



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

June 22, 2010

Dear Financial Institution 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 Financial Institutions (FIs) and Federal Program Agencies that use our systems. 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 Treasury General Account Deposit Reporting Network (TGANet) and the Paper Check Conversion Over the Counter (PCC OTC) systems. As you have probably heard as a result of other agency outreach efforts (e.g., letters, 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:

- Facilitate compliance with the Government-wide Accounting Modernization Project and reporting collections "the GWA way"
- Comply with the latest FISMA audit, user access/provisioning, system security, and Personal Identity Verification standards and requirements
- Upgrade paper check conversion processing, so that it can be done end to end over the internet without the need for special software
- 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 of 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 and supporting FIs currently using TGAnet to convert to the OTCnet system. First, in order to plan for the conversion, we will cease the onboarding of agencies to the TGAnet system effective October 1, 2010. The moratorium on new agency implementations will remain in effect through February 2011. FMS is prepared to support agencies and FIs that want to implement TGAnet through September 30, 2010, and encourage agencies/FIs 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/FIs will only be able to implement OTCnet, not the legacy TGAnet system.

The transition will begin with an OTCnet pilot from December 2010 through February 2011 involving several FIs and 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.

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

Resources to get you ready for OTCnet

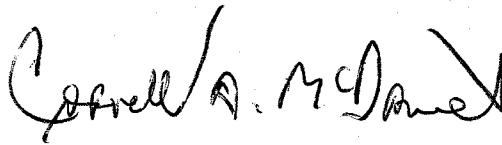
To ease the conversion process, we will provide a number of resources over the coming months:

- *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 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 FIs 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 for FIs is being scheduled for July 13, 2010. You will receive an invitation and more information concerning the webinar in the near future.

We will also be seeking your feedback along the way. You can expect to hear about several events leading up to the launch of OTCnet including User Acceptance Testing events. We are excited about where we are going and are hopeful that through our communications and outreach mechanisms, you too will begin to feel the excitement.

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

Sincerely,

A handwritten signature in black ink that reads "Corvelli A. McDaniel". The signature is written in a cursive style with a large initial 'C' and a distinct 'A'.

Corvelli A. McDaniel

Director

Revenue Collection Group