

SUA-15-PI-02

December 19, 2014

TO: Area Agency on Aging Directors
FROM: Cynthia Brammeier, Administrator, State Unit on Aging
SUBJECT: Cash Advances of Federal Funds

As of July 1, 2015, cash advance of federal funds will no longer be available.

In response to an audit finding, the policy on cash advances of federal funds was amended effective July 1, 2014 as follows:

A monthly cash advance may be requested for Federal funds for the following programs:

1. Title III-B - Supportive Services,
2. Title III-C1 - Congregate Meals,
3. Title III-C2 - Home Delivered Meals, and
4. Title III-E - Family Caregiver.

Requests must be reasonable and for allowable allocable costs in accordance with Federal cost principles. Cash Advance requests can be for up to one month's expenses.

The request should include

1. A letter or email from the AAA director requesting the cash advance. The amount by program should be stated. The request should include a reason for the cash advance. Cash Advance reasons could include normal operating expenses or an extraordinary event (example: yearly insurance premium).
2. A separate payment request Form E for each program with the cash advance amount clearly stated.

All cash advances will be reconciled with the next month's payment reimbursement request. If the cash advance is greater than the federal expenses, a negative federal payment request will result. If the cash advance is less than the actual expenses, the balance of the difference will be the federal payment request result.

Use of the cash advance has reduced to one Area Agency on Aging requesting it for FY 2015. Thank you for your cooperation and reduction in requests.

If you have questions, please feel free to call the State Unit on Aging, at 402-471-2307.