

SAM - CASH

CASH MANAGEMENT IMPROVEMENT ACT

8010

(Revised 06/2010)

The Cash Management Improvement Act of 1990 ([CMIA](#)) was enacted by Public Law 101-453, codified at 31 U.S.C. 3335, 6501, and 6503. The implementing regulations are in 31 CFR Part 205. The purpose of CMIA is to ensure efficiency, effectiveness, and equity in the exchange of funds between the states and the federal government for federal assistance programs. The general provisions are as follows:

1. Federal agencies must make timely fund transfers and grant awards to the state departments.
2. State departments must minimize the time between the deposit of federal funds in the state's account and the disbursement of funds for program purposes.
3. With some exceptions, the state is entitled to interest from the federal government from the time state warrants are redeemed until federal funds are deposited in the state's account.
4. The federal government is entitled to interest from the state from the time federal funds are deposited in the state's account until the state warrants are redeemed.