



OTCnet and TRS – What Your Agency or Financial Institution Needs to Do to Prepare for CA\$HLINK II Shutdown

Only three months remain until December 31, 2012, when both the CA\$HLINK II and Paper Check Conversion Over-the-Counter (PCC OTC) systems are decommissioned. Agencies and financial institutions must transition from CA\$HLINK II and/or PCC OTC to the OTC Channel Application (OTCnet) to process their over-the-counter collections. In addition, agencies should enroll in and actively use the Transaction Reporting System (TRS) **now** to be fully prepared when CA\$HLINK II is shut down. It is important to note that conversion and enrollment are only the first steps. To ensure full preparation:

1. Agencies and financial institutions must use OTCnet deposit reporting in place of the paper SF 215 deposit tickets that are reported in CA\$HLINK II for all TGA and ITGA bank deposits.
2. Agencies must use OTCnet for electronic check capture in place of PCC OTC.
3. Agencies must use TRS to obtain collections information in place of CA\$HLINK II.

The following sections provide important information about OTCnet and TRS and explain the importance of these three actions.

What is the relationship between OTCnet and TRS?

OTCnet contains two modules to allow agencies to process over-the-counter collections: Deposit Reporting and Check Capture. OTCnet Deposit Reporting allows an agency to process domestic currency, foreign currency and paper checks by submitting an electronic deposit ticket and sending the physical collections to a financial institution. OTCnet Check Capture allows an agency to electronically process domestic paper checks by scanning and transmitting check data for electronic settlement.

TRS currently receives over-the-counter summary-level Deposit Reporting and Check Capture collections processed by OTCnet. (Figure 1)

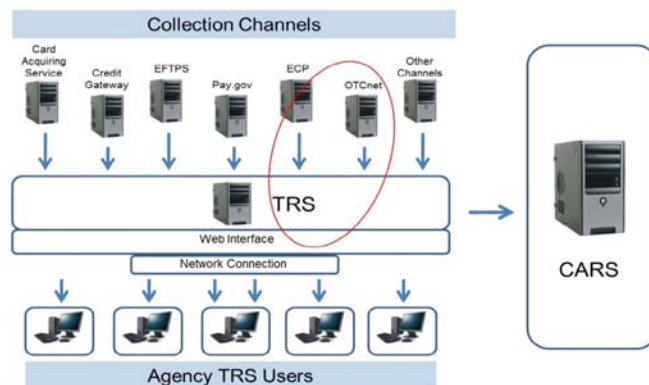


Figure 1: Transaction data flows to TRS from Collection Channels; TRS provides transaction reporting data to CARS and Agency TRS Users

Agencies and financial institutions must ensure that all over-the-counter collections deposits have been transitioned to OTCnet and are being processed through OTCnet Deposit Reporting and/or OTCnet Check Capture by October 2012. Once transitioned, over-the-counter collections for your agency will be available in TRS.

Why must agencies and financial institutions use OTCnet for over-the-counter collections?

Agencies and financial institutions must use OTCnet Deposit Reporting in place of the SF 215 deposit tickets (deposits entered directly into CA\$HLINK II) for all TGA and ITGA bank deposits because, after December 31, 2012, financial institutions will no longer be able to accept manual SF 215 deposit tickets.

Additionally, agencies must use OTCnet for electronic check capture in place of PCC OTC because PCC OTC will shut down on December 31, 2012, and will not be available for check capture.

If your agency is not yet using OTCnet for over-the-counter collections or has not received a conversion date, contact Angela Smith at (202) 874-4080.

Once OTCnet conversion is complete, the next goal is for all agencies to fully utilize OTCnet for their agency's over-the-counter deposit needs. Financial institutions should encourage their agencies to use OTCnet, and FMS will reach out to agencies that do not have an increased level of activity in OTCnet to help them achieve full OTCnet utilization.

Why must agencies use TRS to obtain collections information in place of CA\$HLINK II?

With the shutdown of CA\$HLINK II on December 31, 2012, TRS will be the only FMS system where agencies can view all of their collections information. Agencies and financial institutions currently converted to OTCnet need to act now to make sure that **all** over-the-counter collections are being processed using OTCnet Deposit Reporting and/or OTCnet Check Capture and are no longer being entered manually in CA\$HLINK II. By taking steps **now** to confirm this, agencies will have the opportunity to verify that all required data is available in TRS to support their business processes.

It is critical to identify and confirm that all OTCnet collections are reflected in TRS prior to the CA\$HLINK II and PCC OTC shutdown in December 2012.

Additional Information - OTCnet Release 1.3

OTCnet Release 1.3 will be implemented in late September 2012 and will expand the existing data flow from OTCnet to TRS. With Release 1.3, OTCnet will begin reporting summary and detailed data for Check Capture and will continue to report summary level data for Bank Deposits. Release 1.3 will also provide classification information for check transactions at the summary and detail level which helps agencies meet requirements to become CARS Reporters, required for all agencies by October 2014.

After OTCnet Release 1.3 is implemented, TRS users will be able to retrieve summary and detailed data for OTCnet Check Capture and can continue to retrieve summary level data for Bank Deposits in TRS reports and data files. TRS will continue to report this transaction information to the Central Accounting Reporting System (CARS) and to agencies, consolidating and streamlining the transaction reporting for all over-the-counter collections.

CA\$HLINK II and PCC OTC will shut down on December 31, 2012.

Are you ready?

For additional information, contact one of the following OTCnet or TRS resources:

OTCnet Agency Outreach Team

- (703) 377-5365
- FMS.OTCInformation@citi.com

OTCnet Customer Service

- 1 (866) 945-7920
- FMS.OTCChannel@citi.com

TRS Agency Outreach Team

- (301) 699-6814
- TRSAgencyOutreach@pnc.com

TRS Call Center

- 1 (800) 346-5465 or (301)887-6600
- TRS@pnc.com