

Payment methods must be established in writing that minimize the time elapsed between the drawdown of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required by the Uniform Grant Guidance for advance payments and in accordance with the requirements of the NHDOE or other applicable pass-through-entity.

In order to provide reasonable assurance that all assets, including federal, state, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Executive Director shall implement internal controls in the area of cash management.

MC²'s payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the NHDOE (pass-through entity) and disbursement by MC², regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

MC² shall use forms and procedures required by the NHDOE, grantor agency or other pass-through entity to request payment. MC² shall request grant fund payments in accordance with the provisions of the grant. Additionally, MC²'s financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Executive Director is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When MC² uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs
- B. MC² shall make timely payment to contractors in accordance with contract provisions
- C. To the extent available, MC² shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments
- D. MC² shall account for the receipt, obligation, and expenditure of funds
- E. Advance payments shall be deposited and maintained in insured accounts whenever possible
- F. Advance payments will be maintained in interest bearing accounts unless the following apply:
 1. MC² receives less than \$120,000 in Federal awards per year.
 2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
 3. 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.
 4. A foreign government or banking system prohibits or precludes interest bearing accounts.

- G. Pursuant to Federal law and regulations, MC² may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (“PMS”) through an electronic medium using either the Automated Clearing House (“ACH”) network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as “addenda records” by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds.

Revision History:

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