

**Wood County Alcohol, Drug Addiction and Mental Health Services Board**  
Policy and Procedure Manual

Federal Funds – Cash Management	Section VII -A.10
Resolution Number: 2018-31 March 26, 2018	Page 1 of 2

**PURPOSE:** To assure proper and efficient administration of Federal Funds in accordance with the Uniform Guidance over federal programs.

**POLICY:** In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, internal controls over cash management shall be implemented.

The WCADAMHS Board's payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the Ohio Department of Mental Health and Addiction Services (OhioMHAS) (pass-through entity) and disbursement by the WCADAMHS Board, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

**PROCEDURE:** The WCADAMHS Board shall request grant fund payments in accordance with the provisions of the grant. Additionally, the WCADAMHS Board's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The WCADAMHS Board shall use forms and/or procedures required by the grantor agency or pass-through entity to request payment.

The Executive Director or designee is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693- 1693r).

When the WCADAMHS Board uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The WCADAMHS Board shall make timely payment to contractors in accordance with contract provisions.
- C. To the extent available, the WCADAMHS Board shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- D. The WCADAMHS Board shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments will be deposited and maintained through the Wood County Treasurer's Office.
- F. Advance payments will be maintained in interest bearing accounts at a County approved depository unless the following apply:
  - 1. The WCADAMHS Board receives less than \$120,000 in Federal awards per year.

2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.

3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

G. Pursuant to Federal law and regulations, the WCADAMHS Board may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System ("PMS").

**APPLICABLE LAWS, REGULATIONS AND GUIDANCE:** 2 C.F.R. 200.305, 15 U.S.C. 1693- 1693r