

Concord School District Policy #392

Cash Management and Fund Control

All funds awarded directly or indirectly through any federal grants or subsidy programs shall be administered in accordance with this policy, and any administrative procedures adopted implementing this policy.

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 Grant Guidance for advance payments and in accordance with the requirements of the New Hampshire Department of Education (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 Superintendent shall implement internal controls in the area of cash management.

The District'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 District, regardless whether the payment is made by electronic fund transfer or issuance or redemption of checks, warrants or payment by other means.

The District shall use forms and procedures required by the NHDOE, grantor agency or other pass-through entity to request payment. The District shall request grants fund 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 Superintendent or Business Administrator 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 \(15 U.S.C. 1693r\)](#).

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 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 District shall make timely payment to contractors in accordance with contract provisions.
- C. To the extent 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 funds before requesting additional cash payments.
- D. The District 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 District 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 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 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.

Legal References:

2 C.F.R. Part 180 2 C.F.R. Part 200 200.305; 200.313(d); 200.317-.326; 200.403-.406; 200.413(a)-(c); 200.430; 200.431; 200.458; 200.474(b) 200 Appendix II 7 CFR Part 210 210.16; 210.19; 210.21; 215.14a; 220.16 Title 2 CFR Part 200

Adopted June 3, 2019.