



DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
WASHINGTON, D.C. 20227

COMMISSIONER

April 21, 2005

MEMORANDUM FOR DONALD V. HAMMOND
FISCAL ASSISTANT SECRETARY

FROM: *for* RICHARD L. GREGG *Kenneth R. Papaj*
SUBJECT: Request for Waiver of 31 CFR §§ 208.6 and 210.5 for Split
Travel Disbursements

FMS is requesting a waiver of the requirements of 31 CFR §§ 208.6 and 210.5 for split travel disbursement. This will allow Federal agencies to issue part or all of an employee's travel reimbursement to the travel card issuing bank for crediting to the employee's travel card account ("split disbursement").

On February 25, 2005, the Office of Management and Budget (OMB) published for comment in the Federal Register proposed guidance that would require agencies to issue split disbursements for Federal employee travel reimbursements. Split disbursements will benefit Federal agencies by reducing the number of travel card delinquencies. Split disbursements also will benefit Federal employee travelers by facilitating payment of their travel card liabilities (although employees remain responsible for having their accounts current). The proposed OMB guidance, when finalized, will be issued in the form of an OMB circular. However, if the guidance is finalized in its current form, the resulting OMB circular will be in direct conflict with FMS regulations. Because FMS supports the policy of split disbursement, FMS is seeking a waiver of the conflicting provisions of 31 CFR §§ 208.6 and 210.5.

31 CFR §§ 208.6 and 210.5 require that electronic payments other than vendor payments be directed to a deposit account at the financial institution in the name of the individual. Federal employee travel accounts are not deposit accounts and therefore do not meet this requirement. The Secretary of the Treasury has authority to waive these restrictions. See 31 CFR §§ 208.10, 210.5(b)(3). Therefore, I am requesting a waiver of these requirements for the stated purpose of allowing Federal agencies to issue part or all of an employee's travel reimbursement to the travel card issuing bank.

APPROVED:

DATE:

4/25/05

DISAPPROVED: _____

DATE: _____