

## SAM - CASH

### RECEIPT OF FEDERAL FUNDS

8003

(Revised 01/2017)

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 they are specified by an Account Identification Number, a Catalog of Federal Domestic Assistance number, and a 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 must comply with federal agency requirements and they have the following responsibilities:

- Initiate fund requests according to the agreed upon terms and only when needed to meet actual and immediate disbursement needs.
- Funds must be requested according to the terms in the grant or letter of credit and in accordance with federal law.
- Prepare and submit 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. Within the FMS, the Division of Payment Management oversees and operates federal payment systems, which 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 form allows use of the automated systems to request federal funds such as Payment Management System ([PMS](#)), Automated Standard Application for Payments ([ASAP](#)), and Vendor Invoicing Portal & Electronic Reporting System ([VIPERS](#)). Departments should complete the Agency Information (Federal) and Payee/Company Information (Department) sections of the form. The form should be sent to the State Treasurer's Office (STO) Financial Services Section at 915 Capitol Mall, Room 319, Sacramento, CA 95814 for recording with the depository bank. STO will return the completed original form to the department for submission to the federal agency.

Most federal funds are remitted to a fund on the Report to State Controller of Remittance to State Treasurer, Form CA-21. The original and one copy of the Form CA-21 should be sent to the STO Financial Services Section. See SAM section 8091 for guidance on remittances to the STO.