



CASH MANAGEMENT – ADVANCE POLICY

- 1.0 Purpose.** The Regional Center for Workforce Excellence (RCWE) has an obligation per 29 CFR 95.22(b) such that “in order to be paid on an advance basis, recipients and subrecipients must maintain a financial management system in accordance with 29 CFR 95.21 and have written procedures to ensure that the time elapsing between receipt of funds and disbursement is minimized (One-Stop, 2002, II-6-2). Failure or inability to comply with cash management, by either RCWE or its subrecipients, will result in the application of the default reimbursement method for expenditures.
- 2.0 Requirements.** Governing regulations and guidelines include:
- 29 CFR 95.21 – Standards for Financial Management Systems
 - 29 CFR 95.22 – Payment
 - 29 CFR 95.21 – Payment
 - 31 CFR 205 – Clearance Patterns
 - One-Stop Comprehensive Financial Management Technical Assistance Guide 2002
 - OMB A-133 circular – 2003 Audits of States, Local Governments, and Non-Profit Organizations
- 3.0 Scope.** The following items should be satisfied by a subrecipient in order for it to be eligible to receive cash advances. Failure to implement and maintain these items will result in the default reimbursement method being applied.
- A. The fiscal agent shall be responsible for determining eligibility of a subrecipient as well as monitoring any established cash advance programs.
 - B. The subrecipient shall notify RCWE fiscal agent of its intention to be considered for cash advances.
 - C. The subrecipient shall provide written procedure that addresses all aspects of the RCWE Cash Management & Advance Policy.
 - D. The fiscal agent will arrange for a review of the written procedure before a determination is made.
 - E. The subrecipient written procedure must outline how it will monitor its own cash advance activities.
 - F. The written procedure must list each budget line item that the cash advances will apply to.
 - G. All cash advance funds are to be held in an interest-bearing, federally insured checking account. RCWE suggests that one account be designated as the master account for advances only and checking and subaccounts that automatically draw from the cash advance account as checks are presented to the subaccounts for payment. Subrecipients are encouraged to utilize minority and women-owned banks.
 - H. Interest from cash advances is considered program funding and should be returned to RCWE. Subrecipients are allowed to retain up to \$250 per year for checking account administrative expenses.
 - I. A timing cycle must be established by the subrecipient that ensures advances are timed to meet actual cash needs such that the time lapse is limited to approximately one day and a resulting checking account balance that is as close to zero as possible.



POLICY – 100

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- J. A cash forecasting and clearance process must be identified.
- K. Subrecipients must designate which disbursement cycle, per One Stop TAG, will be utilized. The fiscal agent will determine appropriateness of selected cycles.
- L. Cash on hand should be expended before additional funds are requested.
- M. Cash advances will not be made against accrued expenses. Cash will only be advanced against expenses to be paid in a given cycle.
- N. Subrecipients must not have any delinquent unpaid debt with the federal government.

4.0 History.

Name	Date	Rev. Level	Description of change	Effective Date
Jim Triplett	11/10/2004	A	New policy	
Jim Triplett	11/30/2006	B	Update per OMB A-133	
Deb O'Neil	05/01/2009	C	Update logo, EO Officer, CFO to Fiscal Agent	July 1, 2009

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Equal Opportunity Employer Program
Paul Newlin – Equal Opportunity Officer
Phone (814) 333-1286
TTY/TDD (814) 337-7205