

**Dividend and
Interest Procedures**
Policy # FA-00-02
Revised April 23, 2019

Purpose:

To ensure that earnings from dividends and interest received on federal funds (grant money) are properly accounted for.

Definitions:

Federal Funds – Defined as funding received directly from a federal agency (typically US EPA). Funds received from other parties, even if those funds were originally derived from a federal grant, are not considered “federal funds” for the purpose of this policy.

General Notes:

Interest and dividends may be generated on funds that WESTAR has in various accounts. In general, interest and dividends earned on federal funds must be returned to the U. S. Treasury. Accordingly, every effort should be made to ensure that federal and non-federal funds are not commingled.

Process Steps/Descriptions:

Federal Funds

Federal funds received by WESTAR will be deposited in an interest bearing account. A record of dividends and interest accrued on federal funds must be kept as these funds are received by WESTAR. Federal regulations allow the recipient to retain up to \$250 for administrative expenses (2 CFR Part 200, Appendix XI). All dividends and interest accrued in excess of this amount must be sent **each December** to:

Department of Health – Human Services
Payment Management System
P.O. Box 6021
Rockville, Maryland 20852

Upon receipt of dividend checks, Office Manager should make a copy of the check with deposit slip for posting in the accounting software in the month that said deposit occurs.

Any interest earned on grant funds in WESTAR bank accounts shall be noted by bookkeeper within the accounting software for tracking purposes in order to properly forward funds to the above-noted address at the end of each calendar year.

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Non-Federal Funds

Dividends and interest received from the investment of non-federal funds are available for the use and benefit of WESTAR. A record of this income should be kept in accordance with generally acceptable accounting procedures, and should be included in profit/loss statements, subject to annual financial audits.



Approval: _____ Date: April 23, 2019
Tim Franquist, WESTAR President