



Federal Aviation Administration

Memorandum

JUN - 6 2005

Assistant Administrator for Financial Services and Chief Financial Officer

To: Management Board

Subject: Electronic Funds Transfer

The Debt Collection and Improvement Act of 1996 requires Federal agencies to make Federal payments by electronic funds transfer (EFT). The Department of the Treasury issued regulations implementing EFT requirements. To apply this requirement to travel reimbursements, we must move from paper checks to electronic payments. This supports electronic government and the President's Management Agenda and is a far superior method of reimbursement. Electronic payments typically take only three days to reach bank accounts from the time accounting offices process the vouchers. Treasury checks take seven to ten days to reach a traveler's address. Also, it removes the possibility of paper checks getting lost in the mail. Finally, electronic reimbursements are far less costly to the government.

Between now and the end of this fiscal year, September 30, we want to have all FAA employees set up to receive their travel reimbursements by EFT. Our goal is to issue all travel reimbursements electronically beginning with the new fiscal year.

You should inform your employees of the requirement to receive travel reimbursements by EFT. We need from each office a point of contact (POC) so that we can provide a listing of employees who receive paper checks. The POC should monitor progress in switching to EFT and take action when needed to accomplish this goal. Please provide this name via e-mail to Debbie Kaye in AFM-100. Employees can find the form that they will need to establish electronic reimbursement on the travel website at <http://www.faa.gov/aba>. Employees should then click on "Travel Policies" and scroll down to "direct deposit form." Employees should complete the form and send it to the servicing accounting office for processing.

The FAA may waive the requirement to receive travel reimbursements by EFT if the employee certifies, in writing, that he/she would suffer a hardship if required to receive funds by EFT transfer. The request should specify the hardship that reimbursement by EFT would

impose and the reason that they need reimbursement by paper check. Employees can find the "EFT Waiver Request Form" on the same travel website just below the direct deposit form. Employees' Office/Service Directors must approve all waiver requests. Office/Service Directors should then forward the approved waiver request to the Financial Policy Division, AFM-100, for the Director of Financial Management's final review and approval. We will send the completed waiver forms to the points of contact mentioned above. Also, on a quarterly basis, we will send a listing of employees receiving paper checks so that POC's can monitor progress.



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Title 31, Part 208, sec. 4

Payment by electronic funds transfer is not required in the following cases:

(a) Where an individual determines, in his or her sole discretion, that payment by electronic funds transfer would impose a hardship due to a physical or mental disability or a geographic, language, or literacy barrier, or would impose a financial hardship. In addition, the requirement to receive payment by electronic funds transfer is automatically waived for all individuals who do not have an account with a financial institution and who are eligible to open an ETA\SM\ under Sec. 208.5, until such date as the Secretary determines that the ETA\SM\ is available;

(b) Where the political, financial, or communications infrastructure in a foreign country does not support payment by electronic funds transfer;

(c) 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;

(d) Where either:

(1) A military operation is designated by the Secretary of Defense in which uniformed services undertake military actions against an enemy, or

(2) 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;

(e) 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;

(f) Where the agency does not expect to make more than one payment to the same recipient within a one-year period, i.e., the payment is non-recurring, and the cost of making the payment via electronic funds transfer exceeds the cost of making the payment by check; and

(g) Where an agency's need for goods and services is of such unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than electronic funds transfer; 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 electronic funds transfer.

Any individual determination of a hardship due to a physical or mental disability shall be considered solely for the purpose of waiving the EFT requirement.