



Book Policy Manual  
Section --Special Update - UGG-EDGAR - Oct 2024  
Title Revised Policy - Special Update - UGG-EDGAR - Oct 2024 - CASH MANAGEMENT OF GRANTS  
Code po6112 KMK 1-28-25  
Status Second Reading

### **Revised Policy - Special Update - UGG-EDGAR**

#### **6112 - CASH MANAGEMENT OF GRANTS**

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the District Administrator shall implement internal controls in the area of cash management.

The District's ~~payments~~ payment methods shall minimize the time elapsing between the transfer of funds from the ~~United States Treasury~~ Federal agency or the Department of Public Instruction (pass-through entity) and disbursement by the District, regardless of whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall use forms and procedures required by the grantor agency or pass-through entity to request payment. The District shall request grant funds payments in accordance with the provisions of the grant. Additionally, the District's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The District Administrator is authorized to submit payment requests as often as necessary when electronic fund transfers are used or at least monthly when electronic transfers are not used. ~~Seerequests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used~~ Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the District uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested ~~will~~ must be as close as is administratively feasible to the actual ~~disbursement~~ disbursements by the District for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The District shall make timely ~~payment~~ payments to contractors in accordance with contract provisions.

- C. Whenever possible, advance payment requests by the District must be consolidated to cover anticipated cash needs for all Federal awards received by the recipient from the awarding Federal agency or Wisconsin Department of Public Instruction (DPI).
- D. ~~To the extent~~ If available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on ~~such~~ Federal funds before requesting additional cash payments. **[DRAFTING NOTE: It is generally recommended that the District request program income be added to their total award, but separating program income out and then noting how applicable credits are addressed.]**
- E. The District shall account for the receipt, ~~obligation~~ obligation, and expenditure of funds.
- F. Advance payments will be deposited and maintained in insured accounts whenever possible.
- G. Advance payments will be maintained in ~~interest-bearing~~ interest-bearing accounts unless the following apply:
1. The District receives less than ~~\$120,000~~ \$250,000 in Federal awards funding per year.
  2. The best ~~reasonably~~ available interest-bearing account would not reasonably be expected to earn interest in excess of \$500 per year on Federal cash balances.
  3. 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. A foreign government or banking system prohibits or precludes ~~interest-bearing~~ interest-bearing accounts.
  5. An interest-bearing account is not readily accessible (for example, due to public or political unrest in a foreign country).
- H. Pursuant to Federal law and regulations, the District may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal ~~advance payments deposited in interest-bearing accounts must be remitted~~ funds must be returned annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either the Automated Clearing House (ACH) network or a Fedwire Funds Service payment. ~~Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another Federal agency payment system.~~
- I. All interest in excess of \$500 per year must be returned to PMS regardless of whether the District was paid through PMS. Instructions for returning interest can be found at <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>.
- J. All other Federal funds must be returned to the payment system of the Federal agency. Returns should follow the instructions provided by the Federal agency. All returns to PMS should follow the instructions provided at <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>.