



CASH MANAGEMENT POLICY

C-201

Purpose.

Federal and state guidelines limit the amount of funds that a grantee organization can hold on account. As a recipient of federal funds, the Southwest Wisconsin Workforce Development Board (SWWDB) is required to minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through-entity and the disbursement by the non-Federal entity in whatever form, thereby limiting its cash reserves. This policy outlines cash management standards for funds administered by SWWDB.

Policy.

The SWWDB shall maintain under its control an appropriate level of funds to cover appropriate organizational and program operator expenses in order to minimize time elapsed between state transfers and SWWDB disbursements. SWWDB may be provided advance payments, but normally SWWDB will be reimbursed for actual cash disbursements.

The amount of funds available in SWWDB and all grantee financial accounts will be kept at a minimum and limited to the actual immediate disbursement needs in carrying out the programs. SWWDB shall disburse cash received as a result of program income (rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds) before requesting additional grant cash payments. SWWDB will manage all funds on a cost reimbursement basis for grants or as work is performed on fee-for-service arrangements. SWWDB will comply with the Department of Workforce Development Administrative Assurances and Guidelines; other funding source rules and regulations; and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as appropriate.

SWWDB requires that every grantee organization receiving funds through a contract with SWWDB shall establish and maintain cash management procedures that comply with the above standards. SWWDB shall monitor the subrecipient's financial management systems to ensure compliance with this policy. A subrecipient that consistently fails to conform to this requirement and accumulates excess cash may be required to take corrective action to minimize or eliminate excess cash.

The Chief Executive Officer (CEO) is delegated by the Board with the authority to administer necessary cash management procedures. The Finance Manager, under the direction of the CEO, is operationally responsible for cash management and will monitor all cash accounts and checking account balances to ensure compliance with required regulations.

References: DWD/DWS, Workforce Programs Guide, PART 1 – Administration of Workforce Programs Policy and Procedures Manual, Section III.D – Cash Management Standards
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)— 2 CFR 200 (200.305 Payment)

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