



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG 5 - 2013

Department of the Interior Acquisition Policy Release (DIAPR) 2012-06, Amendment 1

Subject: Electronic Funds Transfer Waiver Process

References: Federal Acquisition Regulation Subpart 32.11 – Electronic Funds Transfer

1. **Purpose:** This DIAPR amendment revises Departmental policy regarding the standardized Electronic Funds Transfer (EFT) waiver process for awards issued using the DOI Financial and Business Management System (FBMS). This DIAPR amendment supersedes DIAPR 2012-06, Electronic Funds Transfer Waiver Process.
2. **Effective Date:** Upon signature.
3. **Expiration Date:** No expiration unless cancelled or superseded.
4. **Background and Explanation:** The Debt Collection Improvement Act of 1996 requires that all federal agency payments be made by EFT. The Treasury regulations and resulting Federal Acquisition Regulation (FAR) subpart implementing the Act allow for some exceptions to the EFT requirement, which are outlined at FAR 32.1103.
5. **Action Required:**

Use of EFT for payments made against DOI awards is mandatory, and contracting officers (COs) must obtain a waiver prior to awarding a new FBMS-issued award (contract or order) not subject to EFT requirements. Each waiver request must be submitted via an FBMS Help Desk Ticket, with a completed DOI EFT Waiver Request Form attached to the ticket. This form, which is attached to this DIAPR, may be modified only for the purpose of accommodating additional approval levels when required by the bureau or office. Approved vendor waivers will expire two (2) years from the date the waiver is processed, after which time the vendor must reapply if a waiver is still needed.

For those contracts/orders in which a waiver is granted, the CO must replace the EFT clause with the alternate payment procedures established by his or her bureau or office and as indicated on the waiver request form. The CO or Requestor must provide the vendor with a copy of the signed waiver form. The signed form will serve as notification to the vendor of the EFT waiver approval and when the approval will expire or notification that the EFT waiver was rejected.

Agencies should use the following EFT mechanisms, as prescribed by Treasury's Financial Manual below, to comply with the EFT provisions of 31 CFR Part 208:

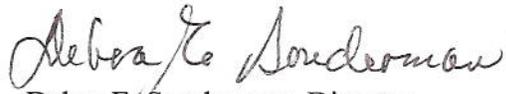
- Automated Standard Application for Payments (ASAP)—ASAP is an all-electronic payment and information system through which grantee organizations receiving Federal funds can draw from accounts preauthorized by Federal agencies. For more information on ASAP, see the Web site at <http://www.fms.treas.gov/asap>.
- Direct Deposit—Direct Deposit is Treasury’s preferred disbursement mechanism for all classes of Federal payments. Direct Deposit is an electronic payment alternative that uses the Automated Clearing House (ACH) network.
- Direct Express® Debit MasterCard®—The Direct Express® card is a prepaid debit card offered to Federal benefit recipients who wish to receive their benefits electronically. For more information on the Direct Express® card, see the Web site at <http://www.usdirectexpress.com>.
- Fedwire—Fedwire is an electronic transfer system developed and maintained by the Federal Reserve that allows an agency to make payments with a same-day settlement. This payment mechanism is intended for high-dollar, low-volume payments that must be paid the same day the payment is requested.
- International Treasury Services (ITS.gov)—ITS.gov enables Federal agencies to issue foreign currency payments electronically using the ACH network, Wire, and SWIFT (Society for Worldwide Interbank Financial Telecommunication) to nearly 200 foreign countries. For more information on ITS.gov, see the Web site at <http://www.fms.treas.gov/itsgov>.
- Stored Value Card—Stored-value cards (SVCs) are smart cards with an embedded computer chip that contain electronic monetary value. The technology eliminates coin, currency, scrip, vouchers, money orders, and other labor-intensive payment mechanisms associated with closed Government locations, such as military bases and ships at sea. For more information on the SVC, see the Web site at <http://www.fms.treas.gov/storedvalue>.
- U.S. Debit Card—The U.S. Debit Card is a magnetic stripe bankcard that can be used by Federal agencies to make payments to individual recipients. Agencies can use the U.S. Debit Card to replace third-party drafts, for miscellaneous payments of a nonrecurring nature, and/or where instant issuance is necessary, such as payments for disaster relief. For more information on the U.S. Debit Card, see the Web site at <http://www.fms.treas.gov/debitcard>.

Agencies may also use the following EFT mechanisms, as prescribed by 32.1108 Payment by Governmentwide commercial purchase card to comply with the EFT provisions:

- A Governmentwide commercial purchase card charge authorizes the third party (e.g., financial institution) that issued the purchase card to make immediate payment to the contractor. The Government reimburses the third party at a later date for the third party’s payment to the contractor.
- Automated electronic charge card-based payments (single use accounts) offer controls similar to ACH payments.

Please disseminate this guidance within your bureau. It will also be available on the web at <http://www.doi.gov/pam/programs/acquisition/diapr.cfm>. You may contact David Carter of this office on (202) 513-7544 or David_Carter@ios.doi.gov if you have any questions

regarding this policy issuance. You may contact Karla McGovern at (703) 793-5548 or Karla_McGovern@ios.doi.gov if you have any FBMS-related questions.

A handwritten signature in cursive script that reads "Debra E. Sonderman".

Debra E. Sonderman, Director
Office of Acquisition and Property Management

Attachment

DOI EFT Waiver Request Form v6.1

The Debt Collection Improvement Act of 1996 requires that all payments be made by electronic funds transfer (EFT) after January 1, 1999 (Modified March 2012). Waivers to this requirement may be granted under the conditions described below. Please mark the condition which applies and complete the information requested at the bottom.

Instructions:

Mark the condition which applies and complete all information fields at the bottom. Incomplete forms will be returned to the requestor for completion. Once complete, click "File, Save As", rename the file, then click "Save." Then, submit via an FBMS Help Desk Ticket.

EFT Waivers Certified by Individuals

As described below, individuals may request a waiver based on the following: (Agencies are not required to notify sole proprietors of their options with respect to waivers.)

- Condition 1a Where an individual is receiving a Federal payment by check prior to May 1, 2011. In such cases, the individual may continue to receive those payments by check through February 28, 2013;
- Condition 1b Where an individual files a claim for a Federal payment prior to May 1, 2011, and requests payment by check at the time he or she files the claim. In such cases, the individual may receive those payments by check through February 28, 2013;
- Condition 1c Where an individual was born prior to May 1, 1921, and is receiving payment by check on March 1, 2013;
- Condition 1d Where an individual receives a type of payment that is not eligible for deposit to a Direct Express® card account. In such cases, those payments are not required to be made by electronic funds transfer, unless and until such payments become eligible for deposit to a Direct Express® Card account;
- Condition 1e Where an individual is ineligible for a Direct Express® card because of suspension or cancellation of the individual's card by the Financial Agent;
- Condition 1f Where an individual has filed a waiver request with Treasury certifying that payment by electronic funds transfer would impose a hardship because of the individual's inability to manage an account at a financial institution or a Direct Express® card account due to a mental impairment, and Treasury has not rejected the request; or
- Condition 1g Where an individual has filed a waiver request with Treasury certifying that payment by electronic funds transfer would impose a hardship because of the individual's inability to manage an account at a financial institution or a Direct Express® card account due to the individual living in a remote geographic location lacking the infrastructure to support electronic financial transactions, and Treasury has not rejected the request.

EFT Waiver Requests Involving Foreign Countries, Military Operations, or Public Safety

- Condition 2 Where the political, financial, or communications infrastructure in a foreign country does not support payment by EFT or does not support access to the internet for electronic invoice submittal. **IMPORTANT: If this condition is selected, this will result in an EFT waiver for the individual vendor record, expiring 2-years from approval date.**
- Condition 3 Where a military operation is designated by the Secretary of Defense in which uniformed services undertake military actions against an enemy, or a call or order to, or retention on, active duty of members of the uniformed services is made during a war or national emergency declared by the President or Congress. **IMPORTANT: If this condition is selected, this will result in an EFT waiver for the individual vendor record, expiring 2-years from approval date.**
- Condition 4 Where a threat may be posed to national security, the life or physical safety of any individual may be endangered, or a law enforcement action may be compromised. **IMPORTANT: If this condition is selected, this will result in an EFT waiver for the individual vendor record, expiring 2-years from approval date.**

EFT Waiver Requests involving Non-Recurring Payments or Public Expedience

Condition 5 Where the agency does not expect to make more than one payment to the same recipient within a 1-year period on a regular, recurring basis and remittance data explaining the purpose of the payment is not readily available from the recipient's financial institution receiving the payment by EFT (i.e., the payment is non-recurring, and the cost for making the payment by EFT exceeds the cost of making the payment by check). **IMPORTANT: If this condition is selected, this will result in an EFT waiver for the individual vendor record, expiring at the end of the Purchase Order (PO) Period of Performance (POP) noted in the award detail section or, if no PO will be created, at the end of the payment period; not exceed 1-year after approval date.**

EFT Waiver Requests involving Natural Disasters and Compelling Urgency

Condition 6 Where the payment is to a recipient within an area designated by the President or an authorized agency administrator as a disaster area (this waiver is limited to payments made within 120 days after the disaster is declared). **IMPORTANT: If this condition is selected, this will result in an EFT waiver for the individual vendor record, expiring at the end of the PO POP noted in the award detail section or, if no PO will be created, at the end of the payment period.**

Condition 7 Where DOI's need for goods and services is of such an unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than EFT or where there is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than EFT. **IMPORTANT: If this condition is selected, this will result in an EFT waiver for the individual vendor record, expiring at the end of the PO POP noted in the award detail section or, if no PO will be created, at the end of the payment period.**

Requestor must complete all fields in this section: (If you need more space, continue on a separate sheet, please be advised that this request & all supplemental documents must also be signed & dated.)

Explanation of Waiver Request (Explain how the condition marked was met)

Vendor Detail

Vendor Name (As shown in FBMS): _____
Vendor Address: _____
DUNS: _____ Vendor Number: _____

New/Current/In-Progress Award Detail – Required for all PO-related EFT Waiver Requests

PO _____ will/has _____ will/has not be/been awarded.
Award # (If awarded): _____ Award Contracting Officer: _____
Award or Payment Total Dollar Value: _____ Award Type: _____
Award Description: _____
Award Period of Performance or Payment Dates: _____

Requestor Information

Bureau: _____ Title: _____ Name: _____
Phone Number: _____ Email: _____ Date: _____

To be completed by the DOI PFM/PAM office:

Action: Approved _____ Rejected _____ Waiver Expiration Date: _____
Title: _____ Name: _____
Signature: _____ Date: _____
Rejection Explanation: _____