



## Ohio Administrative Code

### Rule 5101:9-7-03 Public assistance (PA) financing and cash management.

Effective: December 23, 2021

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The following accounting procedures are necessary for state and local accountability in the allocation of federal and state funds.

#### (A) Financing

The total cash payments to the public assistance (PA) fund are disbursed weekly to the county department of job and family services (CDJFS), upon receipt of the CDJFS draw request for funds. Available funds are limited by state appropriations and federal grant awards. All payments are issued via electronic funds transfer (EFT).

#### (B) Cash management

When a CDJFS is funded on a reimbursement basis, program costs are paid by local funds before reimbursement is requested. When funds are drawn in advance, the CDJFS shall follow procedures to minimize the time elapsing between the transfer of funds from the state and local disbursement. Disbursements to a CDJFS administering federal programs shall cover allowable expenditures consistent with federal and state regulations.

(1) Requests for cash draws may be submitted weekly and are processed by the Ohio department of job and family services (ODJFS) in six working days. In accordance with 45 C.F.R. part 75 subpart D, section 75.305, cash drawn in advance must be limited to the minimum amount needed for actual, immediate requirements. The CDJFS shall have cash management procedures in place to ensure the time elapsing between the receipt of funds and the disbursement of funds does not exceed a ten day average for all federal funding.

(2) Cash drawn shall be traceable to program expenditures sufficient to establish such funds have not been used in violation of the restrictions and prohibitions of applicable rules and regulations. The accounting systems of the CDJFS shall support internal controls necessary to insure federal grants



and state funds remain separated on a grant, program, or project basis.

(C) Quarterly cash on hand calculation

(1) The county finance information system (CFIS) calculates the average number of days of cash on hand on an individual grant basis. This information is based on expenditures and cash draws reported in CFIS in accordance with rule 5101:9-7-29 of the Administrative Code and reflected in the CFIS over/under report. The average number of days of cash on hand is calculated as follows:

(a) The cash on hand amount is calculated by deducting the reported expenditures over the lifetime of the funding source, up to the budgeted amount from the total amount of cash draws over the lifetime of the funding source;

(b) The daily average expenditure amount is calculated by dividing the total reported expenditures by the number of calendar days the funding has been available; and

(c) The average number of days of cash on hand is calculated by dividing the cash on hand from paragraph (C)(1)(a) of this rule by the average daily expenditures in paragraph (C)(1)(b) of this rule.

(2) At the end of each quarter, the CDJFS shall review the CFIS cash on hand report to ensure compliance with paragraph (B)(1) of this rule.

(a) If an event, beyond the reasonable control of the CDJFS, results in noncompliance with the cash management requirements, the CDJFS shall document the event.

(b) If circumstances resulting in the noncompliance are caused by internal control deficiencies or operational processes, the CDJFS shall document the steps implemented to avoid a reoccurrence.

(3) Continued non-compliance may result in ODJFS restricting the agency's draws to ensure the cash management practices of the CDJFS are in compliance with paragraph (B)(1) of this rule.

(D) Quarterly interest calculation and reconciliation liability



An interest liability accrues if federal funds are received prior to the day the funds are paid. A CDJFS shall calculate and report earned interest quarterly as a receipt, in accordance with paragraph (D)(1) of this rule. Earned interest can only be used for the intended program and held in the local account.

(1) For each applicable federal program allocation with a total net interest liability in excess of five hundred dollars for the life of the grant, the CDJFS shall report the net interest liability as a reduction to expenditures on the subsequent quarterly expenditure report.

(2) For each applicable federal program allocation with a negative total net offsetting interest liability, no adjustment to program income will be necessary. The ODJFS will not be liable to the CDJFS for any interest liability based upon the CDJFS using local funds for program purposes.

(3) The CDJFS shall maintain documentation in accordance with the records retention requirements outlined in rule 5101:9-9-21 of the Administrative Code. This documentation may be subject to inspection, monitoring, and audit by the ODJFS and the Ohio auditor of state.