

Sponsored Program Accounting  
Cash Management and Drawdowns for Restricted Funds  
Operating Procedure

Objective: To provide reasonable assurance that the drawdown of federal cash is only for immediate needs, reimbursements are requested only for costs paid prior to the date of the reimbursement request, and recipients limit payments to subrecipients to immediate cash needs.

Procedure: Cash drawdowns are to be done at least monthly based on the cash on hand at the point of draw. If the cash on hand is negative, funds are requested from the sponsor. If the cash on hand is positive, funds are returned to the sponsor.

Banner Job Submission reports:

FWREPMS - pulls funds to draw through ASAP and DHHS-PMS

FWREDUD – pulls funds to draw through Dept of Education

FWRNSFD – pulls funds to draw through National Science Foundation

These reports pull the current cash on hand. This ensures we only draw based on expenditures that have already posted to the fund. Once a fund is expired, the final draw is based on the close out process, to ensure we only draw allowable expenditures.

The accountants request the funds from the sponsor based on the drawdown report. Once the funds are received, a journal voucher is prepared to post the funds to the general ledger. The journal voucher is approved by the Manager or Assistant Controller for Sponsored Programs.

Subcontract invoices are reviewed and approved by Sponsored Programs Accounting and then sent to department for processing payment. Funds are not drawn from the sponsor until the subcontract invoice has posted to the appropriate fund.

For Smith Level funds, a fund balance report is run by Extension staff and the negative cash on hand is provided to an Accountant in Sponsored Programs Accounting to draw the funds from ASAP.

For Hatch, Regional and Animal Health, a report is run in Source Assignment by the Assistant Controller and entered in a spreadsheet for determining the draw. Once the draw is finalized the information is provided to an Accountant in Sponsored Programs Accounting to draw the funds from ASAP.

Last Update: 3/29/17