

payment of expenses incurred in developing improved methods of collection and deposit and the expenses incurred in carrying out collections and deposits using such methods, including the costs of personal services and the costs of the lease or purchase of equipment and operating facilities.

(d) In addition to all reports required by law and regulation, for each fiscal year during which there is a balance in Fund, the Service will prepare and publish, by the 60th day following the close of the fiscal year, a full report on payments, receipts, disbursements, balances of the Fund, and full disclosure on projects financed by the Fund.

PART 208—MANAGEMENT OF FEDERAL AGENCY DISBURSEMENTS

Sec.

- 208.1 Scope and application.
- 208.2 Definitions.
- 208.3 Payment by electronic funds transfer.
- 208.4 Waivers.
- 208.5 Availability of the ETASM.
- 208.6 Availability of the Direct Express[®] Card.
- 208.7 Agency responsibilities.
- 208.8 Recipient responsibilities.
- 208.9 Compliance.
- 208.10 Reservation of rights.
- 208.11 Accounts for disaster victims.

AUTHORITY: 5 U.S.C. 301; 12 U.S.C. 90, 265, 266, 1767, 1789a; 31 U.S.C. 321, 3122, 3301, 3302, 3303, 3321, 3325, 3327, 3328, 3332, 3335, 3336, 6503; Pub. L. 104–208, 110 Stat. 3009.

SOURCE: 63 FR 51502, Sept. 25, 1998, unless otherwise noted.

§ 208.1 Scope and application.

This part applies to all Federal payments made by an agency and, except as specified in § 208.4, requires such payments to be made by electronic funds transfer. This part does not apply to payments under the Internal Revenue Code of 1986 (26 U.S.C.).

§ 208.2 Definitions.

(a) *Agency* means any department, agency, or instrumentality of the United States Government, or a corporation owned or controlled by the Government of the United States.

(b) *Authorized payment agent* means any individual or entity that is appointed or otherwise selected as a representative payee or fiduciary, under

regulations of the Social Security Administration, the Department of Veterans Affairs, the Railroad Retirement Board, or other agency making Federal payments, to act on behalf of an individual entitled to a Federal payment.

(c) *Direct Express[®] card* means the prepaid debit card issued to recipients of Federal benefits by a Financial Agent pursuant to requirements established by Treasury.

(d) *Disbursement* means, in the context of electronic benefits transfer, the performance of the following duties by a Financial Agent acting as agent of the United States:

(1) The establishment of an account for the recipient that meets the requirements of the Federal Deposit Insurance Corporation or the National Credit Union Administration Board for deposit or share insurance;

(2) The maintenance of such an account;

(3) The receipt of Federal payments through the Automated Clearing House system or other electronic means and crediting of Federal payments to the account; and

(4) The provision of access to funds in the account on the terms specified by Treasury.

(e) *Electronic benefits transfer (EBT)* means the provision of Federal benefit, wage, salary, and retirement payments electronically, through disbursement by a financial institution acting as a Financial Agent. For purposes of this part, EBT includes, but is not limited to, disbursement through an ETASM, a Federal/State EBT program, or a Direct Express[®] card account.

(f) *Electronic funds transfer* means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes, but is not limited to, Automated Clearing House transfers, Fedwire transfers, and transfers made at automated teller machines and point-of-sale terminals. For purposes of this part only, the term electronic funds transfer includes a credit card transaction.

(g) *ETASSM* means the Treasury-designated electronic transfer account made available by a Federally-insured financial institution acting as a Financial Agent in accordance with §208.5 of this part.

(h) *Federal payment* means any payment made by an agency.

(1) The term includes, but is not limited to:

- (i) Federal wage, salary, and retirement payments;
- (ii) Vendor and expense reimbursement payments;
- (iii) Benefit payments; and
- (iv) Miscellaneous payments including, but not limited to: interagency payments; grants; loans; fees; principal, interest, and other payments related to U.S. marketable and non-marketable securities; overpayment reimbursements; and payments under Federal insurance or guarantee programs for loans.

(2) For purposes of this part only, the term “Federal payment” does not apply to payments under the Internal Revenue Code of 1986 (26 U.S.C.).

(i) *Federal/State EBT program* means any program that provides access to Federal benefit, wage, salary, and retirement payments and to State-administered benefits through a single delivery system and in which Treasury designates a Financial Agent to disburse the Federal payments.

(j) *Federally-insured financial institution* means any financial institution, the deposits of which are insured by the Federal Deposit Insurance Corporation under 12 U.S.C. Chapter 16 or, in the case of a credit union, the member accounts of which are insured by the National Credit Union Share Insurance Fund under 12 U.S.C. Chapter 14, Subchapter II.

(k) *Financial Agent* means a financial institution that has been designated by Treasury as a Financial Agent for the provision of EBT services under any provision of Federal law, including 12 U.S.C. 90, 265, 266, 1767, and 1789a, and 31 U.S.C. 3122 and 3303, as amended by the Omnibus Consolidated Appropriations Act, 1997, Section 664, Public Law 104-208.

(1) *Financial institution* means:

(1) Any insured bank as defined in section 3 of the Federal Deposit Insur-

ance Act (12 U.S.C. 1813) or any bank which is eligible to make application to become an insured bank under section 5 of such Act (12 U.S.C. 1815);

(2) Any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) or any bank which is eligible to make application to become an insured bank under section 5 of such Act (12 U.S.C. 1815);

(3) Any savings bank as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) or any bank which is eligible to make application to become an insured bank under section 5 of such Act (12 U.S.C. 1815);

(4) Any insured credit union as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752) or any credit union which is eligible to make application to become an insured credit union under section 201 of such Act (12 U.S.C. 1781);

(5) Any savings association as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) which is an insured depository institution (as defined in such Act) (12 U.S.C. 1811 et seq.) or is eligible to apply to become an insured depository institution under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.); and

(6) Any agency or branch of a foreign bank as defined in section 1(b) of the International Banking Act, as amended (12 U.S.C. 3101).

(m) *Individual* means a natural person.

(n) *Recipient* means an individual, corporation, or other public or private entity that is authorized to receive a Federal payment from an agency.

(o) *Secretary* means Secretary of the Treasury.

(p) *Treasury* means the United States Department of the Treasury.

[63 FR 51502, Sept. 25, 1998, as amended at 75 FR 80334, Dec. 22, 2010]

§208.3 Payment by electronic funds transfer.

Subject to §208.4, and notwithstanding any other provision of law, effective January 2, 1999, all Federal payments made by an agency shall be made by electronic funds transfer.

§ 208.4

§ 208.4 Waivers.

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

(1) Where an individual:

(i) 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;

(ii) 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;

(iii) Was born prior to May 1, 1921, and is receiving payment by check on March 1, 2013;

(iv) 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;

(v) Is ineligible for a Direct Express® card because of suspension or cancellation of the individual's card by the Financial Agent;

(vi) 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

(vii) 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.

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

(3) Where the payment is to a recipient within an area designated by the President or an authorized agency ad-

31 CFR Ch. II (7–1–12 Edition)

ministrators as a disaster area. This waiver is limited to payments made within 120 days after the disaster is declared;

(4) Where either:

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

(ii) 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;

(5) 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;

(6) Where the agency does not expect to make payments to the same recipient within a one-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 electronic funds transfer; and

(7) 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.

(b) An individual who requests a waiver under paragraphs (a)(1)(vi) and (vii) of this section shall provide, in writing, to Treasury a certification supporting that request, in such form that Treasury may prescribe. The individual shall attest to the certification before a notary public, or otherwise file the certification in such form that Treasury may prescribe.

[63 FR 51502, Sept. 25, 1998, as amended at 75 FR 80334, Dec. 22, 2010]

§ 208.5 Availability of the ETASM.

An individual who receives a Federal benefit, wage, salary, or retirement payment shall be eligible to open an ETASM at any Federally-insured financial institution that offers ETAsSM.

Any Federally-insured financial institution shall be eligible, but not required, to offer ETAsSM as Treasury's Financial Agent. A Federally-insured financial institution that elects to offer ETAsSM shall, upon entering into an ETASM Financial Agency Agreement with the Treasury, be designated as Treasury's Financial Agent for the offering of the account pursuant to Public Law 104-208. Treasury shall make publicly available required attributes for ETAsSM and any ETASM offered by a Federally-insured financial institution shall comply with such requirements. The offering of an ETASM shall constitute the provision of EBT services within the meaning of Public Law 104-208.

§ 208.6 Availability of the Direct Express[®] Card.

An individual who receives a Federal benefit, wage, salary, or retirement payment shall be eligible to open a Direct Express[®] card account. The offering of a Direct Express[®] card account shall constitute the provision of EBT services within the meaning of Public Law 104-208.

[75 FR 80335, Dec. 22, 2010]

§ 208.7 Agency responsibilities.

An agency shall put into place procedures that allow recipients to provide the information necessary for the delivery of payments to the recipient by electronic funds transfer to an account at the recipient's financial institution or a Direct Express[®] card account.

[75 FR 80335, Dec. 22, 2010]

§ 208.8 Recipient responsibilities.

Each recipient who is required to receive payment by electronic funds transfer shall provide the information necessary to effect payment by electronic funds transfer.

[75 FR 80335, Dec. 22, 2010]

§ 208.9 Compliance.

(a) Treasury will monitor agencies' compliance with this part. Treasury may require agencies to provide information about their progress in converting payments to electronic funds transfer.

(b) If an agency fails to make payment by electronic funds transfer, as prescribed under this part, Treasury may assess a charge to the agency pursuant to 31 U.S.C. 3335.

§ 208.10 Reservation of rights.

The Secretary reserves the right, in the Secretary's discretion, to waive any provision(s) of this regulation in any case or class of cases.

§ 208.11 Accounts for disaster victims.

Treasury may establish and administer accounts at any financial institution designated as a financial agent for disaster victims in order to allow for the delivery by electronic funds transfer of one or more Federal payments. Such accounts may be established upon terms and conditions that the Secretary considers appropriate or necessary in light of the circumstances. Treasury may deliver payments to these accounts notwithstanding any other payment instructions from the recipient and without regard to the requirements of §§ 208.4 and 208.7 of this part and § 210.5 of this chapter. For purposes of this section, "disaster victim" means an individual or entity located within an emergency area, or an individual or entity that has relocated or been displaced from an emergency area as a result of a major disaster or emergency. "Emergency area" means a geographical area in which there exists an emergency or disaster declared by the President pursuant to the National Emergencies Act (50 U.S.C. 1601 et seq.) or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The maintenance of accounts and the provision of account-related services under this section shall constitute reasonable duties of a financial agent of the United States.

[71 FR 44585, Aug. 7, 2006, as amended at 75 FR 80335, Dec. 22, 2010]

PART 210—FEDERAL GOVERNMENT PARTICIPATION IN THE AUTOMATED CLEARING HOUSE

Sec.
210.1 Scope; relation to other regulations.
210.2 Definitions.
210.3 Governing law.