



RISE CHARTER SCHOOL

Policy 7450: Federal Cash Management

Status: ADOPTED

Original Adopted Date: May 28, 2021

Last Reviewed Date:

Federal Cash Management

Generally, RISE Charter School receives payment from the State Department of Education on a reimbursement basis. However, in the event that federal funds are advanced to RISE Charter School, RISE Charter School will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by RISE Charter School, in accordance with the Cash Management Improvement Act.

If RISE Charter School received an advance in federal grant funds, RISE Charter School will remit interest earned on the advanced payment quarterly to the federal agency. RISE Charter School may retain interest amounts up to \$500 per year for administrative expenses.

All responsible Charter School employees shall comply with applicable methods and procedures for payment that minimize the time elapsing between the School's receipt of federal funds and their disbursement by the School, as required by in accordance with the Cash Management Improvement Act of 1990. Generally, the School receives payment of federal funds from the State Department of Education on a reimbursement basis.

The Charter School shall make payments to contractors in a timely manner and in accordance with the provisions of the contract.

According to guidance from the U.S. Department of Education (USDE), when calculating the interest earned on USDE grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the ~~GS~~ **G6** system until the date on which those funds are disbursed by RISE Charter School.

The School shall be able to account for all federal funds received, obligated, and expended.

Payment Methods

1. **Reimbursements:** RISE Charter School will initially charge federal grant expenditures to nonfederal funds.

~~The RISE Charter School Federal Programs Director will approve federal expenditures on a monthly basis. Upon receiving approval, the Business Manager will request reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are based on actual disbursements and at times, on approved purchase orders. Reimbursement requests will be submitted through the Idaho state CSFGA portal.~~

The School grant accountant grant accountant or business manager reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are business manager shall request based on actual disbursements, not on obligations. Reimbursement requests shall be submitted on a School form to the State Department of Education.

The Executive Director or their designee shall promulgate a procedure specifying any further requirements.

Consistent with ~~State~~ **state** and federal requirements, RISE Charter School will maintain source documentation supporting the federal expenditures; such as invoices, time sheets, and payroll stubs; and will make such documentation available for the State Department of Education to review upon request.

Reimbursements of actual expenditures do not require interest calculations.

2. **Advances:** To the extent RISE Charter School receives advance payments of federal grant funds; RISE Charter School shall strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, RISE Charter School shall attempt to expend all drawdowns of federal funds within 72 hours of receipt.

Any federal funds provided in advance of their use shall be deposited and maintained in insured accounts whenever possible.

RISE Charter School shall hold federal advance payments in interest-bearing accounts unless an allowable exception applies. RISE Charter School shall begin to calculate interest earned on cash balances once funds are deposited into RISE Charter School's account.

Interest shall be calculated quarterly. Total federal grant cash balances shall be calculated on cash balances per grant and applying RISE Charter School's average interest rate. Within 30 days of the end of the quarter, RISE Charter School shall remit interest earned. RISE Charter School may retain up to \$500 of interest earned per year **for administrative expenses**.

The Executive Director or **their** ~~his or her~~ designee shall promulgate a procedure specifying the process for remitting interest.

Legal References

Description

2 CFR § 200.305

Payment

2 CFR § 200.307

Program Income

31 CFR § 205

Rules and Procedures for Efficient Federal-State Funds Transfers

31 USC § 6503

Intergovernmental financing (Cash Management Improvement Act of 1990)

Policy History:

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