

CAPITAL AREA  
SCHOOL FOR THE  
ARTS CHARTER  
SCHOOL (CASA  
CHARTER SCHOOL)

SECTION: FINANCES

TITLE: CASH MANAGEMENT POLICY

ADOPTED: October 21, 2024

REVISED:

626.2 CASH MANAGEMENT POLICY

The 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. 2 C.F.R. § 200.305. 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.

The School 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) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. 2 C.F.R. § 200.305(b)(9).