



## 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

July 1, 2010

### Authority for these policies

40.10.20.a

RCW 43.41.110(13) states that the Office of Financial Management (OFM) shall:

“Be the official state agency to estimate and manage the cash flow of all public funds as provided in chapter 43.88 RCW. To this end, the office shall adopt such rules as are necessary to manage the cash flow of public funds.”

40.10.20.b

RCW 43.41.180 states that:

"(1) The office of financial management is authorized to approve the use of electronic and other technological means to transfer both funds and information whenever economically feasible, to eliminate paper documentation wherever possible, and to provide greater fiscal responsibility. This authorization includes but is not limited to the authority to approve use of electronic means to transfer payroll, vendor payments, and benefit payments and acceptance of credit cards, debit cards, and other consumer debt instruments for payment of taxes, licenses, and fees. The office of financial management shall adopt rules under RCW 43.41.110(13) to specify the manner in which electronic and other technological means, including credit cards, are available to state agencies.

(2) 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

RCW 43.08.015 states that:

"Within the policies and procedures established pursuant to RCW 43.41.110(13) and 43.88.160(1), 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

RCW 43.88.160(5d) states that 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

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.

---

**40.10.40**

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.

---

**40.10.50**

July 1, 2010

**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.