



40.10 General Provisions

Section	Title	Effective Date	Page Number
40.10.10	Policies in this chapter are minimum standards	July 1, 2010	283
40.10.20	Authority for these policies	Oct. 1, 2016	283
40.10.30	Applicability	July 1, 2010	284
40.10.40	Responsibilities of the Office of Financial Management	July 1, 2010	285
40.10.50	Responsibilities of the Office of State Treasurer	July 1, 2010	285

40.10.10 Policies in this chapter are minimum standards

July 1, 2010

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 Authority for these policies

Oct. 1, 2016

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.



State Administrative and Accounting Manual

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 Applicability

July 1, 2010

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..."



State Administrative and Accounting Manual

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.

40.10.40 Responsibilities of the Office of Financial Management

July 1, 2010

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 Statewide Accountant and the OFM E-Government Statewide Accountant. Additional resources are available on [OFM's E-Commerce Resources website](#).
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.

40.10.50 Responsibilities of the Office of State Treasurer

July 1, 2010

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 statewide contracts or other contracts for receipts and disbursements by [credit cards](#), [debit cards](#), [ACH](#) transfers, or other electronic or technological means. Statewide 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](#).

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.



State Administrative and Accounting Manual

- [Remote deposit services](#) for the deposit of checks to the state treasury or local bank accounts.
 - [Prepaid debit cards](#) for disbursement of funds.
2. 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.