ADVANCES OF CASH FROM EXTERNAL SPONSORS

PURPOSE

Some federal agencies and some non-federal sponsors provide cash in advance of the work to be performed under a sponsored project. This guidance establishes the appropriate accounting treatment of these cash advances.

1. OMB Uniform Guidance 2 C.F.R. Part 200.305 (a) 8-9 requires that cash advances be deposited into an interest bearing account, and that interest earned on those advances be remitted annually to the Department of Health and Human Services (DHHS), Payment Management System.

2. Non-federal sponsors that provide cash advances and require that the cash be deposited into interest bearing accounts, may require that the interest earned be returned to the sponsor, or used to further the objectives of the award, depending on the terms of the award.

GUIDANCE

1. Sponsored projects awarded to the University as described above must be credited with interest income on positive cash balances.

2. Sponsored Programs Administration will ensure that all such Sponsored Projects will be identified and a “15P” fund will be designated as the fund to earn interest income.

3. The Finance and Planning Department will post the amount of any interest earned on the funds identified by Research Services on a monthly basis, calculated according to their written procedures.

4. The amount of interest earned will be based on the monthly interest rate calculated by the USNH Treasurer’s Office.

5. Interest earned on all federally supported projects will be reported to the sponsor as required and then transferred to a designated holding account.

6. Within 90 days of the close of each fiscal year, the total amount of interest income earned on federal funds within the fiscal year will be remitted to DHHS, less the administrative allowance allowed. The amount of the allowance is currently $500.

7. Interest earned on non-federal awards will be accounted for in accordance with the terms of the specific award.

8. This guidance does not apply to awards funded under a letter of credit.