

Policy: Cash Management	Category: Division of Federal Programs - PDE	Number: 652
	<input type="checkbox"/> Complete Revision <input type="checkbox"/> Partial Revision <input checked="" type="checkbox"/> New	Supersedes:

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, the District receives payment from the Pennsylvania Department of Education on a reimbursement basis. 2 C.F.R. § 200.305. However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency consistent with 2 C.F.R. § 200.305(b)(9).

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, regardless of the date of obligation, interest is 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 LEA.

Interest would not accrue if the LEA uses nonfederal funds to pay the vendor and/or employees prior to the funds being drawn down from the G5 system, commonly known as a reimbursement.

Payment Methods

Reimbursements: The District will initially charge federal grant expenditures to nonfederal funds.

The District Business Manager will request reimbursement for actual expenditures incurred under the federal grants quarterly. All required Quarterly/Final Federal Expenditure Reports will be completed by the Business Manager and reviewed by the Superintendent. In addition, all Cash on Hand reports required by the Pennsylvania Department of Education for Federal funds will be completed within the 10 day allotted timeframe following a quarter's end. Any amounts exceeding 10% or \$10,000.00 for any budget line item will require a budget revision approved by the granting agency prior to reimbursement request submissions. Reimbursement requests will be submitted on eGrants system or other approved form to the Pennsylvania Department of Education. All reimbursements are based on actual disbursements, not on obligations.

The Pennsylvania Department of Education will process reimbursement requests in a timely manner.

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for the Pennsylvania Department of Education's review upon request.

Reimbursements of actual expenditures do not require interest calculations.

Revised Date: 10/15/2015	Effective Date:	Approved by: Division of Federal Programs — PDE (TEMPLATE)
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Advances: To the extent the District receives advance payments of federal grant funds, the District will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the District attempts to expend all drawn downs of federal funds within 72 hours of receipt.

The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will begin to calculate interest earned on cash balances once funds are deposited into the District's account.

Interest will be calculated consistent with USDE requirements. [Total federal grant cash balances will be calculated on cash balances per grant and applying the District's actual interest rate.] The District will remit interest earned on grant funds annually to the U.S. Department of Health and Human Services Payment Management System (regardless of the federal awarding agency for the grant) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. 2 C.F.R. § 200.305(b)(9). Interest exceeding the \$500 allowable for administrative expenses must be returned to the federal government.

- Remit 80.21 and 668 interest to: U.S. Department of Education, P.O. Box 979053, St. Louis, MO 63197-9000;
- Remit 74.22 interest to: U.S. Department of Health and Human Services, P.O. Box 6120, Suite 1133, Rockville, MD 20852;
- Make check payable to the agency in the address line, include a cover letter with your DUNS, CFDA(s), time period(s) for which interest was earned. Include "Interest earned on Federal funds" in the subject. The District may retain up to \$500 of interest earned per year.

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