

1 **Great Falls School District**

2
3 **FINANCIAL MANAGEMENT**

7340

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5 **Cash Management - Federal Programs**

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7 Generally, the school district receives payment from the Montana Office of Public Instruction
8 (OPI) on a reimbursement basis. In some circumstances, the district may receive an advance of
9 federal grant funds. This policy addresses responsibilities of the district and district staff under
10 those alternative payment methods. In either case, the district shall maintain accounting methods
11 and internal controls and procedures that assure those responsibilities are met.

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13 **Payment Methods**

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15 **Reimbursements**

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17 The school district will initially charge federal grant expenditures to nonfederal funds.

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19 The Director of Student Services will request reimbursement for actual expenditures incurred
20 under the federal grants monthly.

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22 Such requests shall be submitted with appropriate documentation and signed by the requestor.
23 Requests for reimbursements will be approved by the Director of Student Services.

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25 Reimbursement will be submitted on the appropriate form provided by the OPI. All
26 reimbursements are based on actual disbursements, not on obligations. OPI will process
27 reimbursement requests within the timeframes required for disbursement.

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29 Consistent with state and federal requirements, the school district will maintain source
30 documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and
31 will make such documentation available for OPI to review upon request.

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33 Reimbursements of actual expenditures do not involve interest calculations.

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35 **Advances**

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37 When the district receives advance payments of federal grant funds, it must minimize the time
38 elapsing between the transfer of funds to the district and the expenditure of those funds on
39 allowable costs of the applicable federal program. (2 CFR Sec. 200.305(b)) The district shall
40 attempt to expend all advances of federal funds within seventy-two (72) hours of receipt.

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42 When applicable, the district shall use existing resources available within a program before
43 requesting additional advances. Such resources include program income (including repayments
44 to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned
45 on such funds. (2 CFR Sec. 305(b)(5))

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1 **Interest Earnings**

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3 The district shall hold federal advance payments in insured, interest-bearing accounts.

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5 The school district is permitted to retain for administrative expense up to \$500 per year of
6 interest earned on federal grant cash balances. Regardless of the federal awarding agency,
7 interest earnings exceeding \$500 per year shall be remitted annually to the Department of Health
8 and Human Services. (2 CFR Sec. 200.305(b)(9))

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10 Pursuant to federal guidelines, interest earnings shall be calculated from the date that the federal
11 funds are drawn down from the G5 system until the date on which those funds are disbursed by
12 the district. Consistent with state guidelines, interest accruing on total federal grant cash balances
13 shall be calculated on cash balances per grant and applying the actual or average interest rate
14 earned.

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16 Remittance of interest shall be responsibility of the Director of Business Operations and the
17 Director of Student Services.

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19 Legal References:

20 2 CFR Sec. 200.305(b)

21 2 CFR Sec. 305(b)(5)

22 2 CFR Sec. 200.305(b)(9)

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24 Policy History:

25 Adopted on: September 24, 2018

26 Reviewed on:

27 Revised on: