Policies and Procedures
Salina Area Technical College
2562 Centennial Rd
Salina, KS 67401

Area: Finance

Policy Name: Payment Policy

Policy Statement: It is the duty of Salina Area Technical College to minimize the time elapsed between the transfer of funds from the United States Treasury or the pass-through entity whether the payment is made by electronic transfer or issuance of redemption checks, warrants, or payment by other means.

Procedures: Salina Area Technical College will take Federal payments that are timed in accordance with the actual immediate cash requirements.

1. Advanced Federal payments will be as close as administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs.

2. Salina Tech will make timely payment to contractors in accordance with the contract provision.

3. Salina Tech uses the preferred method of Reimbursement whenever possible.

4. Key personnel at Salina Tech are authorized to submit requests for advance payment and reimbursements at least monthly.

Although the Federal awarding agency and pass-through entities cannot require separate depository accounts for funds provided to a non-Federal entity or eligibility requirements for depositaries, Salina Tech will:

1. Deposit and maintain advance payments of Federal funds in insured accounts whenever possible.

2. Deposit and maintain advance payments of Federal funds in interest-bearing accounts, unless the following apply:
   a. Salina Tech receives less than $120,000 in Federal awards a year.
   b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of $500 per year on Federal cash balances.
   c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

3. Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human
Services, Payment Management System, Rockville, MD 20852. Interest amounts up to $500 per year may be retained by the non-Federal entity for administrative expense.


Contact: Vice President of Administrative Services

Related Form(s): 

Adopted: December 22, 2014