


STATE OF VERMONT Agency of Human Services (AHS)		
Advance Payments	REVISION HISTORY: N/A – 1 st issuance	Chapter/Number None
	EFFECTIVE DATE: 4/2/2018	Attachments/Related Documents: None
Authorizing Signature: <u></u> Date Signed: <u>5-3-18</u> Name/Title: <u>Al Gobeille, AHS Secretary</u>		

Policy Statement:

The objective of this policy and associated procedures is for the Agency of Human Services (AHS) to comply with the Office of Management and Budget (OMB) Uniform Guidance (UG) Title 2 CFR Part 200, Chapters I & II, section 200.305 and the State of Vermont Bulletin 5, as it pertains to identifying advance payments for subawards. This policy applies to all AHS departments. The receipt of federal and state grant monies carries with it certain administrative obligations set forth in grant documents and federal publications. Though reimbursement grants are preferred, it may be necessary to make an advance payment to a grantee “in advance” of expenditures being made. Advance payments must not be made to the grantee until a fully executed grant agreement is in place. To carry out the policy the following procedures shall be observed:

Procedural Requirements:

- 1.) AHS departments must include consideration of advance payments, including analysis of lag time between payment and expenditure, as part of their written fiscal monitoring procedures.
- 2.) The Department Finance Director must review and approve any advance payment provisions.
- 3.) All payments will be made to grantees based on the payment provisions outlined in the grant agreement which may vary depending upon the category of the grant award. Note, certain federal grants and the Cash Management Improvement Act (CMIA) agreements do not allow for advance payments.
- 4.) Federal regulations **must** be followed. The UG requires advance payments for federal subawards, provided the subrecipient demonstrates the willingness to maintain written procedures that minimize the time elapsing between the transfer of funds and disbursement of those funds and must be limited to the minimum amounts needed to be timed to be in accordance with the actual, immediate cash requirements of the subrecipient.

- 5.) The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements for direct program or project costs and the proportionate share of allowable indirect costs.
- 6.) If a grantee is unable to meet the requirements for advance payments, they should be paid on a reimbursement basis. Reimbursement payments for federal subawards must be made within 30 calendar days after receipt of the billing, unless the request is believed to be improper.