|  |  |
| --- | --- |
| Office of Financial Management (OFM) P.O. Box 43113  Olympia, WA 98504-3113 | REQUEST FORMFor Approval of Economic Feasibility Study (EFS) **Business Case**  (EFS Part 1 of 2) |

|  |
| --- |
| **INSTRUCTIONS**  **What information is required?**   1. EFS Business Case (this form) 2. [EFS Cost Benefit Analysis](file:///\\ofm.wa.lcl\OFM\SWA\SAAM\Resources\E-Commerce\cost_benefit_analysis_form_06-2021.xlsx) form   **How do I complete this form?**   * Read all of the form instructions. * Complete all sections of the form or type “N/A” for fields that are not applicable to your project. * Be as detailed as possible in your responses.  Why do I need to prepare an EFS? It is required by law. RCW 43.41.180 says, “(1) The office of financial management is authorized to approve the use of electronic and other technological means to transfer both funds and information whenever economically feasible…(2) No state agency may use electronic or other technological means, including credit cards, without specific continuing authorization from the office of financial management.” What is the definition of economic feasibility? A project is economically feasible, when over a reasonable period of time, the project’s cumulative benefits outweigh or are equivalent to the project’s cumulative costs.  **Where can I find more information?**   * Chapter 40 of the *State Administrative and Accounting Manual (SAAM):* <http://www.ofm.wa.gov/policy/40.htm> * OFM’s E-Commerce Resources web page: <http://www.ofm.wa.gov/resources/ecommerce.asp>   OFM E-Government Consultant Office of the State Treasurer (OST) Cash Management  Pam Valencia OST Bankcard Coordinator  [pam.valencia@ofm.wa.gov](mailto:pam.valencia@ofm.wa.gov) [bankcards@tre.wa.gov](mailto:bankcards@tre.wa.gov)    **Are there additional considerations?**  **Automated Clearing House (ACH) Transfers** are the preferred method for agencies accepting and/or disbursing funds electronically. This method is generally the least expensive method, and works well for internet applications, recurring transactions, and one-time transactions. Agencies **are required** to evaluate ACH as the primary option for accepting and/or disbursing funds electronically.  **Washington Technology Solutions (WTS) approval** may be required for information technology investments. If required, this approval must be obtained before releasing or issuing any acquisition documents. For more information, refer to: <https://watech.wa.gov>.  **OFM approval** may also be required if you are planning an investment in a financial or administrative system. SAAM 80.30.88 (<http://www.ofm.wa.gov/policy/80.30.htm>) requires agencies to obtain written approval from WTS and OFM prior to acquiring, developing, implementing, or otherwise investing in an agency specific or agency maintained financial or administrative systems.  **Financial Service Agreements** – OST has the authority to negotiate master contracts with financial institutions (RCW 43.08.015). Certain responsibilities may be delegated to agencies with OFM’s concurrence. For more information, refer to SAAM Chapter 65 (<http://www.ofm.wa.gov/policy/65.htm>).  **How do I submit my EFS?**  Email this business case form and the cost benefit analysis form to:  Brian Tinney, Assistant Director Copy:  OFM Accounting Division Pam Valencia OST Bankcard Coordinator  [brian.tinney@ofm.wa.gov](mailto:brian.tinney@ofm.wa.gov) [pam.valencia@ofm.wa.gov](mailto:pam.valencia@ofm.wa.gov) [bankcards@tre.wa.gov](mailto:bankcards@tre.wa.gov) |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SECTION 1 – PROJECT INFORMATION | | | | | | | | | |
| AGENCY: |  | | | | | DATE: | /    /MM / DD / YY | Proposal for: (select one) New project  Change to existing process | |
| PROJECT DESCRIPTION: | |  | | | | | |
| **ESTIMATED IMPLEMENTATION DATE:** | | | | | /    /MM / DD / YY | | | | |
| **PROJECT TYPE:** (select one) | | | Permanent  Pilot – If this box is checked, when is the pilot phase expected to end? | | | | | | /    /MM / DD / YY |
| **PROJECT INCLUDES:**  (check all that apply) | | | | Acceptance of electronic payments  Disbursement of electronic payments | | | | | |
| **PAYMENT CHANNELS:**  (check all that apply) | | | | Internet  Kiosk  Lockbox  Mail  In-Person  Telephone  Other (describe) | | | | | |
| **PAYMENT TYPES:**  (check all that apply) | | | | Automated Clearing House (ACH)  Bankcard (Credit/Debit)  Prepaid Debit Card  Other (describe) | | | | | |
| **If your project includes acceptance of bankcards, which brands do you plan to accept?**  (check all that apply) | | | | American Express  Discover  MasterCard  VISA  Other (describe) | | | | | |

| SECTION 2 – BUSINESS CASE | |
| --- | --- |
| **1.** | **What is the goal of this proposed project?** |
| **2.** | **What is the business problem you are trying to solve?** |
| **3.** | **Describe the following elements as they relate to your Current Process:** |
|  | 1. **How are payments currently processed? What types of payments are accepted?** |
|  | 1. **What is the current volume of transactions?** |
|  | 1. **What is the average dollar amount per transaction?** |
|  | 1. **What is the current timing of transactions? Are they received/disbursed on a regular basis?** |
| **4.** | **Describe the following elements as they relate to your Proposed Project:** |
|  | 1. **Describe the customer base.** |
|  | 1. **What is the expected volume of transactions?** |
|  | 1. **What is the average dollar amount per transaction?** |
|  | 1. **What is the expected timing of transactions?** |
|  | 1. **How will this be an improvement over the current process?** |
| **5.** | **How will the proposed project benefit your agency, customers, and/or other state agencies?** |
| **6.** | **Does this project include ACH? If not, explain why ACH would not be a viable option.** *SAAM 40.40.30 requires agencies to evaluate ACH as the primary option for their electronic payment project.* |
| **7.** | **Does this project include the acceptance of bankcard payments? If yes, how does your agency plan to handle the associated transaction fees? Will your agency absorb the fees within existing funding or will you charge a convenience fee to the customers?** *The bank must approve the agency’s convenience fee model.* |
| **8.** | **Have you conducted a survey or evaluation to help determine the needs and usage of the proposed project by current or potential customers? If yes, describe your findings.** |
| **9.** | **How did you determine the assumptions made in the EFS? What was your reasoning? Were any alternative processes considered in the development of this project?** |
| **10.** | **What would the consequences of not implementing this proposed project be to your agency, other state agencies, and/or your customers?** |
| **11.** | **Have you contacted OST to discuss electronic payment options, contracts, merchant IDs, equipment, software, and banking fees as they relate to this project?** |
| **12.** | **If applicable, have you consulted with your agency’s Assistant Attorney General on any legal issues?** |
| **13.** | **Will you be issuing a Request for Proposal (RFP) to procure services for this project? If yes, describe the services that you will be requesting.** |
| **14.** | **Do you have any additional comments or information about this project that you would like to provide?** |

| SECTION 3 – ECONOMIC FEASIBILTY ELEMENTS | | |
| --- | --- | --- |
| **Check all applicable boxes and describe how this project will impact the following elements. Provide detailed assumptions that can be traced to your** [**Cost Benefit Analysis**](file:///\\ofm.wa.lcl\OFM\SWA\SAAM\Resources\E-Commerce\cost_benefit_analysis_form_06-2021.xlsx)**. Include impacts to your agency, customers, and/or other state agencies.** | | |
| **1.** | **Revenue Increases**  Revenue generated and collected from new sources  Increased collection of revenue from existing sources  Increased compliance with existing laws  Increased time availability of funds  Other (describe) | **Describe all revenue increases:** |
| **2.** | **Revenue Decreases**  Revenue decrease to other state agencies due to redirected revenue stream  Reduced fines to customers  Other (describe) | **Describe all revenue decreases:** |
| **3.** | **Cost Increases**  New hardware purchases (computers, etc.)  New purchases of payment processing terminals  New equipment purchases (furniture, fixtures, etc.)  New software licensing  Software maintenance, renewals, and updates  Internet hosting costs  Programming costs  Other development costs (payroll and benefits, personal service contracts, etc.)  Reporting costs  Marketing costs  Training costs  Setup and testing costs  Installation of new or added phone lines, or other infrastructure  Payment Card Industry (PCI) compliance  Increased reconciliation and accounting costs  Consulting fees  Increased banking fees (i.e., credit card transaction fees, reporting fees, monthly fees, etc.)  Increased staff costs  Increased costs to customers for new/modified service fees  Increased costs to customers for convenience fees  Increased costs to OST for ACH fees (i.e., transaction fees, return item costs, etc.)  Other (describe) | **Describe all cost increases:** |
| **4.** | **Cost Decreases**  Reduced check and cash handling costs  Reduced NSF losses and processing costs  Decrease in refunds due to more accurate calculations  Decrease in staff costs  Reduced theft or fraud costs  Reduced travel time for customers  Reduced wait time for customers  Reduced parking costs for customers  Reduced mail/postage costs for customers  Reduced late fees for customers  Other (describe) | **Describe all cost decreases:** |
| **In addition to the narrative descriptions above, agencies are required to submit a** [**Cost Benefit Analysis**](file:///\\ofm.wa.lcl\OFM\SWA\SAAM\Resources\E-Commerce\cost_benefit_analysis_form_06-2021.xlsx) **form as part of their EFS approval request.** | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SECTION 4 – CONTACT INFORMATION | | | | | | | | |
| **Project sponsor:** | , | | | | | | |  |
| Name, Title | | | | | | | |
|  | | |  |  | | |  |
| Phone Number | | | | Email Address | | | |
| **Project contact:** | , | | | | | | |  |
| Name, Title | | | | | | | |
|  | | |  |  | | |  |
| Phone Number | | | | Email Address | | | |
| FOR OFM / SWA USE ONLY | Date: | /    /MM / DD / YY | Approved | | | Approved with conditions | Denied | |
| **Comments:** | | | | | | | | |