

Chief Tahgee Elementary Academy No. 483

FINANCIAL MANAGEMENT

7450

Federal Cash Management

In accordance with the Cash Management Improvement Act, the Charter School will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the school.

Generally, the Charter School receives payments from the United States Department of Education (USDE) and the Idaho Department of Education (IDE) on a reimbursement basis. If the Charter School receives an advance in federal grant funds, it will remit interest earned on the advanced payment quarterly to the federal agency. However, the Charter School may retain interest amounts up to \$500 per year for administrative expenses.

When calculating the interest earned on USDE grant funds and regardless of the date of obligation, interest is calculated from the date the federal funds are drawn down from the G5 system and until the date that funds are disbursed by the Charter School.

Payment Methods

1. Reimbursements. The Charter School will initially charge federal grant expenditures to non-federal funds.

The Director of School Programs or designee will request reimbursement on a monthly basis for actual expenditures incurred under the federal grant. All reimbursements will be based on actual disbursements, not on obligations. Reimbursement requests will be processed by the Charter School to the IDE or from the USDE's G5 system, as appropriate.

The Director of School Programs or his/her designee shall establish a procedure specifying any further requirements.

Consistent with tribal, state and federal requirements, the Charter School will (1) maintain source documentation supporting federal expenditures such as invoices, time sheets, and payroll stubs and (2) will make such documentation available for the Federal and State Departments of Education to review upon request.

Reimbursements of actual expenditures do not require interest calculations.

2. Advances. To the extent it receives advance payments of federal grant funds, the Charter School will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the school shall attempt to expend all drawn downs of federal funds within 72 hours of receipt.

3. Interest. The Charter School will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The Charter School may retain up to \$500 of interest earned per year.
 - a. The Charter School will begin to calculate interest earned on cash balances once funds are deposited into the Charter School's account.
 - b. Interest will be calculated quarterly.
 - c. Total federal grant cash balances will be calculated on cash balances per grant and apply the Charter School's actual interest rate.
 - d. Within 30 days of the end of the quarter, the Charter School will remit interest earned. The Director of School Programs or his/her designee shall create a procedure specifying the process for remitting interest.

Legal Reference: 2 CFR § 200.305
31 CFR § 205

Payment
Rules and Procedures for Efficient Federal-
State Funds Transfers

Policy History:

Adopted on: 12/19/2017

Revised on: