

## Office of Accounting

**SUBJECT:** Individual Recipient Taxpayer Identification Number (TIN) and Banking Records for Payment and Data Integrity

NEH upgraded its financial management system and transitioned to the U.S. Department of Treasury's Administrative Resource Center (ARC) platform, effective October 1, 2024. As part of this transition, NEH implemented additional and required federal payment processes, system controls, and data integrity procedures related to disbursing federal payments.

Previously, the agency permitted individual award recipients to select whether awards were disbursed to the individual recipient or to their preferred institutions. However, after consulting with the U.S. Department of Treasury, NEH modified this practice to align with payment integrity system controls for [Do Not Pay](#) (DNP) and [Treasury Offset Program](#) (TOP). These federal systems are used to prevent fraud and improper payments across the government. The U.S. Department of Treasury explained payments should not be disbursed to bank accounts which do not belong to the TIN holder. Therefore, NEH has discontinued and disallowed the practice of making individual award payments using an individual's TIN and their preferred institution's bank account information.

In addition, in FY2025, the U.S. Department of Treasury is preparing to implement [Account Verification Services](#) (AVS) on all federal payments disbursed by the U.S. Department of Treasury. This service will certify and match all TINs, bank accounts, and bank routing information to commercially available information. The purpose is to lessen the number of federal improper payments. In application, this means the banking information for account owners must match the TIN for which payments are submitted. If they do not match, they will be rejected by the system.

In response to these implementation and compliance requirements, NEH modified the General Terms and Conditions of affected individual award programs effective August 12, 2024, for future awards. The purpose was to discontinue the allowance of mismatched disbursement records, to bring future disbursement practice into compliance, and prevent non-compliance with the AVS implementation. In addition, this change allows the agency to continue future disbursements to individuals without disruption due to the financial management system upgrade. NEH will provide additional guidance for awards issued prior to August 12, 2024, once more information becomes available.