A.1 - SPS transmits Pre-Certified PRF
- B.1 - Agency submits Bulk PRF & Certification
- B.2 - PAM validates PRF & Certification
- B.3 - PAM sends notification
- B.4 - PAM certifies Bulk PRF
- 5 - PAM processes offsets
- 6 - PAM assigns payment groups
- 7abc - PAM disburses for payment
- 8 - PAM sends data to aftermath systems



PAM Tomorrow – IAT Payments

Release 4.0 - November 2011

- NACHA rule change effective September 18, 2009 to support Bank Secrecy Act's "Travel Rule"
 - ACH payments to a DOMESTIC bank with a foreign payee address require Office of Foreign Assets Control (OFAC) screening.
 - Submit IAT payments utilizing the PAM Standard Payment Request (SPR) format.
 - Together with ITS.gov, a comparison will be conducted on each payment to the Specifically Designated Nationals (SDN) list of "blocked parties".





PAM Tomorrow – IAT Payments cont.

Release 4.0 - November 2011

- Federal Program Agency Roles
 - Identify the payments that meet the IAT requirements
 - Payments to U.S. Territories (Puerto Rico, Guam, Philippines) is not considered an IAT Payment.
 - IAT payments need to be submitted in a separate schedule/file
 - Agency needs to conduct initial OFAC screening
 - Funds will be charged to Agency on original settlement date until resolution has occurred
- May 2011 - PAM is available to receive and issue IAT payments in the SPR format
- PAM will not have functionality to send payments for OFAC screening until PAM release 4.0 scheduled for November 2011.





PAM Tomorrow – Wires

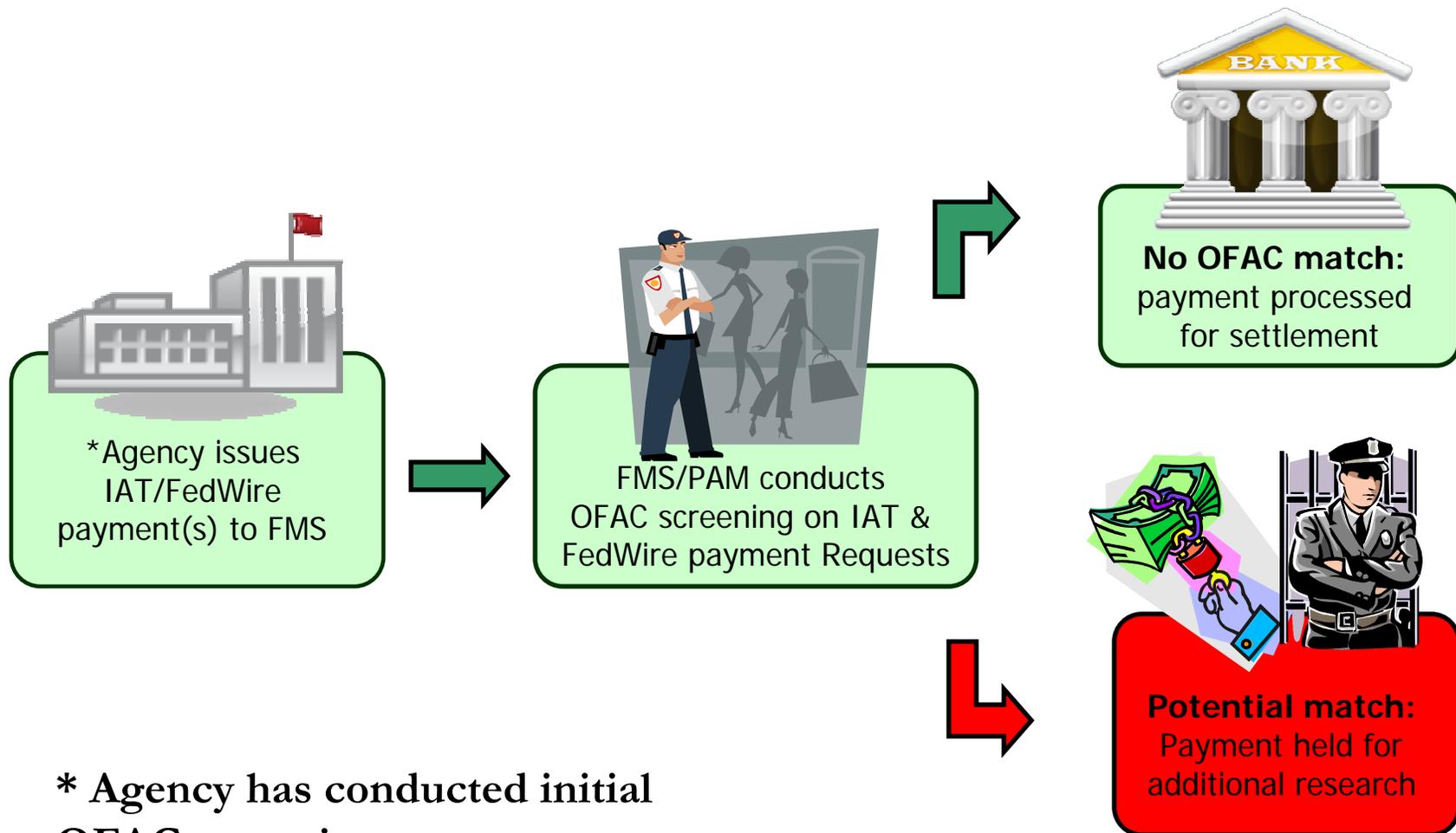
Release 4.0 - November 2011

- No change to agencies until you become a GWA Reporter
 - Agencies will have to enter TAS-BETC information into SPS to be streamed through PAM and reported onto GWA.
- Agencies will continue to enter information in SPS as you do today
- OFAC Screening (NEW)
- Same Day Wires are subject to offset (New - TBD)





IAT/Wires - OFAC Screening Flow



* Agency has conducted initial OFAC screening



No OFAC match:
payment processed
for settlement



Potential match:
Payment held for
additional research



PAM Tomorrow – EDI / CTX & Holds

Release 5.0 - November 2012

- EDI / CTX
 - Agency submits SPR with EDI formatted addenda
 - PAM converts to CTX format for transmission to FedACH
 - SPR Format with EDI will be available early 2012
- Payment Holds
 - Holding a payment that has been requested prior to DOP
 - Standard process
 - Detailed information needed to perform hold
 - Payment identifier, schedule number, and date of pay
 - XML or Flat File
 - Acknowledgement from PAM (success/fail)





PAM Tomorrow – Courtesy Disbursements

Release 5.0 – November 2012

- Benefit payee does not get their check, instead of going thru claims process, a courtesy check is requested thru PACER
- File sent from PACER to PAM utilizing the SPR
- Payments are pre-certified and do not need to be certified in SPS.





PAM Tomorrow – Enhanced SPR

- Current SPR
 - Includes IAT, Payment Information Repository (PIR) and TAS/BETC data elements.
- New version available October 2011
 - Accommodate additional benefit, tax, and EDI payments
- End-to-End Agency Testing
- See website and subscribe for updates





PAM Tomorrow – Enhanced SPR cont.

- PAM will be in alignment with GWA reporting requirements
 - CGAC Compliant (Component TAS)
 - Must use SPR or SPS
 - TAS/BETC Adjustments
 - Difference Report
 - Up to 100 unique TAS/BETCs per individual payment
 - Up to 300 unique TAS/BETCs per schedule
 - All payment (by ALC) must have TAS/BETCs assigned to each individual record to become a GWA player
 - Bulk Files
 - Manual payments entered into the Secure Payment System
 - ASAP payments
 - International Payments (ITS.gov payments)
 - Etc.





Commissioner Memo

- Upcoming FMS Systems Changes and Timelines
 - Signed January 14, 2011
 - Addressed to CFOs and Deputy CFOs
 - Addresses payments, collections and central accounting and reporting
 - Payments
 - End of CY 2012
 - PAM – Agencies are required to submit payment data in newly developed standard input format
 - » Available now for IAT and daily vendor/misc payments
 - » Only way to submit GWA reporting requirements (TAS/BETC) for payments
 - » Accommodates all payments types in mid-2012 (Monthly, Daily Vendor/Misc, Salary, Travel, Benefit, Tax, Same Day Pay (Wires), CTX)
 - SPS on-line functionality available
 - ASAP.gov
 - ITS.gov





Commissioner Memo cont.

- What does this mean to me? (Agency Impacts)
 - Must convert all current input formats sent to Treasury (FMS) to the PAM SPR
 - Vendor/Misc
 - Benefit Agency
 - Tax
 - Salary
 - TSP
 - CTX formats
 - Conversion must take place by October 1, 2014
 - All payment and collection applications utilizing the same ALC must convert at the same time.





Webinars & Forums

- **Who Should Participate:**
 - Individuals who have direct knowledge of the current format used to send payment information to FMS
 - Individuals responsible for making changes to your payment files
 - Subject matter experts who understand the payment process
- **Detailed walkthroughs of TAS/BETC conversion requirements**
- **Detailed review of SPS 440 and PAM format requirements**
- **PAM Standard Payment Request (SPR) Format Webinars:**
 - July 19, 2011
 - August 31, 2011
 - September 22, 2011
 - October 18, 2011
 - November 29, 2011
 - December 13, 2011





Webinars & Forums

- **FMS Payment Modernization Technical Sessions with GWA/SPS/PAM:**
 - July 26 - Marriott Hotel in Kansas City, MO
 - August 9 - Located in the Washington, D.C Area
 - August 10 - Located in the Washington, D.C Area
 - September 13 - Located in the Washington, D.C Area
 - September 14 - Located in the Washington, D.C Area
 - October 11 - Located in the Washington, D.C Area
 - October 12 - Located in the Washington, D.C Area
- **Register via website:**
 - http://fms.treas.gov/kfc/register_forum2011.html





PAM Website

- <http://fms.treas.gov/pam/index.html>
- Will contain information on
 - PAM Project Updates
 - PAM remaining functionality Schedule
 - PAM File Formats (PAM Standard Payment Request (SPR) format, C:D File Format and CTX format)
 - SPR Webinar Dates & Times for 2011
 - FMS Payment Modernization Technical Session Dates and Location
 - Formats can be downloaded from the website
 - TAS/BETC information
 - Related websites
 - <http://www.fms.treas.gov/pam/resources.html>
 - Sign up to receive e-mail notifications when the PAM website has been updated.
 - Frequently Asked Questions
 - Do I have to use the PAM File Format?
 - Who will be my RFC Contact after my agencies payments are processed by PAM?





PAM Contact Information

- **RFC Contacts**

- Kansas City Financial Center: 816-414-2100
- Philadelphia Financial Center: 215-516-8000
- San Francisco Financial Center: 510-597-7300

- **PAM Program Management Office Contacts**

- **Jesse Chavez**, PAM Program Management Analyst
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Questions

