

Tyrone Area School District

SECTION: FINANCES

TITLE: CASH MANAGEMENT

ADOPTED: APRIL 10, 2017

626.C – CASH MANAGEMENT

The district shall maintain accounting methods and internal controls and procedures that assure the accurate accounting for cash reimbursement and advances of federal funds.

Payment Methods

Reimbursements -

The school district will initially charge federal grant expenditures to nonfederal funds.

The Business Manager will request reimbursement for actual expenditures incurred under the federal grants quarterly.

Such requests shall be submitted with appropriate documentation and signed by the requestor.

Requests for reimbursements will be approved by the Business Manager.

Reimbursement will be submitted on the appropriate form to the PDE portal. All reimbursements are based on actual disbursements, not on obligations. PDE will process reimbursement requests within the timeframes required for disbursement. Consistent with state and federal requirements, the school district will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for PDE to review upon request.

Reimbursements of actual expenditures do not involve interest calculations.

Advances -

When the district receives advance payments of federal grant funds, it must minimize the time elapsing between the transfer of funds to the district and the expenditure of those funds on allowable costs of the applicable federal program. (2 CFR Sec. 200.305(b)) The district shall attempt to expend all advances of federal funds within seventy-two (72) hours of receipt.

When applicable, the district shall use existing resources available within a program before requesting additional advances. Such resources include program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds. (2 CFR Sec. 305(b)(5))

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The district shall hold federal advance payments in insured, interest-bearing accounts.

The school district is permitted to retain for administrative expense up to \$500 per year of interest earned on federal grant cash balances. Regardless of the federal awarding agency, interest earnings exceeding **\$500** per year shall be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. (2 CFR Sec. 200.305(b)(9))

Pursuant to federal guidelines, interest earnings shall be calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the district. Consistent with state guidelines, interest accruing on total federal grant cash balances shall be calculated on cash balances per grant and applying the actual or average interest rate earned. Remittance of interest shall be responsibility of the Business Manager.