

Sponsored Awards Cash Management

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Purpose & Scope

To provide guidance for monitoring and collecting sponsored programs cash and accounts receivable on sponsored awards in accordance with federal and other non-federal sponsor requirements. This applies to all faculty, staff, and students involved in the administration of a sponsored award.

Operational Rule

For all sponsored funding (federal/state/private), Colorado Mesa University (CMU) ensures that only obligations made during the during the funding agency's specified period of performance and funding agency approved pre-award costs are charged to the sponsored award. In liquidating all obligations, CMU complies with applicable methods and procedures for payment that minimize the time between the drawdown of funds and disbursement as directed in [Federal Uniform Guidance 2 CFR § 200.305 – Federal Payment](#).

Typically, the University draws down funds or requests payments from federal agencies and pass-through entities on a reimbursement basis each quarter. However, CMU will request cash from sponsors according to federal and sponsor regulations and terms and conditions of the award agreement; this may include advance payments, requesting cash as reimbursement as described above or per a schedule defined in the award agreement. Expenditures on subawards are collected via an invoice, while federal drawdowns occur in one of several online portals such as G5, PMS, ASAP, etc. The Office of Sponsored Programs (OSP), Reimbursement Facilitator, and Bursar are responsible for ensuring all payments received for sponsored awards are accounted for in a manner consistent with applicable requirements and Generally Accepted Accounting Principles (GAAP). See the policy entitled *Drawdown Procedure* for step-by-step instructions.

Cash Advances

CMU does not normally utilize the cash advance method of drawdowns. However, if this method is used, the University will ensure that only enough federal funds are drawn

down to meet the immediate needs of the University as it relates to the sponsored award. Any cash advances that the University makes will be deposited into an interest-bearing account, unless otherwise specified in the award's terms and condition or an allowable exception applies as per [Federal Uniform Guidance 2 CFR § 200.305 – Federal Payment](#). Interest will be calculated through the University's financial management system and interest earned on a federal grant will be remitted to the appropriate federal agency as stated in the Federal Uniform Guidance cited above. The University may retain up to \$500 of interest earned per year for administrative expenses.

Non-Allowable and Non-Collectible Expenditures

Should OSP or the sponsor determine that an expenditure is non-allowable or non-collectible, the expenditure amount must be funded by the department responsible for the project. OSP will work with the Academic Department Head or departmental supervisor to determine the appropriate organization or department and expense code with the same function as the sponsored award. For example, the over-expenditure for a research grant will be transferred to a departmental cost share program. This procedure is necessary to ensure that the amount will be included in the research base for the Indirect Cost Rate (IDC) Agreement Proposal that is submitted to the federal government by the University every 3-5 years to establish a new IDC rate (also known as the Facilities & Administration rate).

Unbalanced Funds

During routine billing and balance procedures, should any party involved in the cash management of sponsored awards discover that a sponsored award organization or department is unbalanced, either positive or negative, OSP will investigate to determine the source of the imbalance. If it is identified that the University has inadvertently "over drawn" funds or "over billed" a sponsor, OSP will report this error to the sponsor and ask for guidance for handling the additional funds. If it is identified that the University has "under drawn" funds or "under billed" a sponsor, OSP will either include the difference in the next billing cycle or report the error to the sponsor and request payment for the difference. In either scenario, the sponsor will be made aware of the difference, when the discrepancy is discovered and wait for direction from the sponsoring agency, promoting a transparent and collaborative billing process between CMU and fiscal sponsors.