



OKLAHOMA

Employment Security Commission

TO: Local Workforce Development Board
SUBJECT: Excess Cash on Hand
DATE: 11/22/2024
NUMBER: Workforce System Operations Memo #04-2024

To ensure compliance with regulations, all subrecipients in Oklahoma must adhere to the following guidance regarding cash management practices.

During the fiscal monitoring for Program Year 2022, the Oklahoma Employment Security Commission found that certain subrecipients maintained excessive cash on hand, which is not compliant with federal regulations, specifically [2 CFR 200.305](#), nor is it compliant with state regulations, specifically [WSD 22-2024](#) (adopted from OWDI 20-2023). These regulations require that non-Federal entities minimize the time between receiving funds from the U.S. Treasury or a pass-through entity and disbursing those funds. Holding excessive cash is a violation of these requirements, as it extends the period between fund transfer and use.

Guidance on Cash Draw Requests:

- 1. Minimize Cash on Hand:** Subrecipients should draw only the cash needed to cover allowable expenses that are immediately payable, avoiding any accumulation of excess funds. This minimizes the time between the receipt of federal funds and their disbursement, in compliance with 2 CFR 200.305(b).
- 2. Utilize Available Resources First:** According to 2 CFR 200.305(b)(5), all available resources, including program income, rebates, refunds, contract settlements, audit recoveries, and interest earned, must be used before requesting additional federal funds.
- 3. Working Capital Advance Restrictions:** The working capital advance method should not be used if there is an inability or unwillingness to make timely payments, as this can result in excessive cash on hand. Requests for cash draws should be for amounts that match actual expenditures that will be immediately disbursed.
- 4. Cash Draw Requests:** Subrecipients may submit draw requests as necessary to ensure timely payment of allowable expenses. Each draw request should be calculated to cover actual, immediate disbursements to avoid accumulating excessive cash.

INTRA-AGENCY MEMORANDUM

For questions or further clarification on this guidance, please contact the Oklahoma Employment Security Commission at WorkforceServices.Inquiry@oesc.ok.gov.