

# North Central Workforce Development Area

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## LOCAL DIRECTIVE

Directive #: 16-143 (REV 1)	Date: July 1, 2018
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TO: SkillSource Staff

FROM: Dave Petersen, Executive Director

SUBJECT: Cash Management and Interest

SUPERCEDES: Directive 16-143 Cash Management and Interest

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### INTRODUCTION

The objective of the cash management procedure is to ensure that the timing and amount of cash advances are as close as administratively feasible to actual cash disbursements. (maximum one day average cash on hand)

### ACCOUNTING PROCEDURES

#### Accounts Receivable (AR)

Accounting Assistant (AA) deposits checks-on-hand from School District Contracts, Partner Rent, and other miscellaneous checks into the fiscal agent checking account at US Bank prior to determining remaining cash need.

#### Accounts Payable (AP)

AP Disbursements are run weekly against the US Bank main checking account. Accounting Assistant (AA) compares batch total to cash on hand maintaining a \$5,000 balance then determines what if any checks need held, locking them in the fireproof safe, releasing the others to the Office Assistant for mailing. The Performance Analyst (PA) prepares a cash draw request (see Cash Requests). Accounting staff verify funds were received by U.S. Bank and release the held checks.

#### Participant Payroll (P-PR)

P-PR is run twice a month against the US Bank main checking account.

#### Staff Payroll:

Staff Payroll is run once a month against the fiscal agent account. AA verifies the Cash Request deposit and initiates Electronic Funds Transfer for the last working day of the month.

#### Cash Advance Requests (CR)

Cash Advance Requests are processed at least twice per month. One in advance of Staff Payroll and another after month end close to true up cash draws and expenditures.

Process: A Statement of Activities (SOA) – Summary Revenue and Expense by Revenue Source Report is run through the current date. Revenue sources are grouped by fund type ACP, Adult, Youth In/Out, and Dislocated. Known future expenses are added to the actual YTD expenses by revenue source using either prior month actuals (as with payrolls) or unpaid invoices (such as Community College ITAs or monthly ESD sub-recipient invoices, etc.). Cost pool balances are allocated to various revenue sources based upon prior month allocation percentages. Administrative cost pool is allocated between WIOA Title I ACP grants and other contracts (School District, NEG, Pre-ETS) also based upon prior month actual. Actual, estimated, and allocated expenses are totaled, compared to grant revenues received to date, any excess of expenses over revenues is drawn down starting from the oldest open grant first. PA reviews cash request records to ensure sufficient funds are available for all grants being drawn on. FD reconciles state draw worksheets to grant revenue balances quarterly.

The Cash Request form is prepared by the PA & signed by the FD. Then both the CR and the SOA are scanned and emailed to Grants Management before 10am at least two working days prior to the expected deposit date. Hard copies are filed. Cash Advances are electronically deposited into the SkillSource U.S. Bank main checking account. Receipt of funds is verified by AA prior to any cash disbursement.

### **Cash Reimbursement Contract Billings**

For each cost reimbursement contract, a SOA is run from the start date of the agreement through the first participant payroll date of the current month. An A-19 and Invoice Expenditure Detail Report is prepared by the PA, signed by the FD, scanned and emailed along with the SOA to ESD Workforce Initiatives Department. The Pre-ETS contract is fee for service and uses unique DSHS billing instruments. The Managing Director prepares the Pre-ETS billing which is reviewed and signed off by FD.

Cash reimbursements from ESD are deposited into SkillSource US Bank main checking account. Pre-ETS reimbursements are electronically deposited into SkillSource Banner Bank checking account. Once reimbursements are verified, checks for the same amounts are drawn against the Banner Bank account and deposited to the US Bank main checking account.

### **General**

Cash disbursements are planned as close to the receipt of funds as administratively possible to limit cash on hand to a maximum of one day.

At the end of each month, a cash management analysis is prepared on a checks written basis, (template provided by Employment Security Department (ESD)), and sent to ESD - Specialized Accounting.

All sub-recipients are strictly cost reimbursement.

Interest earned on WIOA funds (US Bank General Checking Account) is accounted for as program income and offsets bank fees.