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| STATE OF ALASKA DEPARTMENT OF HEALTH & SOCIAL SERVICES FINANCE AND MANAGEMENT SERVICES POLICY & PROCEDURE MANUAL | SECTION: | Number: | Page: |
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| | Prompt Encumbrance and Payment Process | | |
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| | P&P approved | | |
| | APPROVED: | DATE: | |
| | /s/ Bill Hogan | 1/15/09 | |

Policy:

DHSS recognizes the responsibility to maintain timely payment for the services requested and supported through grants.

DHSS recognizes the requirement to promptly encumber funds appropriate to each approved and executed grant into the Alaska State Accounting System (AKSAS), in order to ensure that the contractual commitment for payment for services can be met.

Purpose:

- A. To clarify responsibilities and procedures for encumbering grant funds upon the execution of a Grant Agreement or Amended Grant Agreement.
- B. To clarify responsibilities and procedures for processing timely grant payments.

Responsibilities:

DHSS Grants and Contracts is responsible for:

Encumbering Allocated Grant Funds

- A. Grant Administrator
The Grants Administrator will complete and submit to the Fiscal Section of Grants and Contracts an original Add/Change Encumbrance form accurately identifying the funding allocated by the Division’s Administrative Manager in the amount identified on the Grant Agreement. Include with the encumbrance form, a copy of the signature page and funding page of the fully executed Grant Agreement and the approved Obligation Plan/Grant Recommendation spreadsheet. *(Due to restrictions on certain funding sources, it may not be possible to fully encumber grant amounts at the start of a fiscal year).*
- B. The Fiscal Section of Grants and Contracts will input and certify the Add/Change Encumbrance request submitted by the Grant Administrator into AKSAS.

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Payments

- A. Grants may be paid as advances or reimbursements and not more often than monthly. The payment schedule and conditions will be included in the terms of the Grant Agreement.
- B. If a grant is to be paid through advances, upon the execution of the grant agreement, the encumbrance and advance payment must be processed within 15 days. (7 AAC 78.195 (b))
- C. Payment requests will be made using the approved DHSS format.
- D. The Grants Administrator may request payment at the time the Add/Change encumbrance is submitted, or upon successfully encumbering the funding, whichever is appropriate to the payment schedule.
- E. Subject to grantee compliance with reporting and other requirements prescribed in the Grant Agreement, payments are to be processed by DHSS within twenty five (25) days following receipt and acceptance of the required reporting.
- F. If for any reason a payment cannot be processed, Grants and Contracts fiscal staff will immediately notify the Division’s Administrative Manager for resolution of tanab restrictions or other funding limitations; or the Grants Administrator to correct documentation errors.
- G. If for any reason it is anticipated that a payment will be delayed beyond 25 days from the date complete reporting is received and accepted from the Grantee, the Grants Administrator will notify the grantee as soon as the potential for an extended delay is known.

Authority: