

Fiscal Service, Treasury

§ 206.6

EFT payment methods, such as Electronic Benefit Transfer, will be adopted and implemented to make EFT accessible to all benefit recipients.

(c)(1) Selection of the best collection and payment mechanism is a joint responsibility of an agency and the Service. An agency has responsibility for conducting cash management reviews; gathering volume and dollar data relative to the operation of the systems; and funding any implementation and operational costs above those normally funded by Treasury. The Service is the required approval authority when an agency desires to convert from one collection mechanism to another. The Service's written approval is required prior to an agency entering into new contractual agreements or renewing existing contracts for agency collections or payments systems. Agencies will follow guidelines for the cost-effective usage of collection and payment mechanisms, published in the TFM, Volume I, Part 6-8000, in their selection and recommendation to the Service of an appropriate funds transfer mechanism. The agency will provide the Service with a recommended mechanism for any new or modified cash flows. The Service will review the recommendations, approve a mechanism, and assist with implementation.

(2) If an agency proposes a collection or payment mechanism other than EFT, it may be required to provide a cost-benefit analysis to justify its use. Cost/benefit analyses must include, at a minimum, known or estimated agency personnel costs, costs of procurement, recurring operational costs, equipment and system implementation and maintenance costs, costs to payment recipients, and costs to remitters. Agencies should consult with Treasury to determine the need to include interest costs associated with float in their computations of benefits and costs.

(d) An agency will require the collection of funds by the agency to be made via EFT and the disbursement of funds by the agency to be made via EFT as a provision of new contractual agreements or renewal of existing contracts that impact agency collection or payment mechanisms, when cost-effective,

practicable, and consistent with current statutory authority.

§ 206.5 Collection and deposit procedure exceptions.

(a) The following collection and deposit timeframe requirements are to be followed in exception cases where EFT mechanisms are not utilized:

(1) An agency will achieve same-day deposit of monies. Where same day deposit is not cost-effective or is impracticable, next day deposit of monies must be achieved except in those cases covered by I TFM 6-8000.

(2) Deposits will be made at a time of the day prior to the depository's specified cutoff time, but as late as possible in order to maximize daily deposit amounts.

(3) When cost-beneficial to the Government, an agency may make multiple deposits.

(b) Any additional exceptions to the above policies are listed in I TFM 6-8000.

§ 206.6 Cash management planning and review.

(a) An agency shall periodically perform cash management reviews to identify areas needing improvement.

(b) As part of its cash management review process, an agency is expected to document cash flows in order to provide an overview of its cash management activities and to identify areas that will yield savings after cash management initiatives are implemented. The Service will evaluate an agency's EFT policy and application, to include mitigating circumstances that may prevent the use of EFT, as part of the cash management reviews.

(c) An agency's cash management reviews will provide the basis for identification of improvements and preparation of cash flow reports for submission to the Service as prescribed by I TFM 6-8000. That Chapter provides requirements for an agency in performing periodic cash management reviews, identifying improvements, and preparing cash flow reports. In addition, the Chapter describes the timing and content of periodic reports that must be submitted by an agency to the Service on progress made in implementing