

Icahn School of Medicine at Mount Sinai

Policy Title:	Cash Management Policy
Policy Number:	191
Date:	12/1/2023
Approved By:	<i>Matt Rosamond</i>

Sponsored Projects Finance (SPF) provides institution-wide support for all sponsored payments, including the federal Letters of Credit (LOC), incoming sponsor payments by issued by check, wire, and Automated Clearinghouse (ACH). SPF's primary responsibilities include:

- Identifying sponsor payments via check, wire and ACH
- Applying payments to outstanding receivables
- Completing remittance information requests for sponsor payments
- Processing Letter of Credit (LOC) drawdowns for federal awards

Letter of Credit (LOC)

SPF is responsible for preparing and performing cash drawdowns under federal sponsored projects in accordance with the Uniform Guidance 2 CFR 200.302 (Financial Management) and 200.305 (Federal Payment). Most federal agencies authorize Letter of Credit (LOC) as the cash mechanism for providing cash disbursements to award recipients. For Federal sponsored awards, payment is requested and received on a cost reimbursement basis under LOC. SPF processes these drawdowns through each agency's respective online LOC system.

LOC Drawdown Deadlines

Most of the federal agencies allow grantees to draw the funds up to 90 days after the award expiration date. NIH and NSF allow for an additional 30 days to draw funds, allowing for a total of 120 days after the awards had expired. Any LOC draw requests that exceeds the draw deadlines of 90/120 days will generally be rejected by the agencies. In addition, the federal agencies require the total LOC draw amounts for each award to match the total expenditures reported on the final Federal Financial Report (FFR), which is filed using the Form SF-425, the financial reporting template.

SPF reviews the sponsored project accounts to ensure the LOC funds are fully drawn to offset the award expenditures. As part of this process, SPF reconciles the award expenditures reported on the final FFR to the amount drawn for the expired award.

Drawing down Funds for Reimbursement of Expenses on Federal Awards

Awards from federal agencies are not paid in full or in advance at the time, they are awarded. Instead, the School is required to draw funds down from the federal agencies' payment systems periodically to reimburse the School for its expenditures on all of the federal awards.

SPF accesses the federal payment systems generally weekly to prepare cash drawdowns for reimbursement of expenditures on federal grants. SPF runs a query on all pertinent awards to the School. This list of awards is used to run the expenditure detail report for the week. The sum of the expenditures against all the awards is the total amount of the drawdown to be requested.

The draws are prepared as close as possible to maximize the cash balance based upon the expected disbursements.

This report can also be used to ensure that our records are up to date and accurate as far as award amounts and budgets are concerned.

Sponsored Payments

For non-LOC sponsored awards, sponsors can choose one of the three methods to remit payment for settlement of reimbursement on sponsored awards. Sponsors can make payments by check or Automated Clearing House (ACH) or Wire. Regardless of how the payment is remitted, it is important that it include a reference to the award or project, which may include:

- Sponsored Project Account Number
- Invoice number
- Sponsor Award Number
- Principal Investigator Name
- Project Title

In order to receive funds, sponsors may request bank information, which is typically routed via that sponsor's bank information request form. When a sponsor requests bank information, the departments should forward the request to the SPF for handling. SPF would include all non-banking fields on the

form (e.g. general information, project-specific information) to identify the beneficiary project account. Some bank forms must be filled out online using a sponsor's website. SPF will fill out such online bank forms following the same general process outlined above. In the interest of efficiency, Grants and Contracts Office (GCO) staff may also supply the banking information when it is requested as part of a process that the GCO handles, such as agreement negotiation.

Sponsored Check Payments

All sponsored check payments should be made payable to **Icahn School of Medicine at Mount Sinai**, and mailed directly to the SPF at Box 3500, using the address below:

Icahn School of Medicine at Mount Sinai

One Gustave L Levy Place

Sponsored Projects Finance, Box 3500

New York NY 10029

If a sponsored check arrives at the department or at the Pre-Award office, please forward the check directly to the SPF at Box 3500.

Refunds from Sub awardees/Subcontractors

Sub awardees may issue a check to refund a portion of a subcontract payment due to adjustment to their costs. Such refunds are not sponsored payments. They are credits to sponsored project expenditures. The refund checks should be forwarded to the SPF as outlined above. SPF deposits the check to the related sponsored award using the appropriate expenditure object code.

For any questions regarding sponsored payments or the related processes, please contact SPF at 646-605-4023.