

**Arkansas Department of Education  
Federal Finance  
Reimbursement Payment Process**

Most federal funds are disbursed to subgrantees on a reimbursement basis. Expenditures must be coded into APSCN. Reimbursement will occur upon expenditure of funds.

Reimbursement payments are determined based on data retrieved from eFinance via routine warehouse pulls (usually the second Saturday of each month). This data produces a cumulative "Board Report" summary that arrives at an ending balance calculated as:

Beginning Balance  
Plus  
Previous reimbursements made in the current fiscal year  
Plus  
Transfers into fund and Other Revenue  
Less  
Total Cumulative Expenditures  
Less  
Transfers out of fund and Other Expenses

Reimbursements are paid each month September thru June. No payments are made in July or August, as subgrantees finalize year-end expenditures. The federal finance unit posts a Commissioner's Memo each year with specific dates and instructions for the year-end and upcoming-year reimbursement schedule.

Reimbursements may be delayed for several reasons, including:

- 1) Unapproved grant application/budget
- 2) Required reports not submitted
- 3) Prior revenue not receipted or other revenue errors

The funds paid to subgrantees shall be limited by the total grant award amount. Reimbursements will be made up to the amount allocated and should be the same amount budgeted in APSCN.

A subgrantee may be required to return current year revenue for several reasons, including:

- 1) Expired cash on hand (funds will not be re-spent)
- 2) Cash on hand for longer than 30 days (funds can be re-spent)

A subgrantee may also be required to return funds for unallowable expenditures identified through state monitoring activities or audit findings. These repayments will be issued from operating funds. The state will determine if any such repayments result in funds to be re-spent in the federal program at the time of identification.

For outstanding expenditures recorded after June reimbursements, a year end accrual should be made to end at a zero balance. A reversal accrual must be made in Period 1 of the next FY. This accrual should NOT be for the full remaining allocation, unless all funds have been expended.