



CASH MANAGEMENT POLICY

Policy Number: 1020

Effective Date: May 1, 2017

A. BACKGROUND

Consistent with Washington State Policy, Workforce Snohomish takes an aggressive position on the management of cash.

B. POLICY

Workforce Snohomish subrecipients must meet the following requirements in order to receive WIOA Title I and other funds from Workforce Snohomish:

- Have systems in place to receive funds after reimbursement requests are submitted as required;
- Maintain an accounting system able to account for refunds, credits and revenue by funding sources;
- Minimize the time elapsing between receipt and disbursement of funds in order to minimize cash on hand;
- Keep funds in interest bearing accounts. Exceptions to the maintenance of an interest-bearing account are allowed under any of the following conditions:
 - Subrecipient or Contractor receives less than \$120,000 in federal awards per year
 - The best reasonable available interest-bearing account wouldn't be expected to earn interest in excess of \$500 per year on federal cash balance.
 - The depository would require an average or minimum balance so high that it would not be reasonable within the expected federal and non-federal cash resources.
 - A banking system prohibits or prevents an interest-bearing account.
- Report and spend interest as program income as per the [Workforce Snohomish Program Income Policy](#).
- Maintain an adequate system of internal controls to safeguard cash received according to Generally Accepted Accounting Principles.

If subrecipients fail to comply with any or all of these provisions, Workforce Snohomish may withhold payment or take other recourse until the condition is corrected. Should the condition remain uncorrected, Workforce Snohomish will initiate contract termination proceedings.

C. DEFINITIONS:

N/A

References:

- [Washington Workforce Policy 5205 Revision 2: Cash Depositories](#)
- [WorkSource System Policy 5220 - Program Income.](#)
- [Workforce Snohomish Program Income Policy](#)

Supersedes:

- Memorandum #04-17