

## POLICY

### DRAW DOWN POLICY

4003

1. **Purpose:** Bullhook Community Health Center (“BCHC”) is committed to ensuring that federal cash draws are made and administered in a manner consistent with the payment standards required by the U.S. Department of Health and Human Services Uniform Grant Guidance, state and local statutes and executive orders as applicable. Revisions to Uniform Grant Guidance are automatically included in BCHC’s policy.
2. **Applies To:** This policy applies to the payment received for direct or passed-through federal grant funds.
3. **Policy Statement:**
  - a. Bank Account Requirement: The account federal funds are drawn into and kept until administratively feasible to disburse will meet the following criteria:
    - FDIC insured
    - Interest bearing – unless the best prevailing market rate available would not be expected to earn interest in excess of \$500 per year on Federal cash balance.
    - Interest amounts earned on the Federal funds in excess of \$500 per year will be refunded to the granting agency as required.
  - b. Documentation of Personnel Services: Documentation of personal services will be consistent with 2 CFR 75.430 and will meet the Federal requirements for supporting documentation of salaries and wages.
    - Salary and wages charges are supported by a system of internal controls which provides reasonable assurance that they are accurate, allowable, properly allocated and in compliance with the Organization’s policies and procedures.
    - Employee timesheets are completed electronically and supervisors approve the hours worked
    - A grant salary allocation database is maintained to track and reconcile the assignment of the Organization’s salaries and wages to all grant programs (Federal, State, Local and Foundation) and to support the distribution of employee’s salary or wages.
  - c. Documentation of Expenditures: The documentation maintained for each federal grant payment will account for the receipt, obligation and expenditure of funds. The documentation will include the following whether the draw is in advance or as reimbursement to the Organization for expenditures that have already been incurred:
    - A listing of the expenditures that are being reimbursed in sufficient detail to satisfy the documentation requirements of Uniform Grant Guidance
    - Information regarding the date of federal grant payment receipt and the timing of expenditures relative to the receipt of the federal funds

- d. Timing: While cash advances are permitted, federal regulations require that the timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization. It is the Organization's policy to ensure the following prior to requesting a cash advance:
- i. The draw is the minimum amount needed
  - ii. The draw is timed in accordance with actual, immediate cash requirements
  - iii. That the draw is not done any earlier than necessary to actually make the payment. The distinction is also that the timing is based on when the expenditures will be paid and not when the expenditure is accrued.
  - iv. If the previous requirements cannot be met, then it is the Organization's policy to request federal cash payments after disbursements for expenditures have been made.
  - v. The draws will not be made to alleviate cash flow problems within the Organization
- e. Method: Requests for draws are made through the federal payment management system and will follow the steps and processes outlined with the system.
- f. Oversight and Monitoring: The grant draw support for expenditures will be prepared by Finance Department personnel. The Chief Financial Officer will review, approve, and execute the applicable drawdown.

  
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 CHIEF EXECUTIVE OFFICER

DATE 8-13-18

  
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 CHAIR, BOARD OF DIRECTORS

DATE 8-13-18

Date first adopted	08/13/2018
Date Revised/QI Board approval	
New date adopted/Board of Directors approval	08/13/2018