



The Modernization of Collections and Cash Management

By Kerry Lanham and Gregory Till, Modernization Planning Office

Collections and Cash Management Modernization (CCMM) is a comprehensive, multiyear enterprise architecture initiative to streamline, modernize, and improve the services, systems, and processes supporting Financial Management Service's (FMS) and Treasury's collections and cash management programs. "Enterprise architecture" is the practice of describing the current and future structure and behavior of an organization's services, systems, and processes, so that they align with the organization's core goals and strategic direction. As applied to collections and cash management, this enterprise architecture effort will result in a re-architecting of programs and processes that have accumulated over many decades. CCMM is focused on the business aspects of enterprise architecture. Other aspects of enterprise architecture, such as data architecture, are handled outside of the CCMM initiative.

The need for CCMM arises because over the years, Treasury's collections and cash management systems and processes developed in an ad-hoc, stove-piped way and without coordination across cash management areas and other FMS programs. This has resulted in systems that are monolithic (i.e., serving multiple business lines) and have significant redundancies. For example, we currently have eight programs and ten banks that perform Automated Clearing House (ACH) debit transactions on the government's behalf. CCMM will realign these and other collections and cash management systems to match the end-state business line architecture. The initiative will address all collections and settlement mechanisms, transaction reporting, cash concentration, cash forecasting and investment practices.

One of CCMM's key goals is to separate the collection channels from the settlement operations so that there is one system per collection channel (i.e., mail, over-the-counter (OTC), Internet) and one system per settlement mechanism (i.e., ACH, credit card, check, wire). Rather than perform settlement itself, each channel application will invoke the new settlement applications, which will provide shared services. The



(Front center) Kerry Lanham, Director, Office of Cash Management Enterprise Architecture. (From left) Gregory Till, Director, Modernization Planning, Carlo Passeri, Financial Program Specialist and Andrew Ganahl, Senior Financial Program Specialist. (FMS Photo/Gregory Crawford)

result will be a simpler architecture that still provides the same functionality as today. Thus, instead of having eight programs performing ACH debits, there will be only one.

Another goal of CCMM is to consolidate the transaction and deposit reporting that agencies currently receive from a myriad of collection programs and from CASHLINK II. A new system called the Transaction Reporting System (TRS) will be the single touch point for agency reporting needs. TRS will be a data warehouse for all collections transactions and will allow FMS to provide agencies with a

daily consolidated report of all collections, rather than requiring agencies to receive separate reports from multiple systems and banks. TRS will also contain deposit reports, so agencies will not have to reconcile transaction reports with deposit details that currently are in CASHLINK II.

FMS has also developed an XML schema for all revenue collection transactions. The use of XML reporting will facilitate standardization of financial reporting across the government and help us realize the benefits of reduced data redundancy, improved reporting consistency and improved data quality. XML will also be used in the long run for simpler and more seamless interfaces with our commercial banks and program agencies. More information on this schema can be found at: fms.treas.gov/eda.

These changes are designed to help save money, but also to better position FMS for the future. At present, FMS's collections and cash management programs are effective, but not as efficient as they could be. By eliminating redundancy and taking advantage of shared services, we can become more efficient and save money. In addition to not being as efficient as it could be, the complexity of the current architecture is a growing operational risk to the government. Without changes, FMS may not be able to meet the evolving needs of agencies. By implementing the CCMM initiative, FMS will be better able to meet agency needs for years to come.

For more information about CCMM, contact Gregory Till, Director of Modernization Planning, at 202-874-6935.