



**Workforce Southwest Washington  
Policy and Procedures**

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**CASH MANAGEMENT  
POLICY #: 1008 Rev 1**

Date of Original Policy: 9/1/05  
Effective Revision Date: 2/28/18

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**BACKGROUND**

Workforce Southwest Washington (WSW) and its subrecipients must have systems in place to receive funds after reimbursement requests are submitted. The manner in which funds are to be requested, retained, and disbursed are outlined below.

**POLICY**

**A. Eligibility Requirements – Cash Depositories**

WSW and its subrecipients must deposit WIOA and other federal funds in the following financial institutions:

- i. A bank insured by the Federal Deposit Insurance Corporation (FDIC).
- ii. An institution insured by the Federal Savings and Loan Corporation.
- iii. A credit union insured by the administrator of the National Credit Union.

For governmental subrecipients with taxing authority, funds may be deposited with the subrecipient's treasurer.

**B. Use of Minority and/or Women-Owned Banks**

Consistent with the federal and state goal of expanding the opportunities for minorities and women-owned business enterprises, WSW and its subrecipients understand they are encouraged to use minority and/or women-owned banks, under the proviso that the above eligibility requirements are met.

**C. Bank Account**

WSW and its subrecipients will be required to maintain an insured, interest-bearing bank account. The accounting system of WSW and its subrecipients must be able to account for refunds, credits and revenue by funding source.

Exceptions to maintenance of an interest-bearing account are allowed under any of the following conditions:

- i. WSW or its subrecipient receives less than \$120,000 in federal awards per year.
- ii. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances.

- iii. The depository would require an average or minimum balance so high that it would not be reasonable with the expected federal and non-federal cash resources.
- iv. A banking system prohibits or prevents an interest-bearing account.

#### **D. Interest**

For WIOA Title I-B programs, interest is treated as Program Income, and must be accounted for as per ESD Policy 5220 - Program Income. For reporting purposes, interest is identified on the quarterly report forms submitted to ESD.

#### **E. Cash Balance**

WSW and its subrecipients will minimize the time elapsing between the receipt of WIOA, or other funds, and disbursement in order to maintain a minimum cash balance as per federal guidelines.

#### **F. Internal Controls**

WSW and its subrecipients must maintain an adequate system of internal control to safeguard cash according to Generally Accepted Accounting Principles (GAAP).

#### **G. Cash Requests**

Cash management requirements are governed by 2 CFR 200.305 - Payment. Employment Training Administration (ETA) requires that subrecipients obtain funds from their awarding agency as needed for disbursement.

To prevent excess cash draws, each draw request from ESD and other funding sources will be timed to coincide with expenditure payments, with the exception of payments for: (a) escalating leases and (b) leave accruals. With the exception of these two areas, cash drawn will be disbursed by WSW within three business days of receiving the cash. Program income must be used before drawing cash.

- i. For WIOA formula cash draws, WSW will request cash on a Daily Invoice Voucher (or Year End Invoice Voucher, when appropriate) with supporting documentation of expenditures, revenue and variance, that provides justification for the cash draw. These requests are due by 10:00 a.m. two days prior to the date needed.
- ii. WSW will receive an Electronic Fund Transfer (EFT) to the bank chosen by WSW on the date specified on the request.
- iii. For WIOA non-formula (contracts and National Dislocated Worker Grants), WSW will request cash from ESD on an A-19 Invoice Voucher, with supporting documentation (Invoice Expenditure Detail Template) that provides justification for the cash draw.

#### **H. Withholding of Payment**

WSW may discontinue the current cash needs payments when subrecipients:

- i. Do not follow payment requirements;
- ii. Fail to provide appropriate supporting documentation for a cash request;
- iii. Fail to meet project objectives or grant/contract conditions;

iv. Are indebted to WSW

If any of the above conditions exist, WSW may withhold payment until the condition is corrected. WSW will provide written notification to the subrecipient before withholding payment. The subrecipient has until the effective date on the notification to petition WSW for reconsideration of action. The petition must be sent to:

Workforce Southwest Washington  
Fiscal Department  
805 Broadway, Suite 412  
Vancouver, WA 98660

Upon consideration of this petition, WSW will issue a final determination and notify the subrecipient.

## **REFERENCES**

All fiscal policies and guidance letters published for the Workforce Innovation and Opportunity Act (WIOA) and other federal funding sources by WSW are governed, as appropriate, under:

- Public Law 113-128
- 2 CFR Part 200 et. al. Office of Management and Budget
- One-Stop Comprehensive Financial Management Technical Assistance Guide (TAG) - July 2002
- Generally Accepted Accounting Principles (GAAP)
- ESD Policy #5205 Revision 2

## **SUPERSEDES**

Previously dated WSW Policy #1008 Cash Management