



40.10 General Provisions

40.10.10

July 1, 2010

Policies in this chapter are minimum standards

This chapter contains policies and requirements for the acceptance and/or disbursement by state agencies of state funds/benefits via electronic means, also referred to as electronic commerce (e-commerce). This includes, but is not limited to, credit cards and debit cards, purchase cards, automated clearing house (ACH) transfers, and electronic benefit transfers (EBTs).

The policies and procedures in this chapter are the minimum requirements that all state agencies must meet. An agency may establish additional policies and requirements, as long as the agency meets the required minimum standards.

40.10.20

October 1, 2016

Authority for these policies

40.10.20.a

Pursuant to RCW 43.41.110(13) the Office of Financial Management (OFM) is the official state agency to estimate and manage the cash flow of all public funds and shall adopt such rules as are necessary to manage the cash flow of public funds.

40.10.20.b

RCW 43.41.180 authorizes the Office of Financial Management to approve the electronic transfer of funds.

No state agency may use electronic or other technological means, including credit cards, without specific continuing authorization from the Office of Financial Management.

40.10.20.c

As defined in RCW 43.08.015 the state treasurer shall take such actions as are necessary to ensure the effective cash management of public funds. This cash management shall include the authority to represent the state in all contractual relationships with financial institutions. The state treasurer may delegate cash management responsibilities to the affected agencies with the concurrence of the Office of Financial Management.

40.10.20.d

Under RCW 43.88.160(5d) the Office of the State Treasurer (OST) shall coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization under RCW 43.41.180.

- 40.10.20.e Under RCW 39.26.090 the Department of Enterprise Services (DES) is to establish overall state policies, standards, and procedures regarding the procurement of goods and services by all state agencies, and develop policies and standards for the use of credit cards or similar methods to make purchases.
- 40.10.20.f RCW 28B.10.029 authorizes institutions of higher education to independently exercise certain powers otherwise granted to the director of DES.
- 40.10.20.g The Budget and Accounting Act, RCW 43.88.160(4)(a) requires that the director of the Office of Financial Management (OFM), as an agent of the governor, develop and maintain a system of internal controls. Refer to Chapter 20.
- 40.10.20.h Additionally, refer to Chapter 65 for information related to banking services, and RCW 39.58.080 for deposit of public funds.

40.10.30
July 1, 2010**Applicability**

This chapter is applicable to all agencies of the state of Washington, unless otherwise exempted by statute or rule. The Budget and Accounting Act (RCW 43.88.020) defines the term “Agency” to mean and include “...every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board and commission, except as otherwise provided...”

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

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July 1, 2010

Responsibilities of the Office of Financial Management

The Office of Financial Management (OFM) has the following responsibilities related to e-commerce activities by state agencies:

1. Develop administrative and accounting policies and procedures for acceptance and/or disbursement of state funds/benefits via electronic means.
2. Approve, prior to implementation, the project and its expansions, if appropriate, for acceptance and/or disbursement of state funds/benefits via electronic means when economically feasible. Approval is required for both pilot and permanent projects.
3. Provide assistance to agencies in preparing an economic feasibility study (EFS) for e-commerce activities. Agencies are encouraged to work closely with their assigned OFM Accounting Consultant and the OFM E-Government Accounting Consultant. Additional resources are available on OFM's E-Commerce Resources website at: <http://www.ofm.wa.gov/resources/ecommerce.asp>.
4. Work with OST to respond to requests for fiscal information, as needed, on the electronic receipt and/or disbursement of funds/benefits by state agencies.

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Responsibilities of the Office of the State Treasurer

The Office of the State Treasurer (OST) has the following responsibilities related to the electronic receipt and/or disbursement of funds/benefits by state agencies:

1. Negotiate master contracts or other contracts for receipts and disbursements by credit cards, debit cards, ACH transfers, or other electronic or technological means. Master contracts negotiated include, but are not limited to, depository and banking services, credit card and debit card acceptance, lockbox services, and ACH file processing. This responsibility may be delegated to agencies with OFM's concurrence. An agency delegated this responsibility should use its best efforts to minimize the financial impact of electronic transfers on the state agency, taxpayers, and the public who use its services. Refer to Chapter 65.

2. Work with OFM and state agencies in implementing new technologies for acceptance and/or disbursement of state funds/benefits via electronic means which include, but are not limited, to the following:
 - ACH transfers for both acceptance and disbursement of funds.
 - Credit cards and/or debit cards for acceptance of funds.
 - Remote deposit services for the deposit of checks to the state treasury or local bank accounts.
 - Stored value cards for disbursement of funds.
3. Advise agencies of new cash management techniques, practices, procedures, and other efficient methods of collecting and disbursing state money to ensure maximum return on state investments.