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**Springfield Community Health Center**

**Federal Cash Drawdown Policy**

**Date Last Updated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **Federal Cash Drawdown: Policy**

## The organization is committed to ensuring that federal cash draws are made and administered in a manner consistent with the payment standards required by the U.S. Department of Health and Human Services found at 45 CFR 75 (HHS adoption of Uniform Grant Guidance 2 CFR 200), state and local statutes and executive orders as applicable. Revisions to Uniform Grant Guidance are automatically included in the CHC’s policy.

It is the policy of [CHC] to minimize the time elapsing between the transfer of funds from the Payment Management System (PMS) and the disbursement of those funds by [CHC] and to ensure the draws are for expenses that have already occurred.

* The amount drawn down will be limited to the minimum amount needed to cover allowable project costs that have already occurred or payroll expenses where the time has already been served.
* The draws will be timed in accordance with the actual immediate cash requirements of carrying out the approved project to the extent the timing is administratively feasible.
* The draws will not be made to cover future expenditures.

1. **Accountability**

The following Health Center staff are responsible for ensuring compliance with and overseeing the following aspects of this board approved policy:

* Chief Financial Officer

1. **Federal Cash Drawdown: Procedures**

## This policy applies to the payment received for direct or passed-through federal grant funds.

* 1. Bank Account Requirement

The account federal funds are drawn into and kept until administratively feasible to disburse will meet the following criteria:

1. FDIC insured
2. Interest bearing – unless the best prevailing market rate available would not be expected to earn interest in excess of $500 per year on Federal cash balances
3. Interest amounts earned on the Federal funds in excess of $500 per year will be refunded to the granting agency as required.
   1. Documentation

The documentation maintained for each federal grant payment will account for the receipt, obligation and expenditure of funds. The documentation will include the following whether the draw is in advance or as reimbursement to the Organization for expenditures that have already been incurred:

1. A listing of the expenditures that are being reimbursed in sufficient detail to satisfy the documentation requirements of Uniform Grant Guidance
2. Information regarding the date of federal grant payment receipt and the timing of expenditures relative to the receipt of the federal funds.
   1. Timing

While cash advances are permitted, federal regulations require that the timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization. It is the Organization’s policy to ensure the following prior to requesting a cash advance:

* + 1. The draw is the minimum amount needed
    2. The draw is timed in accordance with actual, immediate cash requirements
    3. That the draw is not done any earlier than necessary to actually make the payment. The distinction is also that the timing is based on when the expenditures will be paid and not when the expenditure is accrued.
    4. If the previous requirements cannot be met, then it is the Organization’s policy to request federal cash payments after disbursements for expenditures have been made.
    5. The draws will not be made to alleviate cash flow problems within the Organization
  1. Method

The preferred method of reimbursement is through electronic fund transfer if available. Requests for draws through the federal payment management system will follow the steps and processes outlined with the system. If the draw is not through the federal payment management system then the draw should be done consistent with the terms of the grant and the processes required by the awarding agency.

* 1. Oversight and Monitoring

The initial grant draw request and support for expenditures will be prepared by POSITION and submitted to POSITION for review and approval.