

**PENSACOLA STATE COLLEGE**  
**MANUAL OF PROCEDURES**

Procedure Title:	Cash Management - Federal Awards	<u>Number</u> 548
Related Policy:	Grant Administration – 6Hx20-5.015	<u>Page</u> Page 1 of 2

**I. Purpose**

To establish cash management procedures for federal grant awards.

**II. Procedure**

A. Cash management options defined for grants:

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

B. The College generally draws federal funds from either the Federal government (G5) or from the State (FLAGS) on a reimbursement basis. Occasionally, other systems are used for one- time or ad-hoc grants. The following is an overview of the cash management procedures.

1. Project directors and the Assistant Comptroller, Restricted Accounting, approve all allowable grant expenditures. The College pays for the approved expenditures through the College’s established payables and payroll processes.
2. Grant expenditures are coded to unique cost centers and funds that separate them from other College expenditures.
3. A budget to actual expenditure report is reviewed by the project manager and Grant Accountant periodically.
4. Based on the expenditures for the grant, the amount of the drawdown is calculated. The support for cash reimbursements is reviewed by the Vice President, Business Affairs. When the support is deemed sufficient for the request, the Vice President, Business Affairs will sign the required certification statement and that will give the Assistant Comptroller, Restricted Accounting, the authority to actually drawdown cash.
5. The Board of Trustees is provided with a report quarterly showing the amount of grant and the remaining balance.

C. The general practice to fund grants on a reimbursement basis does not preclude the College, for certain grants, to seek advance payments or a working capital advance. When

grant funds are drawn down in advance of anticipated expenditures, the College will do the following:

1. Minimize the time elapsing between the transfer of funds and the disbursement of those funds for grant related expenditures. Comply with the three (3) day rule, which requires the expenditure of funds within three days of receipt of such funds. Excess cash balances will be returned to the sponsoring agency after the three days have expired.
2. Deposit all federal funds in an interesting bearing account.
3. Return interest earned exceeding \$500 on federal grants annual to the Department of Health and Human Services.

Responsible Official: Vice President, Business Affairs

President's Signature:

Date: 02/21/2017

