

## **Federal Cash Drawdowns and Invoicing Policy**

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### **Background**

Agreements with certain federal agencies allow the university to drawdown funds as needed to cover actual expenditures incurred on a given award. After work on the award has commenced and expenditures are recorded, the university accounting office may process a cash drawdown to cover such expenses.

Cash drawdowns should not be processed in advance of actual expenditures, and the amount of the drawdown should not exceed the actual expenditures for the applicable grant or contract on the funds transfer date. Granting agencies have individual rules pertaining to excessive cash transfers, and personnel responsible for processing drawdowns should be familiar and comply with applicable regulations.

Advance drawdowns are allowed on any eligible grant (federal or non-federal) once approved by either the SPF Director or Compliance Officer and the funder.

The following is a list of the sites on which drawdowns are processed:

- Automated Standard Application for Payment (ASAP) – [asap.gov](http://asap.gov)
- National Science Foundation (NSF) – [research.gov](http://research.gov)
- Payment Management System (PMS) – [dpm.psc.gov](http://dpm.psc.gov)
- Grants Payment Request System (GPRS) – [grants.ojp.usdoj.gov](http://grants.ojp.usdoj.gov)

The following is a current list of the sites on which Advance drawdowns are processed:

- Department of Education (DOE) – [g5.gov](http://g5.gov)

The SPF Director approves all user access to the sites noted above.

### **Process**

Beginning in December 2015, the federal drawdowns and advanced drawdowns have been submitted for review and approval in digital format, rather than paper. The Accounting Technician will email the SPF Director or Compliance Officer to inform them that there are invoices waiting approval. These will be located in a subfolder at: T:\SPF\Zz - Invoice Approvals.

The drawdown process is initiated by an Accounting Technician. At the close of the fiscal period, the Accounting Technician produces a Budgetary Status Report (BSR) for each award from the



Oracle Business Intelligence (OBI) data warehouse. The BSR details the current month expenses as well as the contract-to-date expenses charged against a given award. The Accounting Technician reconciles the current month expenses for each award against the outstanding grant account receivable (i.e. unbilled receivable). In general, the outstanding unbilled portion of the grant receivable should agree to the current month expenses.

After the current month expenses have been reconciled against the grant receivable balance, the Accounting Technician prepares a schedule, or drawdown request, of all current month expenses charged to the awards, by drawdown site. For example, when preparing the schedule for the Department of Education advance drawdown, all awards available through the DOE drawdown site (e.g. Talent Search, Upward Bound, Student Support Services, etc.) are consolidated into a single advance drawdown request.

The advance drawdown process bills for expenses that have not necessarily occurred yet. SPF administers the advance draws in a manner to reasonably reflect the anticipated expenses. In order to accomplish this, the Accounting Technician uses an Advance Draws spreadsheet. Instead of billing after the current month has closed, the advance drawdown process for the current month begins once the previous month has been closed.

For each DOE project, the SPF Accountant averages the prior 12 months actual expenses (using the appropriate BSR's) and then adds the difference between the prior month's advanced draw and its actual expense. Any exceptions to this process, for example, drawing down only the un-billed receivable amount, should be distinguished with a footnote explaining exactly how the amount was derived.

The drawdown request and all supporting documents are forwarded to the SPF Director, or Compliance Officer, for review and approval. Any issues found during the review process will be followed up and resolved prior to approval. The Director or Compliance Officer will give their approval by a password protected electronic signature. Funders that require a courtesy copy invoice are sent one via email.

Upon approval, the Accounting Technician enters the drawdown into the appropriate drawdown site using a unique user ID and password for each site. Upon processing of the drawdown, the Accounting Technician prints a confirmation of the drawdown from the site. The confirmation and drawdown request are forwarded to the SPF Accountant for review and validation.

The Accounting Technician processes an accounts receivable billing in PeopleSoft, the accounting system, to create an invoice for each award. Federal grant funds are received from each granting agency via wire transfer, often as a single lump sum. These invoices ensure that the wire transfer is receipted accurately against each of the grant awards included in a single wire transmission.