

# CASHLINK II:

## COUNTDOWN TO SHUTDOWN

An update from the Financial Management Service (FMS) CA\$HLINK II Team

November 16, 2012

Special Edition for Financial Institutions



## CA\$HLINK II Shutdown Update for Financial Institutions

The Financial Management Service (FMS) will initiate the shutdown of the CA\$HLINK II system on Monday, December 31, 2012. This update includes critical information for your financial institution to review in detail to ensure you are prepared for each phase of CA\$HLINK II shutdown. FMS has made it a priority to notify financial institutions of upcoming changes. **Read this update completely in order to stay informed about the pending shutdown of CA\$HLINK II and any news about OTCnet (deposit reporting), TCMS (cash concentration), and CARS/BMS (bank management).**

Below is a list of key CA\$HLINK II shutdown dates (December 2012 - February 2013):

**Monday, December 31** Financial institutions will not be able to enter deposits into CA\$HLINK II after 9:00 pm Eastern Time. Deposit reports for over-the-counter collections must be entered in OTCnet.

**Deposit reporting in CA\$HLINK II will now be shut down**

See [Page 2](#) for more information about OTCnet

**Friday, January 4** Last cash concentration via Fedwire from CA\$HLINK II

**Saturday, January 5** TCMS receives first voucher deposit files for settlement on January 7, 2013

**Monday, January 7** Last ACH settlement processing for prior business day (for previous business day activities) in CA\$HLINK II

First expedited (same-day) TCMS NSS transfer

**Tuesday, January 8** First non-expedited (next business day) TCMS NSS transfer

**Cash concentration in CA\$HLINK II will now be shut down**

See [Page 3](#) for more information about TCMS

**Thursday, January 10** Last day for financial institutions to enter bank management information in CA\$HLINK II (for December 2012 statement)

**Thursday, January 31** Last CA\$HLINK II bank management cycle for TGA accounts (for December 2012 statement only)

**Bank management in CA\$HLINK II will now be shut down**

See [Page 4](#) for more information about CARS/BMS

**Friday, February 1** Financial institutions begin using CARS/BMS for entering January 2013 business expenses for TGA accounts

**Friday, February 8** CA\$HLINK II User IDs for financial institutions will be removed from CA\$HLINK II



*Tamara Whitaker, Director  
Data Management Reporting  
and Analysis Division*

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### Special Points of Interest

- Remaining CA\$HLINK II correction functionality for deposit vouchers was shut down on October 27, 2012
- Effective November 1, 2012, financial institutions should have identified current or new EUACs, CARS/BMS users, and UPRs
- Financial institutions should establish internal procedures to process TCMS NSS entries by December 31, 2012
- Deposit reporting function of CA\$HLINK II will be shut down on December 31, 2012 at 9:00 pm
- Financial institution user access will be removed from CA\$HLINK II on February 8, 2013

## Change to Procedures for Adjustments, Corrections and Rescissions

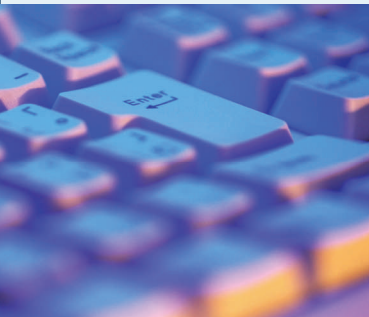
*Corvelli McDaniel, Deputy Assistant Commissioner of the Collections and Deposits Group, distributed this information through email on October 22, 2012*

FMS has implemented changes in how after-the-fact corrections to Agency Location Codes (ALC), and corrections, adjustments, and rescissions (ACRs) for voucher number, voucher date, and deposit amounts are done, since this functionality is no longer available in CA\$HLINK II.

Effective October 27, 2012, TGA and Lockbox banks that settle government funds will make most deposit adjustments in the OTCnet system. Using functionality under the "FI Confirmer" role in OTCnet, banks are required to perform voucher adjustments and return item adjustments directly in OTCnet. Deposit amount adjustments are no longer made in CA\$HLINK II.

Also effective October 27, 2012, TGA and Lockbox banks are required to contact the OTCnet customer service desk for all ALC, voucher number, voucher date corrections and adjustments, and deposit rescissions (i.e., deposit reversals). The OTCnet customer service representative will perform these ACRs after proper validation of the request.

*(Continued on [Page 3](#))*



## OTCnet:

*The Treasury OTC Support Center distributed this information through email on October 31, 2012*

Effective December 31, 2012, CA\$HLINK II will be decommissioned and financial institutions will no longer have the capability to enter deposit information into the CA\$HLINK II system. The OTCnet Team recognizes that financial institutions have varied deposit confirmation business processes, some centralized and decentralized. To ensure deposits are confirmed properly at all locations, please ensure that the OTCnet users are set up correctly and properly trained. To assist with setup and training, please use the OTCnet Web-based Training (WBT), which is an interactive training website available at <http://fms.treas.gov/otcnet/training.html>.

Additionally, please provide users the following information on what they can expect when a customer brings in an OTCnet deposit:

- OTCnet Deposit Reporting will produce an OTCnet-generated SF215. The agency will print and bring an OTCnet-generated SF215 to the financial institution along with the deposit. Please note, the OTCnet-generated SF215 will show "OTCnet Deposit Ticket" at the top of the SF215.
- Do not enter this deposit into CA\$HLINK II; please follow your financial institution's internal OTCnet confirmation process. If you have questions about your internal procedures, please contact your central office for the Treasury General Account (TGA) program. For example, if your financial institution confirms deposits at a central location, continue to forward the necessary documentation to them. Once they receive this information, they will log into OTCnet and confirm the deposit.
- Please make sure your local branches are aware of any deposit slip requirements if you require a customer to use a specific deposit slip when making deposits in OTCnet. For example, a financial institution may require customers to supply a personalized deposit slip to account for DDA # or RTN # differences.
- If the customer presents the original, antiquated SF215, which does not show "OTCnet Deposit Ticket" and therefore was not generated from OTCnet, please complete the following steps:
  - Financial institutions should process the deposit through CA\$HLINK II until December 31, 2012
  - Financial institutions should inform the customer of the need to convert to OTCnet and generate deposit tickets through OTCnet; ask that they contact FMS (POC: Angela Smith, (202) 874-4080, [angela.smith@fms.treas.gov](mailto:angela.smith@fms.treas.gov))
  - Financial institutions should contact FMS (POC: Maurice Alston, (202) 874-6899, [maurice.alston@fms.treas.gov](mailto:maurice.alston@fms.treas.gov)) to inform FMS that the agency is still presenting SF215's that are not prepared in OTCnet

**This process should be adhered to from now until December 31, 2012.** The Treasury OTCnet Support Center will send instructions on how to handle agencies still presenting paper SF215 deposit tickets after December 31, 2012 at a later time.

If you have any questions about this process, please contact Maurice Alston at (202) 874-6899 or [maurice.alston@fms.treas.gov](mailto:maurice.alston@fms.treas.gov) as soon as possible.

## TCMS:

Charlie Dixon, Program Manager of the Treasury Cash Management System (TCMS) communicated this information during the CCMM Financial Institution Webinar on November 15, 2012

### Cash Concentration and TCMS

Cash Concentration is the daily movement of government deposits from the Treasury's accounts at commercial financial institutions to the Treasury General Account (TGA) at FRB New York.

Treasury Cash Management System (TCMS) is a new application that will assume cash concentration functionality once it is shut down in CA\$HLINK II. TCMS utilizes the FRB's National Settlement Service (NSS) for all transfers in place of CA\$HLINK II's ACH and Fedwires. The system is operated by the FMS fiscal agent, FRB Boston, and transmits daily settlement reports to financial institutions.

### Changes in ACH/Fedwire Transfers vs. National Settlement Service (NSS)

Current CA\$HLINK II ACH/Fedwire Transfers:

- Include a Demand Deposit Account (DDA) number
- Post to the TGA DDA at the financial institution

New TCMS NSS Transfers:

- Will not include a Demand Deposit Account (DDA) number
- Post to the financial institution's reserve account at the FRB
- Financial institutions will need to tie the NSS entry to the TGA DDA
  - This can be accomplished through manual entries or automated entries (importing the FRB's Financial Institution Reconciliation Data (FIRD) file into your financial institution's back end system)
    - Financial institutions that receive the FIRD file and are already in another NSS arrangement should contact TCMS now if you would like to test
    - Financial institutions that receive the FIRD file but are not already in another NSS arrangement need to contact TCMS immediately. You have to map the NSS transaction code into your system.

### What Will Financial Institutions See When TCMS Goes Live?

Once TCMS is live, TCMS NSS transfers will appear on the financial institution's FRB Account Statement. In addition, financial institutions will begin receiving TCMS Settlement Statements via FedMail®.

TCMS will submit files to NSS per the following schedule: 8:30 am, 10:00 am, 1:00 pm, and 4:00 pm. The majority of transfers will be in the 8:00 am file, which will include all of the warehoused transfers from the previous banking day. The subsequent files will include any transfers for expedited deposit activity (same-day transfers) or any processing exceptions (released net negatives from a prior day, resubmitted NSS transfers that were rejected from NSS due to non-sufficient funds, etc).

### TCMS: Customer Support

For questions about the following TCMS topics, please contact TCMS Customer Service at [BOS.TCMS.Operations.Group@bos.frb.org](mailto:BOS.TCMS.Operations.Group@bos.frb.org) or (855) 677-TCMS (8267):

- Assistance with changes to TCMS or NSS setup documents
- Questions regarding past NSS transfers or past CA\$HLINK II ACH and Fedwire transfers
  - TCMS will be maintaining a database of all past CA\$HLINK II transfers. Financial institutions will submit a request for past transfer activity and TCMS staff will deliver the requested results.

### Change to Procedures for Adjustments, Corrections and Rescissions (*continued*)

- This new process requires the authorized individual from the bank or agency to complete a Voucher Correction Request with a signed ALC Change Request form and submit by email to the OTCnet Customer Support Team
- Upon receipt of the request, the OTCnet Customer Support Team will perform the ACR on behalf of the bank or agency
- Bank or agency will receive an email notification that the ACR was processed successfully
- TGA and ITGA banks will continue to perform most voucher amount adjustments within OTCnet
- All ACR voucher information will be available for agency access in the Transaction Reporting System (TRS)

For detailed procedures, please refer to the October 22, 2012 email communication from Corvelli McDaniel, entitled, *Effective October 27, 2012—Change to Procedures for Adjustments, Corrections, and Rescissions (ACRs)*.

If you have any questions or require additional information, contact Reginald McKinney at (202) 874-6893.



**Fedwire and ACH transactions should go directly to the Treasury through the Credit Gateway, not through financial institutions**

All agency Fedwire and ACH transactions should go directly to the Treasury through the Credit Gateway and not through a commercial bank. If your financial institution is receiving Fedwires and/or ACH transactions from agencies, contact the agency immediately and communicate that these transactions must go through the Credit Gateway. Please instruct agencies to contact the FMS Credit Gateway Program Manager, Randolph Maxwell, at (202) 874-3720 or email [settlement.services@fms.treas.gov](mailto:settlement.services@fms.treas.gov).

Randolph Maxwell will work with the agency to create new payment instructions for your customers.



## Bank Management:

### Customer Accounts Receivable System/ Bank Management Service (CARS/BMS)

*Mary Bailey, Director of the Bank Policy and Oversight Division, distributed this information through email on August 21, 2012*

FMS is providing financial institutions with a new system, the Customer Accounts Receivable System/Bank Management Service (CARS/BMS), to report monthly expenses incurred while providing depository services to support the Treasury's General Account (TGA) program. Financial institutions currently report these expenses through CA\$HLINK II, which will be decommissioned at the end of this calendar year. Beginning with the reporting of January 2013 expenses in early February 2013, financial institutions must use CARS/BMS to report expenses.

CARS/BMS is provided by the Federal Reserve System as an accounts payable application of their Customer Accounts Receivable System. CARS/BMS will only replace the specific functionality contained in CA\$HLINK II that allows you to report monthly expenses in order to be reimbursed for TGA services provided to FMS. In preparation for the reporting of the January 2013 expenses for the TGA, the Federal Reserve Bank (FRB) and FMS will be corresponding with financial institutions that use CA\$HLINK II for bank management purposes throughout the year regarding general informational updates, training materials, and access updates. Your financial institution may have already been contacted about establishing access through the issuance of credentials.

CARS/BMS is designed to be a centralized, secure Web-based application that will operate much like the existing bank management module in CA\$HLINK II. For example, a User Profile Requester (UPR) will be set up by the FRB Help Desk with all the roles, functions, and data permissions in CARS/BMS that your organization should have. That UPR will then establish other users, as needed, with the appropriate roles, functions, and data permissions deemed necessary by your management.

In addition to the current functionality, CARS/BMS includes improvements that will allow you (if you choose) to utilize an Excel file to upload your monthly expenses and be notified by email when reimbursable payments to your financial institution have been initiated by FMS.

If you have any questions about this subject conversion, please contact Leo Warring, Project Manager of Bank Management Service, at [Leo.Warring@fms.treas.gov](mailto:Leo.Warring@fms.treas.gov), or call (202) 874-7148.

### CARS/BMS: Changes and Benefits

*Leo Warring, Project Manager of the Bank Management Service (BMS) communicated this information during the CCMM Financial Institution Webinar on November 15, 2012*

The conversion from CA\$HLINK II to CARS/BMS will introduce the following benefits in the bank management functionality:

- Monthly reporting deadline will change from the tenth calendar day to the seventh business day of the month
- Financial institutions will be able to report expenses through the use of an Excel spreadsheet in addition to manual reporting
- Once the reimbursement/payment to the financial institution is fully approved by FMS, the financial institution will receive an email notification of the impending payment
- TGA banks will be paid sooner than the current process, i.e., payment will be received on or by the last business day of the month immediately following the service/billing month

## CA\$HLINK II Stakeholder Outreach Team

The CA\$HLINK II Stakeholder Outreach Team is available to research and answer general questions about CA\$HLINK II shutdown.

Contact us at:

[CL2Shutdown@pnc.com](mailto:CL2Shutdown@pnc.com)

### Contact Information

Information for the primary contacts referenced in this communication (as of November 2012) is below:

#### Bank Management:

Leo Warring at (202) 874-7148 or [Leo.Warring@fms.treas.gov](mailto:Leo.Warring@fms.treas.gov)

#### CA\$HLINK II Call Center:

(800) 346-5465, (301) 887-6600, or [Cashlink2@pnc.com](mailto:Cashlink2@pnc.com)

#### CA\$HLINK II Shutdown:

CA\$HLINK II Stakeholder Outreach at [CL2Shutdown@pnc.com](mailto:CL2Shutdown@pnc.com)

#### OTCnet:

OTCnet Agency Adoption at (703) 377-5365 or [FMS.OTCInformation@citi.com](mailto:FMS.OTCInformation@citi.com)

#### TCMS:

TCMS Customer Service at (855) 677-TCMS (8267) or [BOS.TCMS.Operations.Group@bos.frb.org](mailto:BOS.TCMS.Operations.Group@bos.frb.org)

## Bank Management (*continued*):

### CARS/BMS: Customer Support

For CARS/BMS technical problems in reporting, contact the FRB Atlanta help desk at (404)273-3685 or [Billing.CBAF@atl.frb.org](mailto:Billing.CBAF@atl.frb.org). For all other problems in reporting, including late or incomplete reporting, contact the TGA Support Team at (866) 771-1842 or [stls.tga.support@stls.frb.org](mailto:stls.tga.support@stls.frb.org).

## The Next 35 Days: Preparing for CA\$HLINK II Shutdown

November

December



### Activities Financial Institutions Must Complete Before December 31, 2012

#### For OTCnet:

- Continue partnership with FMS to support CA\$HLINK II decommission and agency conversion to OTCnet
- Immediately ensure your bank can and is confirming agencies' deposits using OTCnet
- Ensure your bank is not entering an OTCnet deposit into CA\$HLINK II if an agency provides an OTCnet deposit voucher
- Proactively monitor and notify FMS if your bank receives a paper SF215 deposit voucher from an agency between now and December 31, 2012
- Become familiar with the new process for performing ACRs (see [Page 2](#) for an overview of the new procedures for ACRs)
- Expect to receive direction from FMS on what to do if your bank receives a paper SF215 after December 31, 2012

#### For TCMS:

- Setup NSS agreements with Treasury
- Become familiar with the TCMS and NSS processing schedule
- Update internal procedures to handle processing and reconciling Treasury funds withdrawn using NSS entries from your financial institution's reserve account
- Ensure your financial institution's procedures accommodate same-day NSS entries resulting from late financial institution deposit confirmations or, if applicable, expedited agency cash flows

#### For CARS/BMS:

- By November 1, 2012, all financial institutions should have:
  - Identified current or new End User Authorizing Contact (EUAC)
  - Identified CARS/BMS users
  - Identified User Profile Requestor (s) (UPR)
  - Submitted a completed EFT form
- Complete CARS/BMS Training/Walkthrough
- Expect to receive CARS/BMS Credential Notification from the FRB between December 10 - 14, 2012

Throughout the next 35 days, it is your responsibility to stay informed about the pending shutdown of CA\$HLINK II and any news about OTCnet, TCMS, and CARS/BMS.

FMS and the CA\$HLINK II Team are shutting down CA\$HLINK II

**Is Your Financial Institution Ready?**