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I. APPLICABILITY/SCOPE

This policy addresses funds transferred to and disbursed for the U.S. Department of Labor, Employment and Training Administration, H-1 B funded Strengthening Working Families Initiative (SWFI) grant operated the City of Phoenix Human Services Department, Business and Workforce Development Division (HSD BWD).

II. PURPOSE

This purpose of the Cash Management Policy is to provide written guidelines for the management of funds drawn from the Federal government to support the SWFI program.

III. BACKGROUND

HSD BWD must maintain an adequate system of internal control to safeguard cash as specified in generally accepted accounting principles and the Uniform Administrative Requirements. HSD BWD's fiscal agent, City of Phoenix Human Services Department Management Services Division (HSD-MSD), must maintain minimum cash balance.

IV. DEFINITIONS

Bad debt are debts which have been determined to be uncollectable. 2 CFR § 200.426


Improper payment means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper. 2 CFR § 200.53

V. POLICY

A. Cash Requests/Draws - Reimbursement

To avoid holding excess cash on hand, HSD-MSD utilizes the reimbursement method for cash requests/draws on an as-needed basis. All reimbursements are based on actual disbursements (i.e. payments already made), not on obligations.

HSD-MSD will request reimbursement for actual expenditure incurred for SWFI monthly. HSD BWD will only request reimbursement for funds already paid out.

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Payment requests are submitted electronically through the Payment Management System (PMS) by the designated Fiscal accountant. Funds are typically received within three (3) working days and are recorded in Systems Applications & Products (SAP), the City of Phoenix financial management system. Accounting records and source documentation, pertaining to draw-downs and expenditures, are maintained by HSD-MSD.

B. Bad Debt

Bad debt and losses, whether actual or estimated, arising from uncollectable accounts and other claims are unallowable under Federal regulation. Related collection costs, and related legal costs arising from such debts after they have been determined uncollectable are also unallowable. Charges and fees related to items deemed “unallowable” under Federal regulations cannot be paid utilizing SWFI funds.

C. Improper Payments

The costs incurred by HSD BWD to recover improper payments are allowable as either direct or indirect costs, as appropriate. Amounts collected must be used to support SWFI program expenditures and must be liquidated before additional funds are requested.

D. Fees and Penalties

Items deemed as fees or penalties such as overdraft fees and non-sufficient fund fees cannot be paid using Federal funds and, as such, are not allowable costs for SWFI.

VI. POLICY MANAGEMENT REQUIREMENTS

Administrative revisions to the policy may be made by the Phoenix Business and Workforce Development (PBWD) Board Executive Director, with notice to the PBWD Board’s Executive Leadership Committee. All other substantive revisions will go to the PBWD Board’s Executive Leadership Committee for review and recommendation to the PBWD Board for approval.

VII. REFERENCES

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR part 200, §200.305, §200.53, §200.426, §200.428, and 2 CFR 2900.7