

# CASH MANAGEMENT | POLICY



TYPE: POLICY  
SECTION: FEDERAL PROGRAMS  
TITLE: CASH MANAGEMENT  
ADOPTED: March 17, 2016  
REVISED: May 11, 2017

Reviewed: February 18, 2025

## **CASH MANAGEMENT**

### **Guidelines**

Gillingham Charter School will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the School, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, the School receives payment from the Pennsylvania Department of Education on a reimbursement basis. However, if the School receives an advance in federal grant funds, the School will remit interest earned on the advanced payment quarterly to the federal agency consistent with 2 C.F.R. § 200.305(b) (9).

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the LEA. Interest would not accrue if the LEA uses nonfederal funds to pay the vendor and/or employees prior to the funds being drawn down from the G5 system, commonly known as a reimbursement.

### **Payment Methods**

**Reimbursements:** The School will initially charge federal grant expenditures to nonfederal funds. The Business Manager will request reimbursement for actual expenditures incurred under the federal grants. Reimbursement requests must be signed by the CEO. Detailed invoices, payroll reports, and benefit reports are included as backup with each reimbursement request.

Reimbursement requests will be submitted to the appropriate party at the Pennsylvania Department of Education for processing. All reimbursements are based on actual disbursements, not on obligations. Reimbursements of actual expenditures do not require interest calculations.

Consistent with state and federal requirements, Gillingham Charter School will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for the Pennsylvania Department of Education to review upon request.

**Advances:** If Gillingham Charter School receives advance payments of grant funds, the School will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Federal advance payments will be held in interest-bearing accounts, unless an allowable exception applies. The School will begin to calculate interest earned on cash balances once funds are deposited into the School's account. Interest will be calculated consistent with any applicable state forms.

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Gillingham does not receive interest from federal funds as the school spends the money before it is received, however if the school were to receive interest from federal funds the total federal grant cash balances will be calculated on cash balances per grant and applying the School's actual/average interest rate. The School, through its Business Manager, will remit interest earned on grant funds annually to the U.S. Department of Health and Human Services Payment Management System (regardless of the federal awarding agency for the grant). Gillingham Charter School may retain up to \$500 of interest earned per year.

## **Written Policies**

Charter School's written policy on Cash Management is public record.

**TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH THE SCHOOL'S CHARTER OR APPLICABLE STATE AND/OR FEDERAL LAWS, THE APPLICABLE STATE AND/OR FEDERAL LAWS AND/OR CHARTER CONTROL.**

Reviewed this 18th day of February, 2025



Scott Herbert (Feb 25, 2025 13:00 EST)

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(BOT President)



Dan Kurtz (Feb 25, 2025 12:46 EST)

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(BOT Secretary)









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Final Audit Report

2025-02-25

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