

GOVERNMENTWIDE
ACCOUNTING & REPORTING

gwa
Modernization

WHITE PAPER

Impact of the GWA Modernization Effort
on other Financial Management Service (FMS) Systems
May 2007

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PURPOSE

The purpose of this white paper is to outline the GWA Modernization Project's (GWAMP) strategy for working with systems impacted by the modernization effort. The goal of this paper is to inform the impacted systems of the changes and implementation, so they can begin planning the needed modifications to their systems in order to meet GWAMP requirements.

INTRODUCTION

The main goal of the GWA Modernization project is to provide reliable, timely and useful information and streamline the central accounting, reporting and reconciliation processes. The project objective and goals support FMS' business objectives to develop efficient processes to ensure accuracy, capture information at the earliest possible time, eliminate the need for burdensome reconciliation and provide timely Fund Balance with Treasury (FBWT) information to agencies. GWA will become the system of record, replacing STAR, the current accounting system.

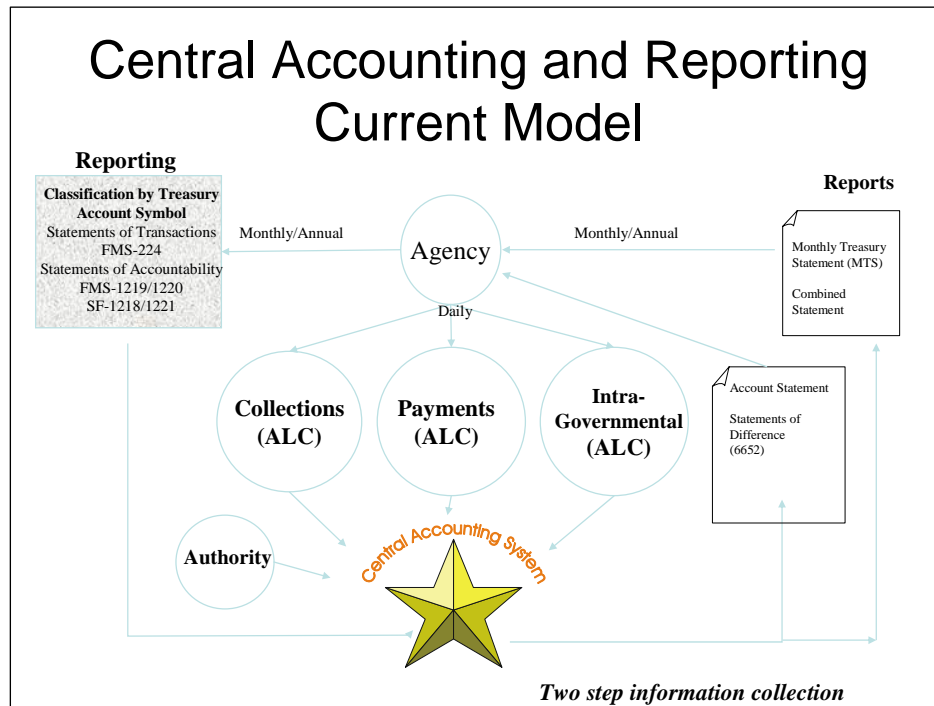
Current FMS Process

The current FMS process of capturing Fund Balance with Treasury transactions creates differences which are difficult and time consuming for federal program agencies (FPAs) to reconcile. Generally there are three transaction types that are reported to FMS through systems relevant to this white paper: Intragovernmental Payments and Collections (IPAC), Payments from both Treasury and Non-Treasury Disbursing Offices (TDO/NTDO), and Collections. Today, FMS receives daily and monthly transaction information from FPAs through various source systems and financial institutions. The transactions received from these mechanisms are classified at the FPA's Agency Location Code (ALC) level and are accumulated throughout the month in the Central Accounting System (STAR).

On a month-end basis, FPAs summarize these transactions and classify them at the Treasury Account Symbol (TAS) level through the submission of their Statements of Transactions and Accountability. STAR compares the ALC level control totals of the accumulated transactions received via the various input mechanisms to the summary information reported by the FPAs on their SF 224. Differences resulting from this comparison process are reported back to the FPAs on a monthly Statement of Difference (FMS-6652).

Additionally, the classification of summarized transaction amounts by the FPAs to individual TAS permits STAR to post those amounts to the TAS' Fund Balance with Treasury (FBWT). The results of this posting process are available through the GWA Account Statement Reports. These Reports serve as the FPAs' "daily bank statement" and are the starting point for their FBWT reconciliation process.

Flow chart of the current central accounting and reporting model:



Because the bulk of this classification, comparison, and reporting activity occurs at month end, FPAs are burdened with a cyclical reconciliation process that must be completed in a short window of time to properly research and generate FBWT reclassification and adjustment entries. One of the major objectives of the GWAMP is to transform this burdensome monthly process into a simple, daily reconciliation activity that can be efficiently performed online utilizing the inherent components of the GWA System, including the Account Statement.

Future FMS Process

In order to help FPAs to reconcile their FBWT on a daily basis, the GWAMP will require all transactions to capture a standard classification as close to the initiation of the transaction as possible. The GWA standard classification is a valid TAS and Business Event Type Code (TAS/BETC)¹. The BETC is a new data element which is explained below.

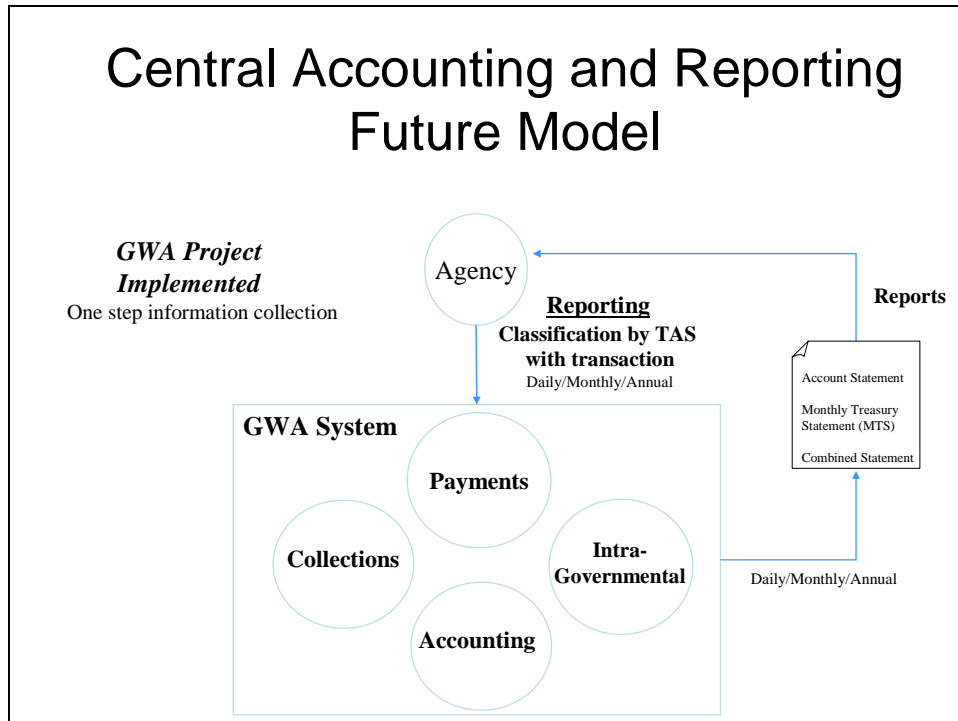
The BETC:

- 1) Is an 8 character code used in the GWA system to indicate the type of activity being reported, such as IPAC, payments, collections, etc;
- 2) Determines the Debit (decrease)/Credit (increase) impact on the TAS' FBWT;
- 3) Must accompany the TAS and the dollar amounts in order to classify the transaction against the FBWT;
- 4) Identifies in what category the transaction should be displayed on the Account Statement (AS);
- 5) Replaces the transaction codes and standard sub-classes that are currently being used on the central accounting reports produced by STAR.

¹ Details of the TAS/BETC formats can be found on our website at <http://fms.treas.gov/gwa> in Reference and Guidance.

The classified FBWT transactions will be captured daily and presented on the Account Statement. FPAs can then monitor their FBWT accounts daily and reconcile to their accounting records in a more timely manner.

Flow chart of the future central accounting and reporting model:



HIGH LEVEL IMPACTS

This paper will identify the high level impacts of the GWA Modernization effort on other FMS systems. The impact on other FMS systems will depend on whether the system is a source or a feeder system. Source systems are systems that feed data directly into CAFE, while feeder systems feed data into the source systems. For example: EFTPS, Pay.gov, Fedwire Deposit System and CURE are feeder systems of the current Collection source system, CASHLINK II. This paper will address systems generically. In addition, this paper will also discuss current development efforts underway at FMS as a result of the GWA Modernization effort. The high level implementation strategy will also be discussed.

There are 3 high level impacts of the GWA Modernization effort on other FMS systems.

Impact 1 – Provide a valid TAS/BETC or Ckey on all transactions

File layouts will need to change to include the standard GWA classification – a valid TAS/BETC combination. An example of a TAS/BETC for reporting purposes is 11 72 2004 2005 1030 044/COLL².

² This TAS/BETC is for presentation purposes only.

To reduce the impact of changing collection file formats to capture a valid TAS/BETC, the Federal Finance Business Area (Fed Finance) within FMS has created a Classification Key (CKey) concept. A CKey is already existing accounting data that an agency can specifically identify and link to a valid TAS/BETC(s). This will allow systems to forward already existing accounting data in current collection file formats to GWA. GWA will then interpret the CKEY into a valid TAS/BETC.

That's where the Shared Accounting Module (SAM) comes in. SAM is a joint development effort between Fed Finance and GWA, to support the GWA Modernization effort. SAM is a utility to validate, translate or default TAS/BETCs for GWA.

Agencies will set up Cash Flow and Default Profiles in SAM. SAM will use the Cash Flow Profiles to translate Ckeys to valid TAS/BETCs in support of the GWA Modernization effort. Default Profiles will allow SAM to always send a valid TAS/BETC to GWA in the unlikely event that a TAS/BETC on an incoming file has become invalid.

In addition, SAM is responsible to maintain and provide GWA Enterprise Reference Data (ERD) which includes valid TAS/BETCs identified by source system type: IPAC, Payment and/or Collection and ALCs. SAM has developed a system to system interface capability to provide ERD to any system. SAM can also interact with any FMS system that needs to capture valid TAS/BETCs in their transaction detail at the time of processing a users transaction.

Impact 2 – Interface with the Central Accounting Front End System (CAFE)

Source systems will send files to CAFE that consists of a minimum of two records. The **summary** record will contain the document level data and the **detail** record(s) will contain the transaction details by TAS/BETC/amount or C-Key/amount and total to the summary record.

The GWAMP developed CAFE to capture data files from source systems and direct them to STAR until GWA becomes the system of record and STAR is retired. All source systems will send files to CAFE. When CAFE receives files it will then evoke SAM to either validate, translate or default the TAS/BETC based on the accounting information received on the transaction. SAM will then return the original accounting information, the valid TAS/BETC(s) and a result code to CAFE³.

Impact 3 – Submit Daily files to CAFE

The frequency of file submission will change to daily for those systems that are currently reporting monthly to STAR. Source systems will be required to send files daily to CAFE.

GWAMP IMPLEMENTATION STRATEGY

The GWAMP implementation strategy is incremental in relation to when CAFE can interface with each of the source systems: IPAC, TDO Payments, Collections and NTDO Payments. CAFE has already completed implementation of the IPAC interface. CAFE is in the process of implementing interface requirements with TDO and is currently developing interface requirements with the Collection Systems. In the future, CAFE will be working to interface with NTDO Payment Systems and other sources of accountability information.⁴

³ Result Codes are to identify what process SAM used to determine and deliver a valid TAS/BETC(s) back to CAFE/GWA.

⁴ Details of the GWAMP Implementation strategy and schedule can be found on our website at www.fms.treas.gov.

CURRENT DEVELOPMENT EFFORTS

While the GWAMP implementation strategy is moving forward, development efforts are currently underway to meet the modernization effort goals.

IPAC

The GWAMP has completed the work with IPAC to change their file and screen formats to allow the initiator to supply the TAS/BETC for both the receiver and sender sides of the transaction. IPAC receives valid TAS/BETCs through a daily interface with SAM (system to system) in order to validate a TAS/BETC while the initiator is processing the transaction in IPAC. This validation will happen BEFORE an IPAC transaction is released for processing to GWA.

TDO Payments

The GWAMP is currently working with the TDO Payment systems to help analyze the above mentioned impacts and determine the most efficient way to make changes to their systems. It has been determined that the Secure Payment System (SPS) and Payment Administrative Management (PAM) project will include the capability to capture the TAS/BETC in the files from agencies. In addition, SAM will provide a daily TAS/BETCs file through a system to system process in order to support SPS's ability to capture valid TAS/BETCs during initial payment transaction processing.

Collections

The GWAMP is currently working with Fed Finance to identify interface requirements with CAFÉ for the new collection Transaction Reporting system (TRS). Since Fed Finance is also undergoing a modernization effort, the GWAMP has partnered with them in development efforts in order to identify and merge our strategies and time lines to meet FMS's business goals.

In addition, Fed Finance is working closely with their collection feeder systems to determine the impact of the GWA Modernization effort and to update them accordingly. Since TRS will be a one-stop-shop for agencies to view all of their collection transactions, Fed Finance feeder systems will be responsible to capture and pass CKey information to TRS.

NTDO Payments

After completing the TDO strategy, the GWAMP will begin working a similar process with NTDO which have additional reporting needs that will also be addressed.

The Electronic Fund Transfer (EFT) and Check Payments Systems that support both the TDO and NTDO payment processes will also be impacted. However, the impact to these systems has not yet been determined.

SUMMARY

This paper outlines the GWA Modernization Project's high level strategy for working with FMS systems impacted by the GWA modernization effort. By informing the impacted systems of the GWA modernization changes and implementation plans, these systems can begin planning the needed modifications to their systems.