



Kansas City Financial Center

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What is ITS.gov?

- ❑ **E-government solution:
International payments and collections**
- ❑ **Web-based, secure application**
- ❑ **EFT or Check**
- ❑ **Payments to 150 countries & currencies**



History

- **1987 – IDD Mainframe Application**
 - Overseas Benefit Payments

- **2002 – Converted to web-based application**
 - IDD.gov (developed by FMS and FRB)

- **2004 – Enhanced for Government-wide use**
 - International Payments and collections

- **2005 – Renamed “ITS.gov”**



How does ITS.gov work?

□ Role Based Access

- **Payment Creator** – create payments/reports*
(Data Entry Operator)
- **Payor** – create/verify payments and reports*
(Certifying Officer)
- **Inquiry Only** – read-only access

* Payment certification requires separation of duties



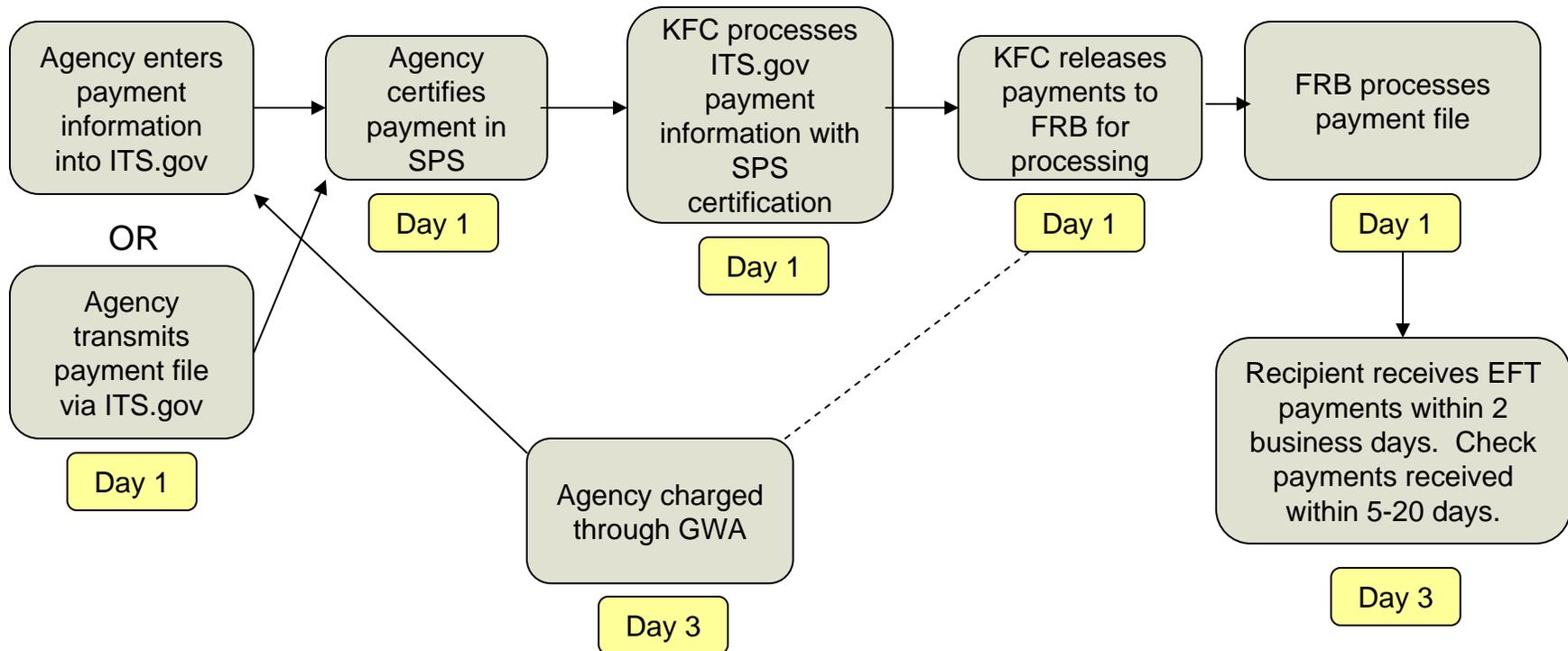
How does ITS.gov work?

Foreign Exchange Options

- Foreign Currency Amount (Variable to Fixed)
- USD to Foreign Currency (Fixed to Variable)
- USD Amount (Fixed to Fixed)



ITS.gov Payment Flow





How does ITS.gov work?

□ Security

- Secure encrypted website - “https”
- Two factor login (user ID and password)
- PKI authentication



Benefits of ITS.gov

- ❑ **Single portal, web-based access**
- ❑ **Eliminates Intermediary Bank**
- ❑ **Expedited settlement - 2 days for EFTs**
- ❑ **Increases emerging markets access**



Benefits of ITS.gov

- **Competitive Exchange Rates**
- **Payment Collection Capabilities**
- **Ad-hoc or File-based Payment Support**
- **Safe** – Advanced security technology



Benefits of ITS.gov

- ❑ **Customizable Reports**
- ❑ **Online Trace / Recall / Stop Payment**
- ❑ **SWIFT/IBAN Validation**
- ❑ **Returned Payment Reports**
- ❑ **Free service to Agency!**



Agency Enrollment

□ Enrollment Process

- Submit enrollment forms
- Setup Agency Training Time
- Establish “Go Live” Date

□ Minimum Requirements

- Internet Explorer version 6.0 or higher
- Two (2) formally designated Data Entry Operators (DEO) – one primary and one backup.
- Two (2) formally designated Certifying Officers (CO) – one primary and one backup.



Future Enhancements

- **Western Union Payment Functionality**
- **Digital signature functionality (COs)**
- **Enhanced Collection Capabilities**



IAT

- NACHA rule effective September 18, 2009
 - IAT (International ACH transaction)
 - Bank Secrecy Act's "Travel Rule" – Additional recipient information required to support OFAC screening Payment sent to a domestic account held by a foreign recipient
 - Additional recipient information required to support OFAC screening



IAT – FAQs

- **Q:** How do I identify IAT payments if the agency is not aware of the banking arrangements between the recipient and their Financial Institution?
 - **A:** Electronic payment should be classified as IAT when:
 - 1) A payment is issued to a domestic financial institution **and**
 - 2) Recipient's mailing address is outside the territorial jurisdiction of the U.S.

- **Q:** Would this be considered over classifying?
 - **A:** NACHA has indicated that it would be appropriate to err on the side of caution and over classify.



How Will FMS Support IAT?

- Agency testing in PAM release 3.0**
- Processing Supported in release 3.1 ~ 2011**



IAT vs. ITS.gov

- **Q:** Do we have to use PAM to process a payment to a foreign recipient using a domestic correspondent bank account?
- **A:** No, you can process a payment through ITS.gov using a domestic correspondent account if the recipient provides destination account instructions (i.e. their foreign account too)



For More Information

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