



DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
WASHINGTON, D.C. 20227

June 22, 2010

Dear Agency Customer:

What a great time to be a part of the Financial Management Service's (FMS) Over the Counter (OTC) Program! First, over a year and a half ago, we promised you a smooth and successful transition from the Federal Reserve Banks (FRBs) of St. Louis and Cleveland to Citibank. I feel like we delivered on that promise and the fruits of a carefully designed and executed transition were felt by our most important stakeholders, the Federal Program Agencies. We could not have done this without your commitment and belief that we would carry through on our promise of service to you as our number one priority.

We are not done yet! The journey continues for the OTC program and we hope that you are ready to yet again believe in our commitment to deliver a quality system to you. As part of the Collections and Cash Management Modernization (CCMM) initiative, FMS has undertaken a major effort to develop a new system capable of performing electronic check capture and deposit reporting functions. The new Web-based application, known as Over the Counter Channel Application (OTCnet), will integrate the functionality of two legacy systems into a single application.

The new OTCnet will integrate the functionality of the Paper Check Conversion Over the Counter (PCC OTC) and the Treasury General Account Deposit Reporting Network (TGANet) systems. As you have probably heard as a result of other agency outreach efforts (e.g., webinars, agency focus group meetings, etc.), our first release will be implemented in November 2010.

Consolidation of systems under OTCnet will bring to life a robust business line capable of handling agency cash and check deposits seamlessly with one application. OTCnet will:

- Upgrade paper check conversion processing, so that it can be done end to end over the internet without the need for special client software
- Comply with the latest FISMA audit, user access/provisioning, system security, and Personal Identity Verification standards and requirements
- Facilitate compliance with the Government-wide Accounting Modernization Project and reporting collections "the GWA way"
- Utilize an integrated Web-based-Training (WBT) that addresses all modules and functions of the OTCnet system as an option for training users

OTCnet's design will be lighter and more agile to support the varied geographical and operational settings of our customer agencies. OTCnet will retain the basic processing flows for the PCC OTC and TGANet systems, but with improvements to the overall look and feel, strengthened controls at the client for check capture, and the benefit of having one system that supports OTC processing needs.

OTCnet Conversion

As we continue on our journey toward the implementation of OTCnet, we wanted to share details of the upcoming conversion process that will require all agencies currently using PCC OTC and/or TGAnet to convert to the OTCnet system. First, in order to plan for the conversion, we will cease the onboarding of agencies to the PCC OTC and TGAnet systems effective October 1, 2010. The moratorium on new agency implementations will remain in effect through February 2011. FMS is prepared to support agencies that want to implement PCC OTC and/or TGAnet through September 30, 2010, and encourage agencies to do so. But as of October 1, 2010, we must turn our attention to the preparation needed to convert agencies to the OTCnet system, and agencies will only be able to implement OTCnet, not the legacy systems. The TGAnet and PCC OTC systems will be decommissioned in 2011 and 2012 respectively, and there will be no exceptions to these dates.

The transition will begin with an OTCnet pilot from December 2010 through February 2011 involving several agencies, allowing us to enhance our readiness for the conversion process and address any potential challenges that may arise prior to the full conversion. The pilot will be followed by the conversion of TGAnet agencies and supporting FIs to OTCnet.

Legacy TGAnet agencies and supporting FIs will be converted all at once using an automated tool, allowing for a seamless transition to the new system. The conversion for TGAnet users is scheduled for the February/March 2011 timeframe.

The process for converting PCC OTC agency customers to OTCnet is scheduled to begin in April 2011 and will continue through 2012. Agencies will convert to OTCnet according to a schedule and strategy that is coordinated with respective agencies. PCC OTC agency conversions will follow a more systematic approach and will vary according to the demographics of the agency. FMS and the agency will need to collaborate on the timeline and approach for conversion. We have designated Conversion Coordinators to work with each agency to achieve a smooth transition to OTCnet. Check scanners and peripherals such as key pads already deployed at agency locations will be compatible with OTCnet and will continue to be supported. While the PCC OTC to OTCnet conversion will not require agencies to purchase new hardware or incur other costs, agencies will need to be issued new user identification and passwords for access to the new system. There may also be changes in hierarchical structure as agencies are set up in OTCnet that agencies may need to work with FMS on.

Resources to get you ready for OTCnet

To ease the conversion process, we will provide a number of resources over the coming months:

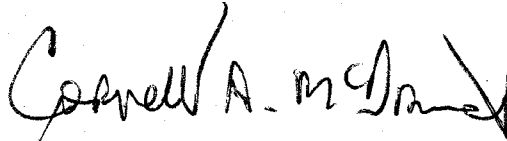
- *Communications*: regular updates will be distributed with updates about OTCnet, pilot opportunities, User Acceptance Testing, the conversion schedule, and training information

- *Training:* WBT will be available to all agencies and FIs prior to conversion; the WBT will allow users to train on OTCnet when it is convenient, to provide new staff with training, and to re-take modules as needed. Instructor Led Training will also be available to agencies as an alternative
- *OTCnet Website:* www.fms.treas.gov/otcnet/index.html will provide details on OTCnet, OTCnet events, OTCnet Frequently Asked Questions (FAQs), conversion updates and training information. You will also be able to ask questions via a link on the website. Look for a site launch over the next several weeks.
- *Webinar:* A CCMM webinar is scheduled for June 24, 2010. Information about the OTC channel and other important information will be featured. You or a representative of your agency will receive an invitation to attend.

We are excited about where we are going and are hopeful that through our communications and outreach mechanisms, you have an understanding of the near term and long term benefits our Government will achieve through this transformation of the OTC channel.

We also welcome your feedback and questions at anytime via our information email box at FMS.otcinformation@citi.com.

Sincerely,



Corvelli A. McDaniel
Director
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