

Hertford County Public Schools

Cash Management of Federal Funds Procedure

Hertford County Public Schools will maintain written cash management procedures designed to minimize the time elapsing between the transfer and subsequent disbursement of funds ([2 CFR Part 200.305](#)). Hertford County Public Schools will strive to expend the Federal funds on allowable expenditures as expeditiously as possible. Specifically, Hertford County Public Schools attempts to expend all drawdowns of federal funds within 72 hours of receipt.

Prior to each payment request, the Finance Officer or Designee reviews the general ledger to determine the exact amount of cumulative expenditures to date and reviews and calculates the exact amount of payroll and/or other payables that will be paid out within three business days once the payment is received. The Finance Officer or Designee verifies that legible, satisfactory source documentation is on file to support each cost included in the request for payment. Prior to the draw-down request, the Finance Officer or Designee reviews and verifies the accuracy of the amount to be requested. The Finance Officer or Designee requests payment and certifies that the expenditures are true and correct and that the payment received will be paid out within three business days of receipt in the Hertford County Public Schools' depository account.

No later than three days after payment was requested, the Finance Officer or Designee will verify that the payment was received in the Hertford County Public Schools depository account. The Finance Officer or Designee will notify Accounts Payable / Payroll that payment has been received and to immediately process said payroll or other payables if payment method was an advance. The Finance Officer or Designee will verify all payments to ensure that no funds are being paid out for goods and services not actually received and to verify that all funds received for a particular payment are paid out and do not remain on deposit in the Hertford County Public Schools' depository account.

Interest Earned on Advances - Hertford County Public Schools will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. Hertford County Public Schools will begin to calculate interest earned on cash balances once funds are deposited into the district's account.

Interest will be calculated quarterly and interest earned will be remitted within 30 days of the end of the quarter. Interest earned amounts up to \$500 per year may be retained by Hertford County Public Schools for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be returned annually.