1.0 Introduction

OMB Circular A-110 interim rules published in the federal register as 74.21, Standards for Financial Management Systems, requires written procedures to minimize the time elapsing between the transfer of funds to the recipient (to The Citadel) and the issuance or redemption of checks. This is to keep The Citadel from drawing federal funds but not dispersing the funds for more than a minimal period of time.

2.0 General Definition of Responsibility

The Grants Accountant is responsible for billing federal accounts and for drawing all federal funds, including letters of credit.

3.0 Policy

The Grants Accountant should only bill for expenditures that have been incurred on grants.

A. Interim billings should only be done based on actual expenditures. Since the billings are done at the end of a period, it is clear that all the checks written to pay the expenditures on the account should have cleared, or can reasonable be assumed to have cleared.

B. Final billings require that items encumbered be billed. Our experience on final billings is that the time the billings are reviewed and funds sent from the grantor, the encumbrances have cleared and the vendors have been paid. We will still bill for encumbrances when closing a grant, but this final billing will be done as late as possible after the end date of the grant so that the instances of having any items that are still unpaid, but encumbered, will be minimal. If the encumbered amount is large, the Grants Accountant is to bring the situation to the attention of the Director of Financial Services for a determination of how to bill.
C. Title IV programs are disbursed directly to student accounts, except for college work study. The Grants Accountant does not try to match any draw of federal funds to match the disbursement to the students’ accounts. When the funds are placed in the student’s account, they are considered as disbursed by The Citadel. The Grants Accountant only draws these funds based on the expended amount and then only at the end of a month. College work study funds are disbursed directly to the students. The Grants Accountant is to only draw funds down based on expenditures that have posted to the system. Generally this draw will be at the end of a month or quarter. It can be reasonable expected that the students have cashed their checks by the time the funds are drawn.