

IDENT	FIN-05
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Type of Policy:	Corporate
Sponsor's Department:	Finance
Title of Sponsor:	CFO
Title of Approving Official:	CEO
Date Released (Published):	4/13/17
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SUBJECT: Cash Management & Interest Policy

1. Purpose of policy

Vermont Information Technology Leaders, Inc. (VITL) is the recipient of Federal grant funds, the use of which is subject to certain Notices of Grant Awards (“NGAs”) and Health Human Services (“HHS”) grant administration regulations found in 45 C.F.R. Part 75—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR HHS AWARDS. The purpose of this policy is to ensure that cash management and accounting for interest by VITL are in conformity with accounting principles generally accepted in the United States of America ("GAAP") and in compliance with federal regulations.

2. Scope

- a. This Policy shall be construed and applied to promote VITL’s compliance with the applicable Federal and State rules, regulations, and laws. In the event of a conflict between the provisions of this Policy and the requirements of an applicable state or federal statute or regulation, the applicable statute or regulation shall prevail.
- b. This policy applies to all VITL cash transactions and investments regardless of funding source.
- c. This Policy sets forth internal guidelines for the benefit of VITL and its officers, directors, employees and agents, and does not confer any right or other benefit on any third party. The provisions of this Policy may not be used by any third party in any action or other proceeding against VITL or its interests.

3. Bank Accounts

- a. VITL management will recommend to the Board of Directors the types of financial institutions and bank accounts required for efficient conduct of VITL’s financial activities.
 - i. Financial institutions will be domiciled in the United States and FDIC-insured
 - ii. The Board of Directors will approve the establishment of all bank accounts.
 - iii. Certain VITL officers and staff will be authorized to conduct transactions on the accounts:
 - I. All withdrawal and/or payment transactions in excess of \$50,000 require the written approval of the CEO;
 - II. The CFO must approve withdrawal and/or payment transactions of less than \$50,000;

III. The CFO and/or Accounting Manager are authorized to affect the transfer funds among all accounts;

IV. All transfers between accounts must be approved by the CEO or the CFO.

4. Cash Management

- a. The CEO and CFO are authorized to manage VITL's cash, informed by the overall amount of cash on hand, anticipated timing and amounts cash outflows and inflows, bank fees and interest rates, and other facts and circumstances deemed material to VITL's financial position.
 - i. VITL's cash includes payments made to VITL on reimbursement grants and for completed deliverables and interest earned on VITL's cash.
- b. The CEO and CFO are required to manage federally-funded cash advanced to VITL in accordance with the Uniform Guidance, including:
 - i. Minimizing the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by VITL;
 - ii. Limiting the timing and amount of advance payments as close as is administratively feasible to the actual disbursements by VITL for direct program or project costs and the proportionate share of any allowable indirect costs;
 - iii. Ensuring the ability to account for the receipt, obligation and expenditure of funds.
 - I. VITL may, but is not required to establish a separate bank account for advanced funds.
 - iv. Maintaining funds in an interest-bearing account unless the financial institution would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

5. Interest

- a. Interest Income
 - i. Interest earned on VITL's cash is available to VITL to offset any unallowable expenses.
 - ii. Interest earned on federally funded cash advances.
 - I. Amounts up to \$500 per year may be retained by VITL for administrative expense.
 - iii. Any amounts in excess of \$500 earned on Federal advances must be remitted annually to the Federal government.
- b. Interest Expense
 - i. Interest on borrowed capital, or the use of VITL's own funds, however represented, are unallowable.
 - ii. Financing costs (including interest) to acquire, construct, or replace capital assets are allowable, subject to the conditions in the Uniform Guidance.

6. Policy Review & Approval

VITL will review this policy annually and reserves the right to update this policy at any time to reflect VITL's intentions and compliance requirements.



Reviewed by: CFO

4/13/2017

Date



Approved by: CEO

4/13/2017

Date

Approved by the VITL Board of Directors and effective April 10, 2017:



Bruce Bullock, MD, VITL Board Chair