

## **4 FAH-3 H-650 PAYMENTS**

*(TL:FMP-13; 09-06-2002)*

### **4 FAH-3 H-651 GENERAL**

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a. Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain:

(1) Written procedures that minimize the time elapsing between the transfer of funds and disbursements by the recipient, and

(2) Financial management systems that meet the standards established in OMB Circular A-102 or A-110.

b. Unless specifically permitted in the terms and conditions of the award, advances to a grantee shall be limited to the minimum amount needed and shall be timed to be in accordance with the actual, immediate cash requirements of the grantee in carrying out the purpose of the approved program. The timing and amount of cash advances shall be as close as is administratively feasible to actual disbursements for direct program costs and the proportionate share of any allowable indirect cost. When authorized advances for needs in excess of 60 days are requested, the recipient will complete block 12 of Form SF-270.

c. Unless otherwise required by statute, bureaus shall not withhold payments for proper charges made by recipients unless:

(1) A recipient has failed to comply with the project objectives, the terms and conditions of the award, or Federal reporting requirements; or

(2) The recipient is delinquent in a debt to the United States.

d. Payments for financial assistance shall be made to a specific vendor with an established vendor code. There shall be no payments to blank vendors, miscellaneous vendors or Financial Service Centers for financial assistance programs.

e. Interest earned on Federal advances deposited in interest bearing accounts shall be remitted annually to Department of Health and Human Services, Payment Management System, Rockville, MD 20852. The recipient for administrative expense may retain interest amounts up to \$250 per year.

## **4 FAH-3 H-652 FINANCIAL ASSISTANCE PAYMENTS IN THE CENTRAL FINANCIAL MANAGEMENT SYSTEM (CFMS)**

*(TL:FMP-13; 09-06-2002)*

a. Based on the terms of the financial assistance agreement, the Bureau will send a signed Form SF-270, *Request for Advance or Reimbursement*, or Form SF-1034, *Public Voucher for Purchases and Services Other Than Personal*, or a memorandum with instructions for a transfer, along with a copy of the agreement to Vendor Claims.

b. Requests for payments of financial assistance will be examined in accordance with the provisions of 4 FAH-3 H-420, *Voucher Examination*, and certified and paid in accordance with the provisions of 4 FAH-3 H-430, *Voucher Certification and Payment*.

## **4 FAH-3 H-653 GRANT AND COOPERATIVE AGREEMENT PAYMENTS IN PAYMENT MANAGEMENT SYSTEM (PMS)**

### **4 FAH-3 H-653.1 General**

*(TL:FMP-13; 09-06-2002)*

The Department offers the use of the Department of Health and Human Services (HHS) Payment Management System (PMS) to those organizations awarded grants and cooperative agreements that have established an account with a domestic bank. PMS was selected as the Department's electronic payment method for these grants. PMS is a U.S. Government-approved grant payment system, which provides automatic transfers of funds to grantees and cash management services for agencies. It is at the discretion of the bureaus to determine whether a grant payment should not be made through PMS. Factors to take into consideration when making this determination include the dollar amount of all awards and the number of payments to a recipient. If the bureau determines not to use PMS to make a payment, this decision must be documented in writing and included as part of the grant or cooperative agreement file.

### **4 FAH-3 H-653.2 Establish Payment Authorization in PMS**

*(TL:FMP-13; 09-06-2002)*

a. Each year the Bureau of Resource Management (RM) will develop confirmed account numbers (CANs) for the funds to be used in the new budget fiscal year. RM will send the CANs to bureaus that use PMS for comments. Once agreed upon, RM will fill out a Department of Health and Human Services Form *Request for Appropriation Symbols*, with the fiscal year, the CANs, the appropriation symbol and CFDA number and forward it to HHS.

b. When a bureau obligates funds for grants or cooperative agreements to be paid through PMS, they must also fill out a HHS Form, *Request For Subaccounts*, and forward it to HHS.

c. After the subaccounts are entered into PMS, the bureau will enter the award authorization transactions into PMS, setting the award amount for the recipient along with other specifications.

d. All changes in banking information go directly to the bureau and then the Department of Health and Human Services, Division of Federal Assistance Financing, PO Box 6021, Rockville, MD 20852. Changes require a new Form SF-1199A, *Direct Deposit Signup Form*. A copy of the Form SF-1199A and a new signature card should be sent to RM.

#### **4 FAH-3 H-653.3 Payment Request**

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Recipients who chose PMS as the government payment mechanism may originate cash requests through their own computers using the PMS Smartlink II System, or with touch-tone phones using the PMS Cashline System. When necessary, PMS can also respond to payment requests made through fax or hard copy mailings. PMS processes payments up to the amount of the authorization without action by the Department.

## 4 FAH-3 H-653.4 Refunds

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All HHS-PMS refunds will be sent directly to the **Department of Health and Human Services, Division of Federal Assistance Financing, P.O. Box 6021, Rockville, MD 20852**. Contact HHS-PMS at (301) 441-9180. Refunds must be made by check and made payable to the Department of Health and Human Services (refunds can not be made through PMS).

## 4 FAH-3 H-653.5 Accounting for PMS Accounts in CFMS

(TL:FMP-13; 09-06-2002)

a. The Interface Control Branch of the Payments Division of RM will receive a monthly HHS-PMS payment record entitled "Charges by Appropriation." This report identifies all payments made in HHS-PMS for the Department of State identified with a "19" for the period. The payment record provides appropriation, grant number, resource code and dollar amount. It does not contain the allotment, function, or sector codes.

b. RM will prepare a monthly "Schedule Preparation Report" from the HHS-PMS payment record, "Charges by Appropriation," to post the grant payment. This schedule contains the complete accounting classification (including allotment and function codes) for data input. RM obtains an accounting system document master list for each grant obligation number, which shows the complete accounting classification and summaries of all obligations and payments/refunds. Each payment will be entered into CFMS, including the vendor, transaction code, accounting period, and amount. The transaction code is always "GO." For no-year funds, the report does not provide the funding year; this can be obtained from the obligation screen in CFMS.

c. For any grant where there is not enough money in CFMS to post payment, research will be conducted. This often includes review and verification of deobligation memos.

d. The Department shall receive the Form SF-224, *Statement of Transactions*, from HHS. This identifies, by agency (19 for the Department), net payments summed at the appropriation level made through PMS for the month. The general ledger reports "General Ledger Activity Account" for multiple and current years from RMS shall be pulled. These two reports shall be totaled and reconciled to the total for the Department in the SF-224.

e. RM will prepare a reconciliation spreadsheet for each month. This will identify the payment amount by budget year in the general ledger and the amount in Form SF-224 and any differences.

**4 FAM-3 H-654 THROUGH 4 FAH-3 H-659  
UNASSIGNED**