Kamiah Joint District #304

FINANCIAL MANAGEMENT **7450**

Board Policy 7450: Federal Cash Management Policy **Status:** ADOPTED

Original Adopted Date: 08/21/2023 | **Last Revised Date: 01/14/2026** | **Last Reviewed Date:**

All responsible District employees shall comply with applicable methods and procedures for payment that minimize the time elapsed between the District's receipt of federal funds and their disbursement by the District, as required by and in accordance with the Cash Management Improvement Act of 1990. Generally, the District receives payment of federal funds from the State Department of Education on a reimbursement basis.

The District shall make payments to contractors in a timely manner and in accordance with the provisions of the contract.

According to guidance from the U.S. Department of Education (USDE), when calculating the interest earned on USDE grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G6 system until the date on which those funds are disbursed by the District.

The District shall be able to account for all federal funds received, obligated, and expended.

Payment Methods

1. **Reimbursements:** The District will initially charge federal grant expenditures to nonfederal funds.

   The District grant accountant or business manager shall request reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are based on actual disbursements, not on obligations. Reimbursement requests shall be submitted on a District form to the State Department of Education.

   The Superintendent or thier designee shall promulgate a procedure specifying any further requirements.

   Consistent with state and federal requirements, the District shall maintain source documentation supporting the federal expenditures; such as invoices, time sheets, and payroll stubs; and will make such documentation available for the State Department of Education to review upon request.

   Reimbursements of actual expenditures do not require interest calculations.

2. **Advances:** To the extent the District receives advance payments of federal grant funds; the District shall strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the District shall attempt to expend all drawdowns of federal funds within 72 hours of receipt. Any federal funds provided in advance of their use shall be deposited and maintained in insured accounts whenever possible.

   The District shall hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District shall begin to calculate interest earned on cash balances once funds are deposited into the District's account.

   Interest shall be calculated quarterly. Total federal grant cash balances shall be calculated on cash balances per grant and applying the District's average interest rate. Within 30 days of the end of the quarter, the District shall remit interest earned. The District may retain up to $500 of interest earned

per year for administrative expenses.

The Superintendent or their designee shall promulgate a procedure specifying the process for remitting interest.

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Legal References	**Description**
2 CFR § 200.305	Payment
2 CFR § 200.307	Program Income
31 CFR § 205	Rules and Procedures for Efficient Federal-State Funds Transfers
31 USC § 6503	Intergovernmental financing (Cash Management Improvement Act of 1990)

Other References	**Description**
ISBA Policy Services	https://www.idsba.org/member-services/policy/