


HOWARD GARDNER MULTIPLE INTELLIGENCE CHARTER SCHOOL

	Finance/Business	FB17-0802
	Cash Management	ADOPTED DATE: August 15, 2017 REVISED DATE: February 20, 2024

2 C.F.R. § 200.305.

HGMICS 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, HGMICS receives payment from the PDE on a reimbursement basis. However, if HGMICS receives an advance in federal grant funds, HGMICS 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 non-federal 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: HGMICS will initially charge federal grand expenditures to non-federal funds. HGMICS Business Manager or contracted business company will request reimbursement for actual expenditures incurred under the federal grants. Reimbursement requests will be submitted on the appropriate form to the PDE portal. All reimbursements are based on actual disbursements, no on obligations. The PDE will process reimbursement requests within the timeframes required for disbursement. Consistent with the state and federal requirements, HGMICS will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for the PDE review on request.

Reimbursements of actual expenditures do not require interest calculations.

Advances: To the extent HGMICS receives advance payments of federal grant funds, HGMICS will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, HGMICS attempts to expend all drawn downs of federal funds within 72 hours of receipt.

2 CFR Sec. 305 (b)(5)

When applicable, the HGMICS shall use existing resources available within a program before requesting additional advances. Such resources include program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds. HGMICS will hold federal advance payments

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in interest-bearing accounts, unless an allowable exception applies. HGMICS is permitted to retain for administrative expense up to \$500.00 per year of interest on federal grant cash balances. Regardless of the federal awarding agency, interest earnings exceeding \$500 per year shall 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.

2 C.F.R. § 200.305(b)(9)

HGMICS will begin to calculate interest earned on cash balances once funds are deposited into the HGMICS account. Pursuant to federal guidelines, interest earnings will be calculated from the date that the federal funds are drawn down from the system until the date on which those funds are disbursed by the HGMICS. Consistent with the state guidelines, interest accruing on total federal grant cash balances shall be calculated on cash balances per grant and applying the actual or average interest rate earned.