Department of the Treasury
Financial Management Service

Program Implementation Guide for ETA℠ Providers

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Program Implementation Guide
for
ETA℠ Providers

I. INTRODUCTION

The Electronic Transfer Account (ETA℠) Program ("Program") maximizes opportunities for individuals who receive Federal benefit, wage, salary, or retirement payments to receive their payments electronically. The account is made available by participating Federally insured financial institutions, or ETA℠ Providers ("Providers"). Participation in the Program is voluntary for financial institutions and Federal payment recipients.

This document highlights important information needed by Providers as they begin offering ETAs. This Guide should be used as a reference document that describes a Provider's responsibilities related to the ETA Program and to its ETA customers. The Guide also contains Provider instructions for obtaining compensation of the one-time payment (Set Up Fee) for each ETA established.

II. ETA PROGRAM DOCUMENTATION

On September 25, 1998, the Department of the Treasury ("Treasury") published the final regulation that implements the electronic funds transfer (EFT) provisions of the Debt Collection Improvement Act. This regulation, or EFT Rule, is published at 31 CFR 208 (Part 208), and provides for the establishment of the ETA Program:

> "... an individual who receives a Federal benefit, wage, salary or retirement payment shall be eligible to open an ETA℠ at any Federally insured financial institution that offers ETAs℠."

Pursuant to the EFT Rule, Treasury published the "Notice of Electronic Transfer Account Features" ("Notice") in the Federal Register on July 16, 1999. The Notice includes an ETA℠ Financial Agency Agreement (FAA) in its Appendix. Financial institutions willing to offer ETAs must sign the FAA.

Providers must also adhere to the requirements of 31 CFR 210 (Part 210), "Federal Government Participation in the Automated Clearing House (ACH)," when handling electronic Federal deposits to ETAs.

III. PROVIDER READINESS

Information and Assistance

Information on the ETA and related programs is available on the following web sites:

www.fms.treas.gov/eft - complete information on Treasury's EFT efforts
www.fms.treas.gov/ach - news about the Government's ACH rule, 31 CFR 210
www.fms.treas.gov/eta - comprehensive information about the ETA Program

Providers with questions about the Program can also call the Federal Reserve Bank of Dallas, toll-free, at 1-888-ETA-FRBK (1-888-382-3725). If a Provider seeks specific assistance, representatives of Treasury will be available for assistance meetings to help resolve issues related to Program implementation or marketing.

Provider Identification and ETA Promotion

ETA Providers are expected to help increase Program participation among Federal recipients. For ease of identification, Providers are required to display ETA logo decals prominently in their facilities. Providers are also strongly encouraged to advertise the availability of the ETA by actively promoting the account to customers who come to cash their Federal government checks. Therefore, Providers' front line staff and customer service representatives should be knowledgeable about the features of the ETA so they can encourage eligible customers to sign up for an ETA.

Materials to aid Providers in their public relations and promotional efforts are included in the ETA Implementation Kit. Other free promotional materials, including posters, teller buttons, ETA logo decals, and take one cards, are available to ETA Providers through the Federal Reserve Bank of Dallas. Providers can call 214-922-5254, to obtain an order form to request these materials, or can develop their own materials to advertise the availability of the ETA to potential customers.

ETA Disclosure Statements

Providers must give ETA customers copies of account disclosures required by the FAA and disclosures required by consumer protection regulations. For your assistance, the Implementation Kit includes an ETA Disclosure Statement Checklist to help you ensure your ETA disclosure statements meet the requirements of the FAA. If you have specific questions about your disclosures, please contact the Program Compliance Division of the Financial Management Service, Department of the Treasury, on 202-874-6630.

IV. PROVIDING INFORMATION TO TREASURY

To ensure that Treasury's reports of individual Provider efforts are accurate, each Provider is requested to complete and submit the ETA Program Information Update Form. The form, enclosed in the ETA Implementation Kit, is also available at:

http://www.fms.treas.gov/eta/fi/html

In addition to contact information, the form requests a Provider's Uniform Resource Locator (URL) address and key features of the Provider's ETA. Providers should submit the form within thirty (30) days of receiving the ETA Implementation Kit.

Representatives of Treasury may periodically request ETA Program-related information from a Provider's "Primary Financial Institution Contact," as identified on the ETA Enrollment Form. The information requested may include, but may not be limited to, the following:

- Provider-developed ETA promotional materials
- Provider disclosures and fee schedules related to the ETA

Each Provider should maintain records that support requests for ETA Set Up Fees. Treasury has the right to require records supporting the existence of ETAs that qualify for compensation, and the accuracy of a Provider's request for compensation.

Supporting records should include, at a minimum, the following:

- The date each ETA was opened;
- The date each ETA was closed, if applicable;
- Documentation supporting the reason(s) the Provider closed ETA(s); and
- Copies of all Monthly Reports, which include requests for compensation of ETA Set Up Fees, submitted to Treasury.[1]

All information may be kept in the format currently used by the Provider for other retail accounts and retained according to standard commercial practices.

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[1] See Section VII, ETA Compensation Instructions, for a description of the Monthly Report.

V. OPENING ETAs

At the time an ETA is opened, customers must also authorize electronic deposit of their Federal payments. Any of the following methods to authorize electronic payment may be used, based on applicability to the type of payment and availability at the financial institution:

- Use the Provider's automated enrollment (ENR) process (Quick$tart) for Federal benefit payments;
- Complete the standard Direct Deposit sign-up form (SF 1199A); or
- Call Federal benefit agencies' toll-free numbers for simplified enrollment of benefit payments

One of these methods must be used to sign up for the electronic deposit of each type of Federal payment a customer wishes to have deposited in the ETA. Each Provider should ensure its ETA customers are informed of the attributes and features of the ETA it offers. ETA customers should be given account disclosures as required by the FAA and consumer protection regulations. They should also be made aware of available options for accessing funds in their ETAs (e.g., over-the-counter, using ATMs/POS devices, etc.), and related customer responsibilities. The Provider should also advise its ETA customers when Federal deposits will be available at each access point (e.g., opening of business on the payment date).

VI. ETA CUSTOMER INQUIRIES

Federal payment recipients will be informed of general ETA attributes through promotional and educational activities conducted by Treasury. However, after opening ETAs, recipients may have questions about the ETA offered by specific Providers.

Providers have the primary role in handling ETA customer inquiries, and should ensure ETA customer inquiries or complaints are handled with the same level of service given to other customers. ETA customers must be given Provider customer service numbers, or be aware of other ways they can contact a Provider for information about using the ETA. Tellers, customer service representatives, and personnel responsible for opening ETAs should be familiar with the requirements of the FAA and the attributes of the ETA as offered by that Provider. A Provider should refer an ETA customer to the Program's Customer Service operators at 1-888-ETA-3311, if the Provider cannot satisfactorily respond to that customer's inquiry about an ETA.

When an ETA customer contacts the Program's Customer Service operators to ask about ETA services offered by a specific Provider, the representative will verify that the customer has sought assistance through the Provider's customer service area. If the inquiry involves a possible Program violation, a Treasury representative may contact the

Provider's Primary Financial Institution Contact to request pertinent information (see Section IV). If, after reviewing the information, Treasury concludes the Provider is not offering the ETA according to Program requirements, Treasury will help the Provider identify a remedy for the Program violation(s). When a Program violation is identified, the Provider must notify the customer, in writing, and within two (2) weeks of the customer's inquiry, of the corrective action that will be taken. A copy of the notification should also be provided to the ETA Program Manager (see Section VIII). Treasury may terminate Program participation if a Provider fails to take action to correct a Program violation(s).

VII. ETA COMPENSATION INSTRUCTIONS

Pursuant to the FAA, Treasury will pay an ETA Provider a **one-time** fee of $12.60 ("Set Up Fee") for each ETA established for an Eligible Individual. To qualify for compensation of Set Up Fees, an ETA must have been opened on or after the effective date of the Provider's ETA offering.

Instructions for Payment

No later than the 15th of each month, or the next business day, an ETA Provider must send, via FAX transmission[2], a single Monthly Report consolidating ETA activity for the prior calendar month **for all branch locations**. The Monthly Report must be submitted on the Provider Institution's official letterhead stationery, and signed by an official of the financial institution. The signature on the report authorizes electronic deposit of the compensation payment.

*IF A PROVIDER HAD NO ETA ACTIVITY DURING THE PRIOR MONTH (I.E., NO ETAS WERE OPENED OR CLOSED), THE PROVIDER **SHOULD NOT** SUBMIT A MONTHLY REPORT.*

The Monthly Report must include the following information:

- Name and address of ETA Provider;
- Name and telephone number of a Contact Person for inquiries concerning the Monthly Report;
- Number of ETAs opened during the reporting period, and amount of compensation expected;
- The institution's Routing Transit Number to which the ETA compensation should be sent (as it is listed on the ACH Commercial Receiver File/CRF);

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[2] Reporting via the Internet is being developed, and Providers will be notified when this capability is available.

- The institution's internal account number for deposit of the compensation;
- Opening balanceof ETAs (at the beginning of the reporting period);
- Number of ETAs closed by ETA customers during the reporting period;
- Number of ETAs closed by the financial institution during the reporting period and the associated reasons for closing the accounts;
- Closing balance of ETAs (at the end of the reporting period); and
- The signature of an authorized official.

A **suggested** format for the Monthly Report is included as Attachment A.

Faxed Monthly Reports and inquiries concerning compensation of ETA Set Up fees should be submitted to:

Ms. Dana Brindley
Firstar Bank

FAX: (314) 418-2010
Phone: (314) 418-1363

Within thirty (30) days of receipt of the Monthly Report, Firstar Bank, on behalf of Treasury, will pay Set Up Fees for ETAs opened during the reporting period. Firstar Bank will send the payment through the ACH as a CCD entry to the account indicated on the Monthly Report. The COMPANY ENTRY DESCRIPTION field of the Batch Header Record will contain the description, **"ETA COMP"**. The ORIGINATING DFI IDENTIFICATION field of the Batch Header Record will contain **08100021**.

First time compensation payments will be prenoted!!!

VIII. FOR FURTHER INFORMATION

Contact:
Theresa Raines
ETA Program Manager
Department of the Treasury
Financial Management Service
Room 401
401 14th Street, SW
Washington, D.C. 20227

Telephone: (202) 874-6630
E-mail: theresa.raines@fms.treas.gov

Suggested format for ETA Monthly Report **ATTACHMENT A**

(Financial Institution Letterhead)

ETA[SM] Provider

ETA[SM] Monthly Report for the month of ____, year _____

(Submit one monthly report for all branches)

Report Number: _____ Today's Date: _____

ETA[SM] Provider Name and Address:

_____

_____

_____

Contact Person: _____

Telephone Number: _____

COMPENSATION INFORMATION

Number of ETAs[SM] opened during reporting period _____

Amount of compensation due for the reporting period (No. of ETAs[SM] x $12.60) $_____

ABA Number/Routing Transit Number to receive compensation ____-____-__

Account number for deposit of compensation _____

PROGRAM INFORMATION

Opening balance of ETAs[SM] (at the beginning of reporting period) _____

Number of ETAs[SM] opened during reporting period _____

Number of ETAs[SM] closed during reporting period:

by ETA[SM] customers _____

by your Institution _____

Reasons for the Institution closing the account(s) (Specify number)

Fraud: _____ Misuse: _____ Other: _____ (Specify below)

_____

Closing balance of ETAs[SM] (at the end of the reporting period) _____

Signature of Institution Official _____