

Category

Division: OPERATIONAL

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Policy Title: CASH MANAGEMENT – FEDERAL AWARDS

Policy Statement: The preferred method of obtaining Federal funds is the reimbursement method. Unless otherwise required by state or federal statute, funds will be disbursed from available resources for expenses allowed under the federal award.

When the reimbursement method is not possible, Federal payment methods will be utilized that minimizes the time elapsed between transfer of funds from the United States Treasury or the pass-through entity and the disbursement whether the payment is made by electronic transfer or issuance of redemption checks, warrants, or payment by other means. Student Federal financial aid funds will be received and made available to students within three (3) working days.

Procedures: Allowable expenses will be paid from available resource and then reimbursement requested from federal agency. To the extent available, funds will be used from program income (including repayments) to a revolving fund, rebates, refunds, contract settlements, audit recoveries and interest earned on funds before requesting any additional cash payments.

The College will request Federal payments that are timed in accordance with the actual immediate cash requirements.

1. The College will maintain written procedures that minimize the time elapsing between the transfer of funds and disbursement by the College, and financial management systems that meet the standards for fund control and accountability.
2. Advanced Federal payments are limited to the amounts needed and in accordance with the actual, immediate cash requirements of the College in carrying out the purpose of the approved program or project.
3. Advanced Federal payments will be as close as administratively feasible to the actual disbursements by the College for direct program or project costs and the proportionate share of any allowable indirect costs.
4. The College shall make timely payment to contractors in accordance with contract provisions.
5. Whenever possible, the College will consolidate advance payments to cover anticipated cash needs for all Federal awards.
6. The College uses the preferred method of reimbursement whenever possible.

7. The College Comptroller or his/her designee is authorized to submit requests for advance payments and reimbursements at least monthly.

Although the Federal awarding agency and pass-through entities cannot require separate depository accounts for funds provided to the College or eligibility requirements for depositories, the College will:

1. Account for the receipt, obligation, and expenditure of funds.
2. Deposit and maintain advance payments of Federal funds in insured accounts whenever possible.
3. Deposit and maintain advance payments of Federal funds in interest-bearing accounts, unless the following apply:
 - a. The College receives less than \$120,000 in Federal awards a year.
 - b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
 - c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
4. To the extent possible, disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
5. Remit interest earned on Federal advance payments deposited in interest-bearing accounts annually to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$500 per year may be retained by the College for administrative expense.

The College is authorized to submit requests for advance payments and reimbursement at least monthly when electronic fund transfers are not used, and as often as needed when electronic transfers are used, in accordance with the Electronic Fund Transfer Act (15 U.S.C. 1601).

Contacts: Chief Financial Officer

Approved Date: 3-1-18

Policy History:

Keywords: reimburse, federal, cash

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