



FMS BULLETIN

January 7, 2011



Paper Check Fees for FMS Payee Vendors

In line with initiatives to make City government greener, starting on January 1, 2011 the City will begin charging a \$3.50 fee per paper check as a way of encouraging payees to make greater use of Electronic Funds Transfer (EFT) to receive their City payments.

While the City started accruing paper check fees on January 1, 2011 the system changes needed to start collecting these fees were not completed at that time. The plan, therefore, is to periodically deduct the fees owed by the paper check recipients from future payments, once the system is implemented.

At this point we anticipate deducting the fees from the future payments of payees on a quarterly basis. You should also be aware that only the fees for the paper checks made in payment for goods, services or construction received by your department will be deducted from the future check payments made to that payee by your department.

To advise payees of this paper check fee which was authorized under the Rules of the City of New York - Title 19, Department of Finance, section §9-01 of Chapter 9 a "Paper Check Fee Advisory" is being inserted with payee paper checks over the coming weeks. We anticipate that the insert may result in calls to agency ACCOs as well as agency Fiscal Officers and their staff.

If your agency does get a call from a payee about the paper check fee and they are not part of the list of exempted payments listed below please encourage them to sign up for EFT at the Department of Finance, Vendor Payment Direct Deposit Program enrollment page at www.nyc.gov/html/dof/html/services/services_vendors_eft.shtml to avoid getting paper checks in the future that will be charged the fee.

At this time the following paper checks issued through the Financial Management System will be exempt from the paper check fee:

- (1) Inter-governmental and intra-governmental transfers of funds;
- (2) Transfer of funds to City financial accounts;
- (3) Payments to City employees;
- (4) Refunds of collected revenue;
- (5) Payments made via the judgment and claims processes; and
- (6) Payments determined by agencies to be "miscellaneous vendors" and, therefore, outside of the standard vendor enrollment process.

The regulation allows Commissioner of Finance to decide if other paper check types or payees should be exempt from the paper check fee.

If you have any questions, please contact the FISA Call Center.

Visit the Support Website for additional FMS/3 material and Bulletins.

<https://portal.fisa.nycnet> ("FMS" is the Username and Password)

FISA Call Center
callcntr@fisa.nyc.gov
212-857-1700