

SAM – CASH

RECEIPT OF FEDERAL FUNDS

8003

(Revised 06/11)

Federal funds are awarded to departments by grant awards or letters of credit. Grant awards or letters of credit are a commitment certified by an authorized federal official, and specify the Account Identification Number, Catalog of Federal Domestic Assistance numbers, and dollar limit to a designated payee. A period of availability may also be specified. This information is used to obtain the federal funds.

The federal agency will advise the department of the reporting requirements and monitor the use of funds. Departments will comply with federal agency requirements. The department has the following responsibilities:

- Initiate fund requests according to the agreed upon terms and only when needed to meet actual and immediate disbursement needs.
- Funds should be requested according to the terms in the grant or letter of credit and in accordance with federal law.
- Prepare reports as required by the federal agency.
- Impose the same requirements on any sub-recipients.

See SAM sections 8010 through 8014 for information on the Cash Management Improvement Act.

The Financial Management Service (FMS) is a bureau of the U.S. Department of the Treasury and operates the Vendor Express Program. As part of FMS, the Division of Payment Management manages and operates federal payment systems, and disburses the majority of all federal payments.

The majority of federal payments are requested through automated systems and received by electronic funds transfer. The ACH Vendor/Miscellaneous Payment Enrollment Form (SF 3881) may be completed to enroll departments in the Vendor Express Program. The SF 3881 allows use of the automated systems to request federal funds such as Payment Management System (PMS), Automated Standard Application for Payments (ASAP), and Vendor Inquiry Payment Electronic Reporting System (VIPERS).

Most federal funds are remitted to a fund on the Report to State Controller of Remittance to State Treasurer Form CA-21. See SAM section 8091 for information on remittances to the STO.