Overview of Procedures
The District will deposit all federal grant funds in interest bearing accounts. For advance payments, the district will strive to reduce the time between receipt of grant funds and the related expenditures. The District will conduct calculations to determine if interest is due on federal cash advances based on the District’s monthly cash balances of federal programs.

The District also receives reimbursement for some grant funds. These payments do not require interest calculations.

For advanced payments, the District will remit the earned interest annually in accordance with 2 CFR 200.305 for awards made after 12/26/14. Any interest earned up to $500 per year may be kept by the School District of Philadelphia for administrative expenses. Any additional interest earned will be remitted annually.

Non-federal granting agencies may also stipulate how earned interest is to be calculated and remitted. As a condition of award acceptance, the District will comply with any grantor regulations. It is the responsibility of the Grant Program Manager to determine the most appropriate method of calculating interest earned on a non-federal grant.

The aforementioned requirements also apply to subgrantees of the District.

Procedure Details
All federal funds held by the District, including federal funds pooled with non-federal funds, will be maintained in interest-bearing accounts.

Monthly interest is calculated by multiplying the average daily cash balances for the month by the annual consolidated cash interest rate (calculated by the treasury department) / 12. The daily cash balances, consolidated by federal awarding agency, are calculated by taking the cumulative cash received less the cumulative disbursements for that day. Negative daily balances are set to zero for purposes of this calculation. The net balance of interest owed above $500, if any, is remitted to the federal government as described.

For awards made on or after 12/26/14, process a PV for the any additional interest earned over $500 and remit annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include in the memo area nature of payment, Payee Account Number (PAN) if the payment will originate from PMS, or Agency Information if the payment will originate from ASAP, NSF or another federal agency payment system. The remittance must be submitted as follows:

1. For ACH Returns:
   Routing Number: 051036706
   Account Number: 303000
   Bank Name and Location: Credit Gateway—ACH Receiver St. Paul, MN
2. For Fedwire Returns*:
   
   Routing Number: 021030004  
   Account number: 75010501  
   Bank Name and Location: Federal Reserve Bank Treas NYC/Funds Transfer Division New York, NY

   (*Please note the School District may incur a charge from the Financial Institution for this type of payment)

3. If unable to make electronic remittance make check payable to: “The Department of Health and Human Services.”

   Mail Check to Treasury approved lockbox:

   HHS Program Support Center, P.O. Box 530231, Atlanta, GA 30353-0231

Policy
- **GP2000: Interest Earned on Cash Advances**

Forms

Definitions

Contacts
- **Grants Fiscal Services**
- **Office of Accounting Services and Audit Coordination**

Frequently Asked Questions

Related Information History

**Amended:**
- October 28, 2013 to change “obligations” to “expenditures”.
- April 24, 2015 to update references for the UGG and make technical adjustments.
- Amended March 13, 2017 to clarify the term “disbursement” and the method by which interest earned is calculated and the manner in which federal funds will be consolidated.