

Economic Feasibility Study (EFS) Criteria Is an EFS required?

Acceptance of Funds by State Agencies:		
<p>To comply with RCW 43.41.180, an EFS is generally required to be submitted to the Office of Financial Management (OFM) for approval when payments are proposed to be received by electronic and other technological means. An EFS is required to be submitted to OFM for approval prior to implementation for both pilot and permanent projects. An EFS is not required in cases where only information is proposed to be received or in cases where other specific circumstances exist. Agencies are required to evaluate Automated Clearing House (ACH) as the primary option for accepting funds electronically. <i>State Administrative and Accounting Manual (SAAM)</i> section 40.20 discusses acceptance of electronic funds by state agencies in more detail. General guidance for EFS requirements for certain types of payments is offered below:</p>		
Payment/ Information Type	EFS Required? *	Notes
Automated Clearing House (ACH)	Depends on circumstances	<ul style="list-style-type: none"> · An EFS is not required for acceptance of ACH payments into treasury and/or treasury trust accounts through the Office of the State Treasurer (OST). · However, an EFS is required if an agency will be using a third party vendor, or if they will be generating their own ACH payment file. · Contact OFM and OST to determine if an EFS is required.
Bill Presentment	No	<ul style="list-style-type: none"> · Involves electronic presentment of information (no payment involved). No EFS is necessary.
Credit Cards, Debit Cards, Smart Cards, Stored Value Cards, etc.	Yes	<ul style="list-style-type: none"> · An EFS is required for all new projects (including both pilot and permanent projects). · An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and the OST to determine if an EFS is needed for an expansion.
Electronic Checks and Internet Checks	Yes	<ul style="list-style-type: none"> · An EFS is required for all new projects (including both pilot and permanent projects). · An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and OST to determine if an EFS is needed for an expansion.

Electronic Wires	No	<ul style="list-style-type: none"> · Because these are usually needed immediately and singular in nature, they do not require an EFS. · However, the agency must work with OST to ensure that there is not a less expensive alternative available.
Inter-Agency Payments (IAP) and Interfund Payments (IFT)	No	<ul style="list-style-type: none"> · This is considered to be a variation on the existing Journal Voucher (JV) process, and is not considered a new payment type, so no EFS is necessary.
Lock Boxes	Depends on circumstances	<ul style="list-style-type: none"> · Lock boxes often involve an electronic transfer of funds component. Contact OFM and OST to determine if an EFS is required. (OST negotiates lock box contracts. Refer to SAAM Chapter 65.)
Remittance Advices	No	<ul style="list-style-type: none"> · Involves electronic presentment of information (no payment involved). No EFS is necessary.
State Purchase Cards	Depends on circumstances	<ul style="list-style-type: none"> · Generally agencies may not accept state purchase cards as a form of payment from other state agencies, and an EFS is required. · An EFS is not required in cases where the paying and/or receiving account is a local account, and the receiving agency has agreed to accept the inter-agency purchase card payments.
<p>*Note: An EFS is not deemed necessary in cases where either state or federal statute mandates or allows acceptance of payments via a specific electronic payment type, such as Department of Revenue tax payments via electronic funds transfer per RCW 82.32.080, and Liquor Control Board retail liquor sales via credit cards and debit cards per RCW 66.16.041.</p>		

Disbursement of Funds by State Agencies:

SAAM 85.36.10 says that, “Agency disbursement processes should minimize the cost of making disbursements by using the most cost effective means available.” When the payment is proposed to be by electronic or other technological means, an EFS is required to be submitted to OFM for approval. The EFS is required to be submitted for approval prior to implementation for both pilot and permanent projects. Agencies are required to evaluate Automated Clearing House (ACH) as the primary option for disbursing funds electronically. SAAM section 40.30 discusses disbursement of electronic funds by state agencies in more detail. General guidance for EFS requirements for certain types of payments is offered below:

Payment/ Information Type	EFS Required? *	Notes
Automated Clearing House (ACH)	Depends on circumstances	<ul style="list-style-type: none"> · Generally, an EFS is not required for disbursement of ACH payments for treasury and treasury trust funds through the Office of the State Treasurer (OST). · However, an EFS is required if an will be using a third party vendor, or if they will be generating their own ACH payment file. · Contact OFM and OST to determine if an EFS is required.
Electronic Benefit Transfers (EBT)	Yes	<ul style="list-style-type: none"> · An EFS is required for all new projects (including both pilot and permanent projects). · An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM to determine if an EFS is needed for an expansion.
Electronic Checks and Internet Checks	Yes	<ul style="list-style-type: none"> · An EFS is required for all new projects (including both pilot and permanent projects). · An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and OST to determine if an EFS is needed for an expansion.
Electronic Wire	No	<ul style="list-style-type: none"> · Because these are usually needed immediately and singular in nature, they do not require an EFS. · However, the agency must work with OST to ensure that there is not a less expensive alternative available.
Remittance Advices and Employee Earnings Statements	No	<ul style="list-style-type: none"> · Involves electronic presentment of information. No EFS is necessary.
Inter-Agency Payments (IAP) and Interfund Transactions (IFT)	No	<ul style="list-style-type: none"> · This is considered to be a variation on the existing Journal Voucher (JV) process, and is not considered a new payment type, so no EFS is necessary.

Inserted Warrant	No	<ul style="list-style-type: none"> This is considered an alternate method of distributing payments generated via an existing process. No EFS is necessary.
Open Accounts	No	<ul style="list-style-type: none"> These are purchasing arrangements with individual vendors to provide for small purchases during the month. These accounts are set up for identification purposes and are considered to be a normal business practice. Since no electronic payment component is involved, no EFS is necessary.
Smart Cards, Stored Value Cards, Pay Cards, etc.	Yes	<ul style="list-style-type: none"> An EFS is required for all new projects (including both pilot and permanent projects). An EFS may also be required for expansions to existing processes, unless the expansion is considered minor. Contact OFM and OST to determine if an EFS is needed for an expansion.
State Purchase Cards	No	<ul style="list-style-type: none"> These cards must be used in accordance with terms of the Department of Enterprise Services (DES) negotiated contract. No EFS is necessary. May not be used to pay another state agency.
State Travel Cards, and State Fuel Cards	No	<ul style="list-style-type: none"> These cards must be used in accordance with terms of the DES negotiated contract. No EFS is necessary. May not be used to pay another state agency.
Non-State Fuel Cards	Yes	<ul style="list-style-type: none"> These include fuel cards obtained directly from gas stations for client use (including both prepaid and non-prepaid cards). These are considered an electronic method of payment, so an EFS is required.
<p>* Note: An EFS is not deemed necessary in cases where either state or federal statute mandates or allows disbursement of payments via a specific electronic payment type, such as Department of Social and Health Services food stamps via an electronic benefit transfer system, which was federally mandated by The Personal Responsibility and Work Opportunities Reconciliation Act of 1996.</p>		