PURPOSE/POLICY

The Mid-Michigan District Health Department (MMDHD) receives funding from a variety of sources including from federal sources. The purpose of this policy is to provide guidance for the monitoring and collection of the cash and accounts receivable in accordance with the requirements of Uniform Grant Guidance 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Generally Accepted Accounting Principles (GAAP), the approved grant agreement and any other applicable laws, regulations, rules and guidelines. The objective is to ensure consistent and timely processing of revenues as well as reducing exposure to delinquent and uncollected funds. Requests for reimbursement of expenses or advance payments must be consistent with terms of the grant and in compliance with its conditions and stipulations. MMDHD will expend the federal funds on allowable expenditures as expeditiously as possible. MMDHD will hold federal advance payments in interest-bearing accounts unless an allowable exception applies. All funds will be safeguarded and used only for authorized purposes.

PROCEDURE

Cash management options that may apply:

1. Reimbursement - The payment request (drawdown) is for reimbursement of federal expenditures previously paid by the agency.
2. Advance – The payment request is limited to the minimum amounts needed to meet the immediate cash needs.
3. Working capital advance – The payment request is based upon estimated disbursement for a period of time.

Generally, MMDHD receives payment on a reimbursement method unless otherwise determined by the granting agency or unless determined that an advance is needed by the Administrative Services Division Director. MMDHD will minimize the time elapsing between the transfer of funds and the disbursement of those funds and the disbursement of those funds for grant related expenditures.

Any excess cash balances will be returned to the sponsoring agency.

To the extent available, the MMDHD will use funds from program income before requesting any advance.

MMDHD will maintain effective internal controls and financial accounting accountability for all funds and will follow all other policies in relation to internal controls such as financial reporting, cost principles, purchasing and all others that apply.