

Federal Drawdown Policy & Procedures

The University of Richmond draws down federal funds approximately once a month, unless the federal granting agency requires another way of accessing their funds. The draw down process is performed by either the Grants Accounting Manager or the Grants Accounting Specialist. Federal funds are not drawn down until they have been spent.

Before each drawdown a Banner process called FPXACCT is run that shows the negative cash balance of each federal grant. Should a positive cash balance appear on the report, the Grants Accounting Manager or Grants Accounting Specialist will investigate the cause for the positive balance and correct it immediately.

All grants that have a negative balance are checked to make sure the grant was open when the expense occurred and the negative balance was not caused by an advance payment. Advancements are a rare occurrence and the funds will not be drawn down from the federal site until the advance has been settled with actual receipts. The negative cash balance that the FPXACCT report reveals is then checked against the Banner balance of each federal grant to ensure accuracy of the report.

The negative cash balance of each grant is added to the cash request spreadsheet. The cash request spreadsheet is organized by individual grant index, granting agency and the grand total of all federal grant funds to be drawn down. The Grants Accounting Manager or the Grants Accounting Specialist will go to each federal website to request the drawdown amount.

After the drawdown requests have occurred, the completed cash request spreadsheet is sent to the Cash Management office, so the Cash Manager will know how to allocate the funds when they arrive.

Federal grant funds are received from each granting agency via wire transfer to the University of Richmond's Cash Management office. The Cash Management office creates a journal voucher based on the cash request spreadsheet sent by the Grants Accounting Office. This journal voucher loads the funds into each individual grant index. The journal voucher is electronically approved by the Grants Accounting Manager or the Director of Accounting, to ensure that the amount loaded into each federal grant equals the requested draw down amount.

If by chance a federal drawdown results in a federal grant index having a positive cash balance, the Grants Accounting Manager will adhere to the policy of the federal agency. For example the Award and Administration Guide for NSF states in section 111-4 that erroneous payments should be returned immediately unless the funds can be spent in 30 days.

Updated 10/21/10