



Chapter 40

E-Commerce: Electronic

Acceptance and

Disbursement of

State Funds



40.10 General Provisions

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40.10.10 Policies in this chapter are minimum standards

June 1, 2026

This chapter contains policies and requirements for the acceptance and/or disbursement by state agencies of state funds via electronic means, also referred to as [electronic commerce \(e-commerce\)](#). This includes, but is not limited to: [automated clearing house \(ACH\)](#) transfers, [credit cards](#), [debit cards](#), [wire transfers](#), [lockbox services](#), [remote deposit services](#), [electronic benefit transfers \(EBTs\)](#), [payroll cards](#), [prepaid cards](#), and [purchase cards](#).

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

June 1, 2026

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 OFM 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 OFM.



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40.10.20.c

As defined in [RCW 43.08.015](#) the Office of the State Treasurer (OST) 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. OST may delegate cash management responsibilities to the affected agencies.

40.10.20.d

Under [RCW 43.88.160\(5\)\(d\)](#) OST shall coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization from OFM under [RCW 43.41.180](#).

40.10.20.e

Under [RCW 39.26.090](#) the Department of Enterprise Services (DES) is responsible for the [state 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 in connection with the purchase and disposition of goods and services.

40.10.20.g

The Budget and Accounting Act, [RCW 43.88.160\(4\)\(a\)](#) requires that the director of 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

June 1, 2026

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 in this chapter."

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

June 1, 2026

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 via electronic means.
2. Approve, prior to implementation, the project and its expansions, if appropriate, for acceptance and/or disbursement of state funds 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-Commerce Statewide Accountant. Additional resources are available on [OFM's E-Commerce Resources webpage](#).
4. Work with the Office of the State Treasurer to respond to requests for fiscal information, as needed, for the electronic receipt and/or disbursement of funds by state agencies.

40.10.50 Responsibilities of the Office of the State Treasurer

June 1, 2026

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

1. Negotiate master contracts or other contracts for receipts and disbursements by [credit cards](#), [debit cards](#), [automated clearing house \(ACH\)](#) 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 by OST. 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 technologies for acceptance and/or disbursement of state funds 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.



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- [Prepaid debit cards](#) for disbursement of funds.
3. Advise agencies on new cash management techniques, practices, procedures, and other efficient methods of collecting and disbursing state funds to ensure maximum return on state investments.



40.20 Acceptance of Electronic Funds by State Agencies

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40.20.10 Methods of accepting electronic funds

July 1, 2010

The acceptance of electronic funds includes all forms of receiving funds through electronic means. These methods include, but are not limited to:

- [Automated clearing house \(ACH\) transfers](#)
- [Credit cards](#)
- [Debit cards](#)
- [Wire transfers](#)
- [Lockbox services](#)
- [Remote deposit services](#)

40.20.15 Automated clearing house (ACH) transfers

June 1, 2026

[Automated Clearing House \(ACH\)](#) transfers are the preferred method for agencies accepting funds electronically. This method is generally the least expensive method for accepting funds electronically and works well for internet applications, recurring transactions, and one-time transactions.

Agencies are **required** to evaluate ACH as the primary option for accepting funds electronically.

ACH transfers not performed directly through the Office of the State Treasurer (OST), where the processing and settlement occur outside the state treasury, **require an [economic feasibility study \(EFS\)](#)** to be submitted to the Office of Financial Management (OFM) for approval prior to implementation. Refer to [Section 40.40](#) for information related to preparing an EFS.

ACH transfers through OST **do not require** an EFS to be submitted to OFM for approval.



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However, agencies are required to contact OST prior to implementing acceptance of ACH transfers:

- If an entity (government or private) wishes to make payment to a state agency by ACH, the agency must provide its bank account information to the entity. Usually, the entity has a form that must be completed and returned before ACH payments can begin.
- For direct deposits to the state treasury from the Federal Government, the agency should complete the agency-related information on the Federal Government's Direct Deposit Sign-Up Form and forward it to OST's Cash Management Section to coordinate with the bank for completion of the Financial Institution Certification portion of the form. The form will then be returned to the agency to forward to the paying entity. This is necessary to ensure the funds are identified properly upon receipt and that the volume of receipts can be managed appropriately.
- Agencies planning to collect funds via ACH from a large number of customers (i.e., tax payments, license fees, etc.) must work with OST to determine the most appropriate and cost effective method for collection. An **EFS is required** when working with OST to outsource the ACH file creation process to a third-party vendor, or when OST assists agencies in developing systems to create their own ACH file and process it through the state treasury. Both of these options require coordination and testing between the agency and OST. Refer to [Section 40.40](#) for information related to preparing an EFS.

40.20.20 Credit cards and debit cards

July 1, 2019

Unless specifically authorized by law, all new projects to accept [credit cards](#) and/or [debit cards](#) **must be approved** by the Office of Financial Management (OFM) **prior to** implementation. This **requires** an [economic feasibility study \(EFS\)](#) to be submitted to OFM. Refer to [Section 40.40](#) for information related to preparing an EFS.

If a project is limited to the acceptance of credit cards and/or debit cards and does not include [Automated Clearing House \(ACH\)](#) transfers, the Business Case of the EFS is **required** to explain why ACH would not be a viable option for the agency's project.

Credit cards and/or debit cards may be processed either by retail methods or over the internet. Retail methods include transactions over the counter, through an interactive voice response system, over the phone, by fax, or by mail.

Expansions of existing processes may require approval by OFM as well. Agencies planning an expansion should contact their assigned OFM Statewide Accountant to determine if an EFS is needed.

State agencies accepting credit cards and/or debit cards must comply with [Payment Card Industry \(PCI\) Security Standards](#) to safeguard cardholder data. Additional guidance is available on OFM's [E-Commerce resources webpage](#).

Each agency accepting credit cards and/or debit cards must reconcile its card activity daily.



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Generally, agencies may not accept payments by credit cards, commonly referred to as [purchase cards](#), from other Washington state agencies. **Exceptions** to this are as follows:

- When prior written approval is received from OFM based on the requirements in [Subsection 40.40.10](#).
- When the paying and/or receiving account is a [local account](#), and the receiving agency has agreed to accept the purchase card payments from the other agency.
- The Department of Transportation's Good To Go! accounts.
- The Department of Labor and Industries electrical permits.
- Individual transactions less than \$50.00.

Refer to [Subsection 85.36.20](#) for further information on methods of payment available between state agencies.

40.20.30 Wire transfers, lockbox services, remote deposit services, and other electronic technologies

June 1, 2026

40.20.30.a

In general, unless specifically authorized by law, agencies wishing to accept funds via lockbox services, remote deposit services, or any other electronic technology **must receive approval** from the Office of Financial Management (OFM) **prior to** implementation. This **requires** an [economic feasibility study \(EFS\)](#) to be submitted to OFM. Refer to [Section 40.40](#) for information related to preparing an EFS.

If a project is limited to these other electronic technologies, and does not include [automated clearing house \(ACH\)](#) transfers, the Business Case of the EFS is required to explain why ACH would not be a viable option for their project.

State agencies are **not allowed** to use online payment processing services such as PayPal, Google Pay, Venmo, Apple Pay, or similar services to accept funds. All state funds must be deposited in an account that complies with the Public Deposit Protections Commission (PDPC) law ([RCW 39.58.080](#)). These online payment processing services cannot be used because the payments are deposited in out of state accounts, and not in Washington state PDPC qualified banks. The use of these services violates the Office of the State Treasurer's (OST's) mandatory use contract for merchant services. Agencies should consult with OST for alternatives to these types of online payment processing services using the state merchant services contract.

Exceptions to the EFS requirement for acceptance of funds by these other electronic technologies are included below. Refer to [Subsection 40.20.30.c](#) and [Subsection 40.20.30.d](#).

40.20.30.b

Acceptance of electronic payment types other than ACH transfers, [credit cards](#), or [debit cards](#) where an EFS is **required** include, but are not limited to:



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- **Remote deposit services not arranged directly through OST.** Remote deposit services include the use of imaging software to capture an image of a paper check and transfer it electronically to the bank for deposit. Contact OST's Cash Management Section regarding available contracts.

40.20.30.c

Acceptance of electronic payment types other than ACH transfers, credit cards, or debit cards where an EFS is **NOT required** include, but are not limited to:

- **Remote deposit services that are arranged directly through OST.** Remote deposit services include the use of imaging software to capture an image of a paper check and transfer it electronically to the bank for deposit. Contact OST's Cash Management Section regarding available contracts.
- **Wire transfers.** Incoming wire transfers are generally low in cost, and therefore do not require an EFS.
- **Interagency payments (IAP).** IAP is the preferred method to pay other state agencies or to allocate or transfer costs between accounts, programs, etc., within an agency when both the paying and receiving accounts are either [treasury](#) or [treasury trust accounts](#).
- **Interfund transfers (IFT).** IFT is the preferred method in AFRS for transferring funds between treasury and/or treasury trust accounts within the same agency. IFT transactions are used during the fiscal year to allocate or transfer costs between accounts, within an agency when both the paying and receiving accounts are either treasury or treasury trust accounts. IFT transactions are not valid in the adjustment months of 99 and 25.

40.20.30.d

Acceptance of electronic payment types, other than ACH transfers, credit cards, or debit cards where an EFS **MAY BE required** include, but are not limited to:

- **Lockbox services.** Contact OST's Cash Management Section for information on services available through the Master Lockbox and Automated Remittance Advice Services Contract. A contract amendment is required to add a new agency or to change existing agency-specific requirements. Lockboxes often have an electronic component. Contact OST and OFM to determine if an EFS approval is needed for the specific project.
- **Expansions of existing processes.** Agencies planning an expansion should contact their assigned OFM Statewide Accountant to determine if an EFS is needed. Contact OST's Cash Management Section regarding available master contracts.



40.30 Disbursement of Electronic Funds by State Agencies

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40.30.10 Methods of disbursing electronic funds

June 1, 2026

The disbursement of electronic funds includes all forms of disbursing funds through electronic means.

These methods include, but are not limited to:

- [Automated clearing house \(ACH\)](#) transfers
- [Wire transfers](#)
- [Electronic benefit transfers](#) (EBTs)
- [Payroll cards](#)
- [Prepaid cards](#)
- [Gift cards](#)
- State [purchase cards](#)
- State [travel cards](#)
- State vehicle [fleet cards](#)



40.30.15 Automated clearing house (ACH) transfers

June 1, 2026

[Automated Clearing House \(ACH\)](#) transfers are the preferred method for agencies disbursing funds electronically, since it is generally the least expensive method.

Agencies are **required** to evaluate ACH as the primary option for disbursing funds electronically.

An [economic feasibility study \(EFS\)](#) is **not required** to be submitted to the Office of Financial Management for approval for the following:

- Disbursement of funds by ACH through the Office of the State Treasurer (OST) and AFRS.
- Direct deposit (ACH) of employees' earnings. Refer to [Subsection 25.70.20](#).

However, agencies are required to contact OST prior to implementing disbursements by ACH transfers:

- Agencies must coordinate with OST to ensure compliance with National Automated Clearing House Association (NACHA) rules.
- Agencies must ensure that all contract amendments needed on the Agreement for Concentration Account Services for [treasury](#) and [treasury trust accounts](#) have been made, or, if a [local account](#) is being utilized, ensure that disbursement by ACH is included in the list of services on the master contract negotiated by OST with the local bank.
- Coordination with OST for testing of the ACH file and other necessary procedures must also be undertaken.

Refer to [Subsection 85.36.20](#) for additional information related to ACH disbursements. Refer to [Chapter 65](#) for further information related to banking services.

40.30.20 Wire transfers

June 1, 2026

Disbursement by [wire transfer](#) can be expensive and therefore should not be used routinely. Wire transfers can be processed from [treasury](#) and [treasury trust accounts](#) under special circumstances. Wire transfers which are needed immediately and are singular in nature do not require an [economic feasibility study \(EFS\)](#).

However, agencies considering a recurring or routine wire transfer **must complete** an EFS to be submitted to the Office of Financial Management for approval, and the agency must work with the Office of the State Treasurer (OST) to ensure that there is not a less expensive alternative available.

Disbursement by wire transfers out of [local accounts](#) must be on the list of services on the master contract negotiated by OST with the local bank. If it is not, contact OST to amend the contract. Refer to [Chapter 65](#).



40.30.30 Electronic benefit transfers, payroll cards, prepaid cards, gift cards, and other electronic technologies

June 1, 2026

40.30.30.a

In general, unless specifically authorized by law, agencies wishing to disburse funds via [electronic benefit transfers \(EBTs\)](#), [prepaid cards](#), or any other electronic technology **must receive approval** from the Office of Financial Management (OFM) **prior to** implementation. This **requires** an [economic feasibility study \(EFS\)](#) to be submitted to OFM. Refer to [Section 40.40](#) for information related to preparing an EFS.

[Payroll cards](#) and expansions of existing processes **may also require** approval by OFM.

Generally, state agencies should not use online payment processing services, such as PayPal, Google Pay, Venmo, Apple Pay, or other like services to make payments. Safeguarding state funds is essential. Using online payment processing services adds another level of complexity and risk to the payment process since the [credit card](#) information is held by a third party. When a payment can be sent directly to a vendor, using an online payment processor would be seen as an unnecessary risk to the state. Agencies should consult with OST about alternatives to online payment processing services using the state merchant services agreement contract.

Exceptions to the EFS requirement for disbursement of funds via EBTs, payroll cards, prepaid cards, [gift cards](#), and other electronic technologies are included below. Refer to [Subsection 40.30.30.c](#) and [Subsection 40.30.30.d](#).

40.30.30.b

Disbursement of electronic payment types where an EFS is **required** include, but are not limited to:

- [Electronic benefit transfer \(EBT\)](#). EBT is a method for making disbursements to benefit recipients. The recipient's benefits are loaded onto a card, much like a debit card.
- [Prepaid debit cards](#). A card for which the prefunded value is associated with a bank account, which must be accessed for payment authorization. These cards can be reloadable or disposable, and include cards such as flexible spending account cards, government benefit cards, etc. Contact OST's Cash Management Section regarding available contracts.

40.30.30.c

Disbursement of electronic payment types where an EFS **MAY BE required** include, but are not limited to:

- [Gift cards](#). Gift cards may be used by agencies as a convenient means for offering incentives. An agency may also use gift cards for administering special programs as long as there are no fees attached or the fees are one-time and nominal. If the fees are more than nominal, then an EFS is required. The agency must ensure adequate internal controls are in place to safeguard the assets. Refer to [Chapter 20](#) for more information on internal controls.



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- **Payroll cards.** Payroll cards are a form of a prepaid debit card on which an employee's net pay is loaded and made accessible to the employee. Contact OST's Cash Management Section regarding available contracts. Refer to [Section 25.70](#) for more information regarding employee payment options.
- **Expansions of existing processes.** Agencies planning an expansion should contact their assigned OFM Statewide Accountant to determine if an EFS is needed. Contact OST's Cash Management Section regarding available master contracts.

40.30.30.d

Disbursement of electronic payment types where an EFS is **NOT required** include, but are not limited to:

- **Interagency payments (IAP).** IAP is the preferred method to pay other state agencies or to allocate or transfer costs between accounts, programs, etc., within an agency or when both the paying and receiving accounts are either [treasury](#) or [treasury trust accounts](#).
- **Interfund transfers (IFT).** IFT is the preferred method in AFRS for transferring funds between treasury and/or treasury trust accounts within the same agency. IFT transactions are used during the fiscal year to allocate or transfer costs between accounts, within an agency when both the paying and receiving accounts are either treasury or treasury trust accounts. IFT transactions are not valid in the adjustment months of 99 and 25.
- **Online payment processing services.** Agencies may only use online payment processing services such as PayPal, Google Pay, Venmo, or Apple Pay to disburse funds if it is to charge a state purchase card, or for disbursing funds for the Community Compensation program as authorized by the Office of Equity as described below.
- **Community compensation.** Disbursement of funds for community compensation as authorized by the Office of Equity. Forms of electronic payment include:
 - **Prepaid cards.** A card for which compensation is loaded and made accessible to a board or commission member. Contact OST's Cash Management Section regarding available contracts.
 - **Online payment processing services.** Compensation to a board or commission member using online payment processing services such as PayPal, Google Pay, Venmo, or Apple Pay. Electronic payments are only allowed from a local bank account.

40.30.40 State purchase cards

June 1, 2026

40.30.40.a Requirements

Agencies may only use [credit](#) and/or [debit cards](#) issued through the state charge card system authorized by the Department of Enterprise Services (DES), unless there is specific authority which authorized an agency to independently contract for [purchase card](#) services.

Agencies must follow the DES policies and procedures on the use of purchase cards.



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Purchase cards are to be used within the same statutes, rules, policies, and procedures as purchases by any other means of payment.

Agencies must develop internal policies and procedures in line with the purchase card policies and procedures set by DES. Internal policy should include, but not limited to:

- Internal control requirements in line with SAAM [Chapter 20](#) and DES's policies and procedures.
- The agency established purchase card reporting structure/hierarchy for the agency and ensuring proper separation of duties. For example, a card user may not be the reviewer or [approving official](#) for their own transactions.
- Consideration of the State ethics laws.
- Disciplinary procedures related to unauthorized use of cards and card renewal procedures.

40.30.40.b Restrictions

Agencies may not use the purchase card to pay other state agencies or to make payments between internal departments within an agency.

Exceptions to this are as follows:

- When prior written approval is received from the Office of Financial Management based on the requirements in [Subsection 40.40.10](#).
- Between state agencies when the paying and/or receiving account is a [local account](#), and the receiving agency has agreed to accept the purchase card payment from the other agency.
- The Department of Transportation's Good To Go! accounts. Agencies should actively manage and monitor their Good To Go! account. Agencies may not auto-replenish accounts. When replenishing the account, agencies should not exceed one month's estimated usage.
- Payments to the Department of Labor and Industries for electrical permits.
- Payments to other state agencies for individual transactions less than \$50.00.

40.30.40.c Rebate/incentive programs

Each agency should establish a policy for accounting for any rebates or incentives received from any merchants or the [issuing bank](#). The policy should address the individual business needs of the agency and should cover how the rebates are to be recorded. All merchant losses on agency accounts may be deducted by the issuing bank when determining agency rebate amounts. Therefore an agency should make a reasonable effort to ensure that unauthorized or disputed transactions are promptly reported.

Rebates should be recorded as either a [recovery of expenditures](#) or miscellaneous revenue depending on the timing of the receipt of the rebate and/or the source of funds expended for the purchase card transactions.

For further information on the state charge card system, refer to [Subsection 10.10.45](#) or contact DES.

For additional information related to disbursement mechanisms, refer to [Subsection 85.36.20](#).



40.30.50 State travel cards

June 1, 2026

Agencies must follow the policies and procedures in [Subsections 10.10.45](#), [10.30.60](#), and [10.50.40](#) on the use of state [travel cards](#). No type of [credit card](#) and/or [debit card](#) other than state travel card program authorized by the Department of Enterprise Services (DES) may be used by agencies.

For further information on state travel cards, contact DES.

40.30.60 State vehicle fleet cards

June 1, 2026

Agencies must follow the policies and procedures in [Subsection 85.36.20](#) on the use of state vehicle [fleet cards](#) for state vehicle related purchases. No type of [credit card](#) and/or [debit card](#) (including specific gas station credit cards) other than the state vehicle fleet card program authorized by the Department of Enterprise Services (DES) may be used by agencies.

For further information on the state vehicle fleet card program, contact DES.



40.40 Economic Feasibility Study

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40.40.10 Purpose and components of an economic feasibility study

June 1, 2026

The purpose of an [economic feasibility study \(EFS\)](#) is to demonstrate the net benefit of a proposed project for accepting or disbursing electronic funds, taking into consideration the benefits and costs to the agency, other state agencies, and the general public as a whole.

The EFS is composed of **two required forms** available on the Office of Financial Management's (OFM) [E-Commerce resources webpage](#):

- Business Case
- Cost Benefit Analysis

The agency **must submit** its EFS and request for approval to OFM **prior to** accepting or disbursing electronic funds, except where noted in [Sections 40.20](#) and [40.30](#). Approval from OFM is required for pilot and permanent projects, and both internet and retail projects. When completing the EFS, the agency should consider only those portions of the proposed project that are related to electronic payment processing.

If the project includes acceptance of [credit cards](#) and/or [debit cards](#), the EFS must specify how funds will be accepted (such as, over the counter, via the internet, etc.).

Supporting documentation can provide additional detail on the elements and may be submitted with the EFS if necessary.



40.40.20 Economic feasibility study elements

June 1, 2026

Economic feasibility study elements include, but are not limited to:

- Increased agency revenue,
- Decreased agency revenue,
- Increased agency costs,
- Decreased agency costs,
- Increased revenue to other agencies and/or the general public,
- Decreased revenue to other agencies and/or the general public,
- Increased costs to other agencies and/or the general public,
- Decreased costs to other agencies and/or the general public, and,
- Other public benefits.

These items are to be described in detail in the [Business Case](#), and the associated dollar amounts for these items included in the [Cost Benefit Analysis](#). The elements for the agency should be separated from those of other state agencies and customers so that the potential funding requirements can be discerned.

Additional guidance on economic feasibility study elements is available on the Office of Financial Management's [E-Commerce resources webpage](#).

40.40.30 Business Case

June 1, 2026

The Business Case is to be submitted on the Business Case form available on the Office of Financial Management's [E-Commerce resources webpage](#).

The Business Case provides an analysis of the business environment including, but not limited to, a description of who the expected customers are, the nature of the business, how the payment is currently being processed, if applicable, and the current and expected volume and timing of transactions. The Business Case also presents the benefits of the proposed project.

The Business Case must include a description of the assumptions made in the economic feasibility analysis and the reasoning behind those assumptions. It must include the economic impact on your agency, customers, and/or other state agencies.

If a project includes electronic payment methods other than [Automated Clearing House \(ACH\)](#) transfers, the Business Case is **required** to explain why ACH would not be a viable option for the agency's project. Other alternative processes considered should be noted and the consequences of not implementing the proposed project are to be explained.



40.40.40 Cost Benefit Analysis

June 1, 2026

The Cost Benefit Analysis is presented on the Cost Benefit Analysis form available on the Office of Financial Management's [E-Commerce resources webpage](#).

The Cost Benefit Analysis summarizes the revenues and costs involved with the proposed project. The amounts in the Cost Benefit Analysis should reflect the amounts and assumptions in the [Business Case](#). An analysis summarizing the impact to the agency, other state agencies, and customers should be included, as applicable.

40.40.50 Supporting documentation

June 1, 2026

If necessary, additional supporting documentation may be included with the [economic feasibility study \(EFS\)](#) to support the [Business Case](#) and [Cost Benefit Analysis](#).

40.40.60 Steps to request approval from the Office of Financial Management

June 1, 2026

When preparing an [economic feasibility study \(EFS\)](#), agencies should take the following steps, if applicable:

- Contact the Office of the State Treasurer (OST) Cash Management Section before preparing an EFS to discuss available and allowable contracts, merchant IDs, equipment, software, and banking fees. Other banking agreements and applicable cash management laws should also be addressed. Refer to [Chapter 65](#) for further information related to banking services.
- Ensure that any project is authorized under [RCW 43.88.160\(5\)](#). Refer to [Subsection 40.10.20.d](#).
- It is strongly recommended that the agency work together with its internal information technology services, program, accounting, and fiscal staff to define the electronic payment project and analyze its viability.
- For new endeavors, consider undertaking a pilot project with limited scope, location and complexity to help determine its overall feasibility. Approval from OFM is required for both pilot and permanent projects.
- If the electronic payment feature of the project can be separated from the entire project, the EFS should be prepared on the payment piece only.
- Contact OST or the Public Deposit Protection Commission to discuss any potential out of state banking issues and any other depository concerns. Refer to [Subsection 65.10.10.c](#).



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- In addition to the EFS approval, agencies whose projects include investments in information technology may require additional approvals:
 - If an agency is proposing to invest in an agency financial or administrative system, a separate systems approval may be required. Refer to [Subsection 80.30.88](#).
 - An additional approval from Washington Technology Solutions (WaTech) may also be required. Agencies should contact WaTech to determine if this additional approval is required.
- Consult with the agency's Assistant Attorney General on any legal issues.
- Prepare an EFS in conjunction with OST, the agency's assigned OFM Statewide Accountant, the OFM E-Commerce Statewide Accountant, and the OFM Budget Advisor. It is strongly recommended that agencies prepare and submit a draft EFS to OFM and OST for review and comment prior to submitting the final EFS requesting approval. Additional guidance is available on OFM's [E-Commerce resources webpage](#).

40.40.70 Steps after approval is obtained

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- Contact the Office of the State Treasurer's Cash Management Section to initiate the setup of banking services.
- Set up procedures to account for the processing fees and other banking costs associated with the electronic receipt and/or disbursement of funds. Unless otherwise provided by law, electronic payment processing and/or transaction fees may not be netted from revenues. Agencies operating in appropriated accounts are to record costs associated with the electronic receipt and/or disbursement of funds as expenditures. Such information should be readily available when requested.
- Set up procedures to reconcile receipts with the amounts reported by outside entities.
- If the project involves the internet, create an application design and test it prior to implementation.
- Train personnel and market the project as appropriate.
- Collect data on the actual usage, revenue, cost, etc., of the project. Such information is useful for determining ongoing economic feasibility.



40.50 Privacy Issues

Section	Title	Effective Date	Page Number
40.50.10	General provisions	June 1, 2026	303

40.50.10 General provisions

June 1, 2026

Agencies should develop policies and procedures to implement state and federal laws governing privacy protections. These laws pertain to both internet and non-internet electronic applications.

Privacy Notice: Safeguarding and disposition of personal information must be consistent with State of Washington [Executive Order 16-01](#) issued in January 2016; Washington Technology Solutions Privacy and Data Protection [Policy DATA-03](#); and [RCW 42.56.210](#).

State agencies accepting [credit cards](#) and/or [debit cards](#) must comply with [Payment Card Industry \(PCI\) Security Standards](#) to safeguard cardholder data. Additional guidance is available on OFM's [E-Commerce resources webpage](#).