

Section 1.6 CASH MANAGEMENT IMPROVEMENT ACT (CMIA)

Non-Federal Agency State (department):

The department CMIA is governed by the State Of Missouri Treasury agreement with the federal government. All draws created by the department will comply with the procedures and dates noted in the agreement. The department will generally be on a reimbursement method except when drawing for the “school” payment which will be drawn in two business days prior to posting to cash. The department will, to the extent available, disburse funds available from program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds prior to requesting cash reimbursements.

Non-Federal Agencies other than the department:

The federal payments made by the department to the LEAs will be on a reimbursement basis or will be expended within three days of receipt. The reimbursement basis minimizes the time elapsing between the transfer of funds from the United States Treasury, through the department, and on to the disbursement by the LEA.

The LEA will first record the expenditure on its books including the type of funds used and deliver the funds to the recipient. The LEA will request reimbursement from the department through the EPEGS system (or other methods) and will be paid monthly or when the request is submitted. The payments will not be withheld by the department unless the department has noted that the LEA has failed to comply with the general or specific terms and conditions of the federal award, or has failed to meet expected performance goals.

If non-compliance is noted, the department may require:

- Submission of acceptable performance documentation,
- Submission of additional detailed financial reports.
- Additional monitoring (on-site or desk)
- The LEA to be put on the Cash Management Plan

The LEA will deposit its funds in an interest bearing account. Interest earned on any federal funds is required to be remitted annually to the Department of Health and Human Services (through the department). Up to \$500 per year may be retained by the LEA for administrative expenses.

The interest calculation is the amount of the reimbursement times the annualized federal interest rate for the fiscal year times the number of business days the funds were held until delivery.

Federal interest rates are located at <http://www.fms.treas.gov/smia/index.html> for the applicable July 1-June 30 fiscal year. If the United States Treasury has not established a current rate, the most recent rate is to be used.