

## **GCCSA Federal Cash Management Policy and Procedures**

Payment methods must be established in writing that minimize the time elapsed between the drawdown of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required by the Uniform Guidance for advance payments and in accordance with the requirements of NHDOE or other applicable pass-through-entity. 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 Director shall implement internal controls in the area of cash management. The school's payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the NHDOE (pass-through entity) and disbursement by the school, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

Payments/disbursements utilizing federal funds shall be made within the fiscal year of the advance and/or drawdown. Regarding payments that cannot be made, for any reason, within the same fiscal year as the transfer/drawdown: the Director shall provide documented need for and explanation of the delayed disbursement to the Board of Trustees.

The school shall use forms and procedures required by the NHDOE, grantor agency or other pass through entity to request payment. The school shall request grant fund payments in accordance with the provisions of the grant. Additionally, the school's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency. The Director is authorized to submit requests 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, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

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

- A. The timing and amount of the advance payment requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The school shall make timely payment to contractors in accordance with contract provisions.
- C. To the extent available, the school shall 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.
- D. The school shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments shall be deposited and maintained in insured accounts whenever possible.
- F. Advance payments will be maintained in interest bearing accounts unless the following apply:
  - 1. The school receives less than \$120,000 in Federal awards per year.
  - 2. The best reasonably available interest-bearing account would not 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 accounts.

G. Pursuant to Federal law and regulations, the school 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 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. 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.

*Passed by BoT - 2/17/25*