

**SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD  
General Policy & Procedure**

**CASH MANAGEMENT  
(SNWIB SERVICE PROVIDERS)**

**EFFECTIVE DATE: July 11, 2003**

**NUMBER: 2.8**

**SUPERSEDES: SNWIB General Policies and  
Procedures No. 2.8 dated July 1, 2001**

**AUTHORIZATION: SNWIB Manager**

**BACKGROUND:**

The Southern Nevada Workforce Investment Board (SNWIB) WIA Title I subcontractors shall manage cash flow and forecast cash needs for the delivery of WIA services. Service providers must maintain an ongoing estimate of current and future expenditures, obligations, and accruals, and submit this information to the SNWIB on a monthly basis.

**I. GENERAL PROVISIONS FOR CASH MANAGEMENT**

Procurement transactions between agencies of State or local governments, and other agencies organized principally as the administrative entity for the local Workforce Investment Boards or sub-state areas, must be conducted on a cost reimbursement basis. Therefore, all contracts, transactions, and/or agreements between the SNWIB and subrecipients shall be conducted on a cost reimbursement basis. The SNWIB has elected not to allow any provisions for profit (see SNWIB Policy 2.11, Program Income). [§667.200(a)(3), Section 184(a)(3)(B)]

**II. CASH ON HAND**

Any cash available for disbursement for WIA funded program purposes is to be considered WIA funded cash on hand and should be used by the subrecipients before they request additional funds. [USDOL One-Stop Comprehensive Financial Management Technical Assistance Guide Section II-6-3]

**III. CASH ADVANCES**

The Southern Nevada Workforce Investment Board's (SNWIB) fiscal administration of WIA Title I funds requires that prudent procedures be established through which SNWIB subrecipients process budget advances.

A. If the SNWIB subrecipient lacks sufficient working capital, the SNWIB may provide cash on a working capital advance payment basis. Under this procedure, the SNWIB may advance cash to the subrecipient to cover its estimated disbursement needs for an initial period, generally geared to the subrecipient's disbursing cycle. Thereafter, the SNWIB shall reimburse the subrecipient for its actual cash disbursements.

B. Subrecipients requesting an advance must maintain the following:

1. Written procedures that minimize the time elapsing between the transfer of funds and disbursement by the subrecipient; and

2. Financial management systems that meet the standards for fund control and accountability as established in USDOL One-Stop Comprehensive Financial Management Technical Assistance Guide II-6-4.
- C. Cash advances to a subrecipient shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the subrecipient in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the subrecipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.
- D. To request a cash advance, the subrecipient must:
1. Submit either a completed the Adult & Dislocated Worker Invoice form, or the Youth Invoice Form to the SNWIB Financial Department (refer to SNWIB Policies 2.6 and 2.7).
  2. To complete this form, only Lines 5 & 6 and Columns A, B & C should be completed.
  3. Each advance is subtracted against the following month's requests for reimbursement.
  4. Subrecipients must allow a 30-day lead time for request processing, and must use the funds within a 30 days after receipt.
  5. No bank accounts should be utilized to separate cash advances against other SNWIB funds.
- E. Recipients shall maintain advances of funds in an interest bearing account, unless:
1. The recipient receives less that \$120,000 in federal awards per year, **or**
  2. The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250.00 per year on Federal Cash balances; **or**
  3. The depository would require an average or minimum balance so high that would not be feasible with the expected cash resources.

#### IV. **CASH FORECASTING**

Cash forecasting identifies specific needs within a specific time frame and must be performed. Cash forecasting may be daily, weekly, on some other defined disbursement cycle, or as needed. The point is not to prescribe a specific cash forecast period, but to gear the cycle to when reimbursements are expected to be received. A valid clearance pattern is an acceptable method of forecasting. [USDOL One-Stop Comprehensive Financial Management Technical Assistance Guide II-6-9].

V. **CASH REIMBURSEMENT**

Pursuant to USDOL One-Stop Comprehensive Financial Management Technical Assistance Guide II-6-3, the SNWIB will process grant awards through the cash reimbursement method. Refer to SNWIB Policies 2.6 and 2.7 for invoicing procedures.