

PEND OREILLE COUNTY
NEWPORT, WASHINGTON

RESOLUTION NO. 2018-19

RE: Resolution Adopting a Policy and Procedures Manual
for Federally Funded Grant Cash Advancements

WHEREAS, the County is on a cost-reimbursement basis for all federally funded grants, but may on rare occasions or as provided in grant documents and/or agreements need to receive federal grant funds in advance; and

WHEREAS, federally funded grant cash advancements policy and procedures are necessary to ensure compliance with applicable Federal laws pertaining to any advance payments received from the federal government for grants; and

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board of County Commissioners hereby adopts the attached Federally Funded Grant Cash Advancements Policy and Procedures Manual.

ADOPTED this 22nd day of May, 2018.

BOARD OF COUNTY COMMISSIONERS



Stephen Kiss, Chair

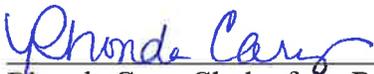


Mike Manus, Vice-Chair



Karen Skoog, Member

ATTEST:



Rhonda Cary, Clerk of the Board

APPROVED AS TO FORM:



Dolly Hunt, Prosecuting Attorney

PEND OREILLE COUNTY

Federally Funded Grant Cash Advancements Policy and Procedures Manual

Date of Approval: *May 22, 2018*

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I. Policy Statement

Pend Oreille County (County) is on a cost-reimbursement basis for all of its federally funded grants. However, from time to time the County may need to receive federal grant funds in advance. When such advance payment occurs, the County has the obligation to deposit such funds into an interest bearing account and properly record earned interest and report it. This policy is in compliance with the Code of Federal Regulations (CFR) Title 2 Grants and Agreements, Chapter 2 Office of Management and Budget Government wide Guidance for Grant and Agreements (2 CFR, Part 200.305).

II. Who is affected by this Policy

All Pend Oreille County departments and staff who engage in federally funded sponsored projects.

III. Definitions

Cash Advance: Cash advance means a payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before outlay is made by the recipient or through the use of predetermined payment schedules.

IV. OMB Guidelines

The County is on a cost reimbursement basis for all federally funded grants based on OMB guidelines unless a grant qualifies for an exception under this policy. There may be instances where the County determines it is appropriate to accept a grant which requires a cash advance to the County. However, as there are business and accounting implications within this decision a grant proposal for a cash advance grant requires the review and recommendation of the Pend Oreille County Finance Committee and approval of the Pend Oreille County Board of County Commissioners.

Mechanisms for receiving grant payments:

Per 2 CFR Part 200.305, *“Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions.”*

Whenever possible, advances shall be consolidated.

1. Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer and should comply with applicable guidance in 31CFR Part 208.
2. Non-Federal entities must be authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as they like when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1601).

Exceptions to interest-bearing accounts:

The non-Federal entity must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply.

1. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
2. 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.
3. A foreign government or banking system prohibits or precludes interest bearing accounts.

V. Pend Oreille County's Procedures for Calculation of Interest on Advance Payments on Federal Grant Funds:

Federal Funds

Funds awarded in advance from any federal entity or as flow-through from a federal entity will be subject to the interest calculation.

Interest will be calculated monthly based on the average monthly balance in the County's designated bank account.

Interest

At the close of each month the Treasurer's Office will calculate the interest earned based on the interest rate as provided by the bank where the funds are kept.

At fiscal year end, the interest earned will be remitted to the department of Health and Human Services (DHHS). Interest amounts up to \$500 per year may be retained by the County for Administrative Expenses.

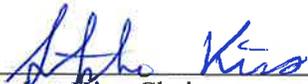
Remitting Interest

Interest shall be remitted annually to:

Department of Health and Human Service
Payment Management System
Rockville, MD 20852

APPROVED AND ADOPTED this 22nd day of May, 2018.

BOARD OF COUNTY COMMISSIONERS
PEND OREILLE COUNTY, WASHINGTON



Stephen Kiss, Chair

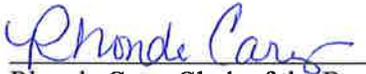


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