

PRESIDENTIAL ACTIONS

Modernizing Payments To and From America's Bank Account

Executive Orders

March 25, 2025

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered:

Section 1. Purpose. The continued use of paper-based payments by the Federal Government, including checks and money orders, flowing into and out of the United States General Fund, which might be thought of as America's bank account, imposes unnecessary costs; delays; and risks of fraud, lost payments, theft, and inefficiencies. Mail theft complaints have increased substantially since the COVID-19 pandemic. Historically, Department of the Treasury checks are 16 times more likely to be reported lost or stolen, returned undeliverable, or altered than an electronic funds transfer (EFT). Maintaining the physical infrastructure and specialized technology for digitizing paper records cost the American taxpayer over \$657 million in Fiscal Year 2024 alone.

This order promotes operational efficiency by mandating the transition to electronic payments for all Federal disbursements and receipts by digitizing payments to the extent permissible under applicable law (but not, for avoidance of doubt, to establish a Central Bank Digital Currency).

Sec. 2. Policy. It is the policy of the United States to defend against financial fraud and improper payments, increase efficiency, reduce costs, and enhance the security of

Federal payments.

Sec. 3. Phase Out of Paper Check Disbursements and Receipts. (a) Effective September 30, 2025, and to the extent permitted by law, the Secretary of the Treasury shall cease issuing paper checks for all Federal disbursements inclusive of intragovernmental payments, benefits payments, vendor payments, and tax refunds, except as specified in section 4 of this order.

(b) All executive departments and agencies (agencies) shall comply with this directive by transitioning to EFT methods, including direct deposit, prepaid card accounts, and other digital payment options, and take all steps necessary to enroll recipients in EFT payments, except as specified in section 4 of this order.

(c) As soon as practicable, and to the extent permitted by law, all payments made to the Federal Government shall be processed electronically, except as specified in section 4 of this order.

(d) The Secretary of State, the Secretary of the Treasury, the Secretary of Health and Human Services, the Secretary of Education, the Secretary of Veterans Affairs, and the Secretary of Homeland Security shall take appropriate action to eliminate the need for the Department of the Treasury's physical lockbox services and expedite requirements to receive the payment of Federal receipts, including fees, fines, loans, and taxes, through electronic means except as specified in section 4 of this order.

(e) The Secretary of the Treasury shall support agencies' transition to digital payment methods, including by providing access through the Department of the Treasury's centralized payment systems to:

- (i) direct deposits;
- (ii) debit and credit card payments;
- (iii) digital wallets and real-time payment systems; and
- (iv) other modern electronic payment options.

Sec. 4. Exceptions and Accommodations for the Phase Out of Paper Check Disbursements and Receipts. (a) The Secretary of the Treasury, shall review and, as appropriate, revise procedures for granting limited exceptions where electronic payment and collection methods are not feasible, including exceptions for:

- (i) individuals who do not have access to banking services or electronic payment systems;

- (ii) certain emergency payments where electronic disbursement would cause undue hardship, as contemplated in 31 C.F.R. Part 208;
 - (iii) national security- or law enforcement-related activities where non-EFT transactions are necessary or desirable; and
 - (iv) other circumstances as determined by the Secretary of the Treasury, as reflected in regulations or other guidance.
- (b) Individuals or entities qualifying for an exception under this section or other applicable law shall be provided alternative payment options.

Sec. 5. Implementation and Compliance of Electronic Transactions. (a) The Secretary of the Treasury, in coordination with the heads of agencies, shall develop and implement a comprehensive public awareness campaign to inform Federal payment recipients of the transition to electronic payments, including guidance on accessing and setting up digital payment options.

(b) Agencies shall coordinate with the Department of the Treasury to facilitate a smooth transition to digital payments, ensuring that affected individuals and entities receive adequate support.

(c) The Secretary of the Treasury shall work with financial institutions, consumer groups, and other stakeholders to address financial access for unbanked and underbanked populations.

(d) The Secretary of the Treasury and the heads of agencies shall take all necessary steps to protect classified information and systems, as well as personally identifiable information and tax return information, through the implementation of this order.

Sec. 6. Reporting Requirements. (a) The heads of agencies shall submit a compliance plan to the Director of the Office of Management and Budget within 90 days of the date of this order detailing their strategy for eliminating paper-based transactions.

(b) The Secretary of the Treasury shall submit an implementation report to the President through the Assistant to the President for Economic Policy within 180 days of the date of this order detailing progress on the matters set forth in this order.

Sec. 7. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof; or
- (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.
- (b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

DONALD J. TRUMP

THE WHITE HOUSE,
March 25, 2025.