



HLC Accreditation Evidence

- 2308 Cash Management

URL:

Office of Origin:

- Vice President of Administration

Contact(s):

- Vice President of Administration

2308 – Cash Management for Federal Grant Awards

Purpose

To establish cash management procedures for federal awards.

Procedure

Cash management options defined for federal awards:

1. Advanced Payments - Amount requested to be paid limited to minimum amounts needed to meet immediate cash needs
2. Reimbursement - Amount requested to be paid was previously paid by the College (generally within 30 days of initial payment).
3. Working Capital Advance – Amount requested to be paid is based upon estimated disbursement needs for a period of time.

The College generally draws Federal funds from either the Federal government (G5) or from the State (KBOR system) on a reimbursement basis. Occasionally, other systems are used for one-time or ad-hoc awards depending upon the terms of the award.

Costs may be directly charged to a sponsored award only when the cost is allowable, allocable, and reasonable to the award. The responsibility for cash management is shared by the Director or Coordinator and the Vice President of Administration or the Director or Coordinator and the Vice President of Administration's designee(s).

Cash management procedures:

1. Project directors, supervisors, and the Vice President of Administration approve all allowable grant expenditures. All expenditures exceeding \$1,000 are also submitted to the President for approval. All approval and payment processes follow the College's established policies and procedures.
2. Grant funds are coded to unique FOAPS that specify the relevant Fund, Organization, Account, and Program. Grant funds are separate from other College funds.
3. The Comptroller maintains the official budget identifying budget, drawdowns, expenditures, and balances. Approved personnel including the project director have 24-hour access to the budget information via BANNER, the College information system.
4. Project directors are required to maintain a detailed budget separate from the BANNER budget for reconciliation and documentation. Grants office staff monitor both budgets at least once each month.
5. The drawdown total is calculated based on the actual expenditures identified in the BANNER report. The Comptroller/Business Manager reviews the support for cash reimbursement to ensure the accuracy of calculation, completeness, and general adherence to award terms and conditions. Upon satisfactory budget review, the

Comptroller/Business Manager submits the request for reimbursement via the appropriate drawdown system.

Other Cash Management Requirements

1. The College will use existing resources before requesting an advance; e.g., program income, refunds, rebates, or interest earned.
2. The College will minimize the time elapsing between the transfer of funds and the disbursement of those funds for grant-related expenditures. The College will comply with the three-day rule, which requires the expenditure of funds within three days of the receipt of such funds. Excess cash balances will be returned to the sponsoring agency after three days have expired.
3. The College will maintain all Federal funds in insured accounts.
4. The College will deposit all Federal funds into interest-bearing accounts unless:
 - Aggregate federal awards are under \$120,000
 - Account is not expected to earn in excess of \$500 per year
 - Bank requires minimum balance so high that such an account is not feasible
5. The College will retain interest amounts up to \$500 for administrative purposes.
6. The College will return interest on Federal grants earned exceeding \$500 annually to the U.S. Department of Health and Human Services.

Contact(s): Vice President of Administration, Director of Grants

Related Form(s)

- None

References

§ 200.305 Payment (Federal Register, Vol.78, No. 248/Thursday, Dec. 26, 2013/Rules and Regulations, 78625).

Relevant Policy or Procedure(s): Policy 1305 – Fiscal Management

Approved by: President

Date: 9/28/15

Revision(s): 5/25/17 (minor revision); 10/1/21 (update)