

and maintenance costs, costs to payment recipients, and costs to remitters. Agencies should consult with Treasury to determine the need to include interest costs associated with float in their computations of benefits and costs.

(d) An agency will require the collection of funds by the agency to be made via EFT and the disbursement of funds by the agency to be made via EFT as a provision of new contractual agreements or renewal of existing contracts that impact agency collection or payment mechanisms, when cost-effective, practicable, and consistent with current statutory authority.

§ 206.5 Collection and deposit procedure exceptions.

(a) The following collection and deposit timeframe requirements are to be followed in exception cases where EFT mechanisms are not utilized:

(1) An agency will achieve same-day deposit of monies. Where same day deposit is not cost-effective or is impracticable, next day deposit of monies must be achieved except in those cases covered by I TFM 6-8000.

(2) Deposits will be made at a time of the day prior to the depository's specified cutoff time, but as late as possible in order to maximize daily deposit amounts.

(3) When cost-beneficial to the Government, an agency may make multiple deposits.

(b) Any additional exceptions to the above policies are listed in I TFM 6-8000.

§ 206.6 Cash management planning and review.

(a) An agency shall periodically perform cash management reviews to identify areas needing improvement.

(b) As part of its cash management review process, an agency is expected to document cash flows in order to provide an overview of its cash management activities and to identify areas that will yield savings after cash management initiatives are implemented. The Service will evaluate an agency's EFT policy and application, to include mitigating circumstances that may prevent the use of EFT, as part of the cash management reviews.

(c) An agency's cash management reviews will provide the basis for identification of improvements and preparation of cash flow reports for submission to the Service as prescribed by I TFM 6-8000. That Chapter provides requirements for an agency in performing periodic cash management reviews, identifying improvements, and preparing cash flow reports. In addition, the Chapter describes the timing and content of periodic reports that must be submitted by an agency to the Service on progress made in implementing cash management initiatives and associated savings.

(d) The Service will periodically review an agency's cash management program to ensure that adequate progress is being made to improve overall cash management at an agency. As part of its oversight authority, the Service may visit an agency and review all or specific cash management activities of an agency. An agency will be notified in advance of the Service's review and will be required to provide the Service with documentation of the agency cash management review within the timeframes required by I TFM 6-8000.

§ 206.7 Compliance.

(a) The Service will monitor agency cash management performance. Part of the monitoring process will include establishing implementation end dates for conversion to, or expansion of, EFT mechanisms, as well as the identification of mitigating circumstances that may prevent the use of EFT.

(b) In cases where an agency fails to meet a scheduled date within its control, or where an agency converts to a less cost-effective transfer mechanism without prior, written Service approval as determined in accordance with § 206.4(c), the Service will send a formal Notice of Deficiency to an agency's designated cash management official. A separate Notice will be sent for each initiative.

(1) *Collections cash flows.* For collections cash flows, the Notice of Deficiency will include the nature of the deficiency, the amount of the proposed charge, the method of calculation, the right to file an appeal, and the date the charge will be imposed in the absence

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of an appeal. The amount of the charge will be equal to the cost of such non-compliance to the Treasury's General Fund.

(2) *Payments cash flows.* [Reserved]

§ 206.8 Appeals.

(a) An agency that chooses to file an appeal must submit the appeal in writing to the Commissioner within 45 days of the date of the Notice of Deficiency. In the event of an appeal, the charge imposed under Notice of Deficiency will be deferred pending the results of the appeal. If an appeal is not submitted (i.e., received by the Commissioner) within 45 days, the amount indicated in the Notice of Deficiency will be charged per § 206.9(a).

(b) The appeal will contain the elements and follow the submission procedures specified in I TFM 6-8000. The appeal will include the background leading to the Notice of Deficiency, the basis of the appeal, and the action requested by an agency. An agency should state its disagreements with the Notice of Deficiency which may include cost-benefit factors, the amount of the charge, and other items.

(c) An agency must state what action it requests in its appeal. An agency may request that the Notice of Deficiency be completely overturned for cost-benefit or other considerations. Alternatively, an agency may request a reduced charge, deferral of the charge, an alternative solution to cash management improvement, or a combination of these actions.

(d) *Appeals Board.* The Commissioner will refer the appeal to an Appeals Board. The Appeals Board will consist of three members—two permanent members and one temporary member. The permanent members will be the Deputy Chief Financial Officer, Department of the Treasury, and the Assistant Commissioner, Federal Finance, of the Service. The temporary board member will be a cash management official from an agency other than the agency appealing the Notice of Deficiency. The Board will be convened on an as-needed basis. The order of agency assignment to the Board will be published by Treasury in Volume I, Chapter 6-8000 of the TFM. The Deputy Chief Financial Officer, Department of

the Treasury, the Assistant Commissioner, Federal Finance, and the designated agency cash management official may delegate their responsibility to a staff subordinate having sufficient experience in cash management matters. The Assistant Commissioner's designee may be from any area other than that which issued the Notice of Deficiency.

(e) *Appeal review process.* The Appeals Board will review the Notice of Deficiency, any additional information submitted by the Service, and the written appeal from an agency. Based on this review, the Board may decide additional investigation is required. The Board may request an agency and/or the Service to meet with the Board as part of the review process.

(f) *Appeal finding.* A written majority decision will be rendered by the Appeals Board within 30 days of receipt of the appeal. The Board may extend this period for an additional period, not to exceed 30 days, if required. The Appeals Board will notify the Commissioner and the agency of the decision. The decision of the Board whether to uphold the Notice of Deficiency, to overturn the Notice of Deficiency, or to mandate some other action will be stated in the finding. Other action mandated may include a reduced charge, a deferral of the charge, an alternate solution to cash management improvement, or a combination of these actions. The basis of the decision, the amount of the charge, and the effective date of the charge will be stated in the finding. The effective date of the charge may be retroactive to the date indicated in the Notice of Deficiency.

(g) Any terms related to charge deferral shall be stated; the Service and an agency will be required to submit evidence of compliance to such terms at a future specified date. At this future time, the Appeals Board will review the evidence of compliance. Based on this evidence, the Board will decide whether to impose a charge.

§ 206.9 Charges.

(a) Within 30 days of the effective date of the charge or the appeals decision, an agency must submit appropriate accounting information to the