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VI Department of Finance

Accounting Policies and Procedures

October 1, 2025

SOPP 710 – Drawdown of Federal Funds for Vendor Payments (Non-Reimbursable Programs)



SOPP SECTION ORDER

- 1 Purpose**
- 2 Scope**
- 3 Roles and Responsibilities**
- 4 Definitions/Abbreviations**
- 5 Regulations/References**
- 6 Policy**
- 7 Procedures**
- 8 Compliance and Accountability**
- 9 Appendices**
 - **Appendix A: Detailed Policies for Departments & Agencies**
 - **Appendix B: References and Regulations**
- 10 Revision History**



SOPP NO. / Title:
SOPP 710 – Drawdown of Federal Funds for Vendor Payments (Non-Reimbursable Programs)
Effective Date:
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Commissioner of Finance

Section 1. PURPOSE:

To establish a streamlined approach to enhance and maximize the cash management of federal funds supporting vendor payments in alignment with the Cash Management Improvement Act (CMIA) of 1990.

The Treasury-State Cash Management Improvement Act (CMIA) Agreements are formal arrangements between the U.S. Department of the Treasury and individual states to regulate and optimize the timing of federal fund transfers for major assistance programs. These agreements aim to ensure efficiency, effectiveness, and equity in how federal funds are managed and disbursed.

This SOPP shall be reviewed and revised, if necessary, at a minimum of every two years from its effective date to ensure its continued relevance and accuracy.

Section 2. SCOPE:

This SOPP documents the procedures required by departments and agencies to process drawdowns of federal funds for vendor payments.

Section 3. ROLES AND RESPONSIBILITIES:

Departments/Agencies (D&A) must notify Treasury of drawdown confirmations and ensure timely submission of supporting documentation. The Department of Finance (DOF), Treasury Division must verify drawdown confirmations, post revenues, and release checks.

Government Departments and Agencies:

- Draw down federal funds promptly.
- Proactively check within the Enterprise Resource Planning (ERP) system for approved invoice payments using the Paid Invoices Report.
- Verify drawdown transactions via daily email containing Banking Transaction Detailed Repot from federaldrawdown@dof.vi.gov to confirm the receipt of funds.
- Submit a complete “Drawdown Package” to the Department of Finance, Treasury Division **after** confirming drawdown settlement on Bank Transaction Detailed Report sent out from the Department of Finance.
- Verify via email to federaldrawdown@dof.vi.gov on the drawdown date.
- No later than three (3) days of settlement confirmation, accurately record federal fund drawdowns within the ERP. (**Note:** release of checks is not contingent on the cash receipt entry).



Department of Finance, Treasury Division:

- Ensure vendor check payments are released only upon receiving all required documentation.
- Post federal fund transactions in a timely manner on behalf of departments and agencies.

Section 4. DEFINITIONS / ABBREVIATIONS:

SOPP Acronyms	
CMIA – Cash Management Improvement Act	

Section 5. REGULATIONS / REFERENCES:

- **2 CFR § 200.305 Federal payment.**
 - (a) Payments for States.
 - (b) Payments for recipients and subrecipients other than States.
- **§ 200.302 Financial management.**
 - (a). All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.
 - (5) Comparison of expenditures with budget amounts for each Federal award.
 - (6) Written procedures to implement the requirements of § 200.305.
 - (7) Written procedures for determining the allowability of costs in accordance with subpart E and the terms and conditions of the Federal award.

Section 6. POLICY:

- Agencies and departments are strictly prohibited from drawing down federal funds prior to check issuance unless authorized by their grant.
- Agencies and departments must proactively confirm payment inquiries within the ERP system to verify check issuance dates and determine drawdown dates for grants. The drawdown should be initiated and effective immediately the following business day.
- Agencies must comply with drawdown package submissions procedures, batch reporting requirements, and multiple clerk responsibilities for processing drawdowns as specified in **Appendix A**.



Section 7. PROCEDURES:

7.1 Departments and Agencies

Within the “GVI Department Accounts Payable” menu, after entering the invoice(s) under AP Invoice Entry, the following steps should be completed:

1. Record the batch number for invoices submitted for Finance approval.
2. Select view Batch in AP Invoice Entry.
3. Print the batch for easy payment status reference.

Further actions within “GVI Department Accounts Payable” include:

4. The Department of Finance will send a snippet of all checks that have been printed awaiting drawn down confirmation input from the agency.
5. Using the printed batch from Step 3, verify payment status by doing a Vendor Inquiry search.
6. If no match is found, confirm if the invoice is pending submission or has been rejected.
7. When found, update with check number and status (“PD” = Paid).

To streamline, invoices with approved check numbers should be grouped as a single drawdown:

8. Draw down funds for the grouped invoices.
9. Within 24 hours, print the “Drawdown Report” and log it in the ERP under “Miscellaneous Cash Receipts.”
10. Email the “Federal Incoming Drawdowns Spreadsheet as a PDF to federaldrawdown@dof.vi.gov, noting the checks needing release.
11. Contact the Treasury Division at 774-4750 Ext. 2280 to confirm check releases.

7.2 DOF – Treasury

Treasury does not conduct any drawdown activities. SOPP #711 Electronic Drawdown of Funds for Grants addresses the roles performed by Treasury.

Section 8. COMPLIANCE AND ACCOUNTABILITY:

To ensure adherence to federal and territorial requirements governing the drawdown of funds for vendor payments, compliance will be monitored through regular reviews, reconciliations, and oversight by both the Department of Finance (DOF) and participating departments and agencies.

- Departments and agencies must provide Treasury with monthly reconciliation summaries for each active grant fund, certifying the accuracy of drawdowns and expenditures.
- Treasury will document noncompliance instances, including delayed postings, incomplete documentation, and unverified drawdowns, and will issue reminders or follow-up communications as needed.



- A consolidated Federal Drawdown Activity Report will be prepared monthly by the Treasury Division for internal review and submission to the Commissioner of Finance.
- Departments and agencies must monitor and enforce compliance with federal regulations and grantors' requirements including any specific conditions, if applicable, such as maintaining current standard operating procedures and timely drawdowns.

Failure to comply with this SOPP may result in:

- Delayed release of vendor payments until discrepancies or missing documentation are resolved.
- Notification to the Commissioner of Finance and agency leadership for further administrative review or corrective action.
- Potential audit findings or federal funding implications, if noncompliance results in inaccurate reporting or untimely fund utilization.

The Department of Finance, Treasury Division, will conduct reviews of drawdown activities to assess adherence to the SOPP and identify opportunities to improve the efficiency, transparency, and compliance of federal cash management practices.

**Section 9. APPENDICES:****Appendix A: Detailed Policies for Departments and Agencies****Drawdown Package Submission:**

Agencies should not send the completed “Drawdown Package” until the Department of Finance sends out the daily email containing the Banking Transaction Detailed Report, which confirms the receipt of funds. This measure ensures that drawdown documentation aligns with confirmed deposits.

Vendor check payments funded by federal sources will not be released by the Department of Finance, Treasury Division, until the settle proper supporting documentation for a drawdown is received via the “Drawdown Package,” which includes:

- Bank Deposit or Settlement Date
- Amount
- PIN (Editor’s note: confirm if needed)
- Drawdown Confirmation#
- Dept ID#

Supporting evidence for federal fund drawdowns must be emailed to (as a “PDF” document):
federaldrawdown@dof.vi.gov

Batch Reporting Requirements:

Agencies must ensure that reported batches reflect the transaction details as they appear in the Banking Transaction Detailed Report. This alignment aids in accurate reconciliation and tracking of funds.

Multiple Clerk Responsibilities for Drawdown Processing:

In instances where multiple clerks are responsible for portions of a drawdown that appears as a lump sum on the Banking Transaction Detailed Report, all corresponding batches in the ERP system should have matching transaction reference numbers for the “Default Deposit” value. This practice allows the ERP system to aggregate the batches accurately to reflect the lump sum on the Banking Transaction Detailed Report.



Appendix B: References and Regulations

The Code of Federal regulations Part 200 provides guidance for federal grant funded vendor payments. To read the full guidance listed in Section 5, please access the eCFR online at <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>.

- § 200.305 Federal Payment.
 - (a) *Payments for States.* Payments for States are governed by Treasury-State Cash Management Improvement Act (CMIA) agreements and default procedures codified at [31 CFR part 205](#) (Rules and Procedures for efficient Federal – State Funds Transfers) and Treasury Financial Manual (TFM) 4A-2000, “Overall Disbursing Rules for All Federal Agencies.”
 - (b) *Payments for recipients and subrecipients other than States.* For recipients and subrecipients other than States, payment methods must minimize the time elapsing between the transfer of funds from the Federal agency or the pass-through entity and the disbursement of funds by the recipient or subrecipient regardless of whether the payment is made by electronic funds transfer or by other means. See [§ 200.302\(b\)\(6\)](#). Except as noted in this part, the Federal agency must require recipients to use only OMB-approved, government-wide information collections to request payment.
 - (1) The recipient or subrecipient must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient or subrecipient, and financial management systems that meet the standards for fund control and accountability as established in this part. Advance payments to a recipient or subrecipient must be limited to the minimum amounts needed and be timed with actual, immediate cash requirements of the recipient or subrecipient in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the recipient or subrecipient for direct program or project costs and the proportionate share of any allowable indirect costs. The recipient or subrecipient must make timely payments to contractors in accordance with the contract provisions.
 - (2) Whenever possible, advance payment requests by the recipient or subrecipient must be consolidated to cover anticipated cash needs for all Federal awards received by the recipient from the awarding Federal agency or pass-through entity.
 - (i) Advance payment mechanisms must comply with [31 CFR part 208](#) (Management of Federal Agency Disbursements) and include, but are not limited to, Treasury checks and electronic funds transfers.
 - (ii) Recipients and subrecipients must be authorized to submit payment requests as often as necessary when electronic fund transfers are used or at least monthly when electronic transfers are not used. See Electronic Fund Transfer Act ([15 U.S.C. 1693-1693r](#)).



- (3) Reimbursement is preferred when the requirements in paragraph (b) cannot be met, when the Federal agency or pass-through entity sets a specific condition per [§ 200.208](#), when requested by the recipient or subrecipient, when a Federal award is for construction, or when a significant portion of the construction project is accomplished through private market financing or Federal loans and the Federal award constitutes a minor portion of the project. When the reimbursement method is used, the Federal agency or pass-through entity must make payment within 30 calendar days after receipt of the payment request unless the Federal agency or pass-through entity reasonably believes the request to be improper.
- (4) If the recipient or subrecipient cannot meet the criteria for advance payments and the Federal agency or pass-through entity has determined that reimbursement is not feasible because the recipient or subrecipient lacks sufficient working capital, the Federal agency or pass-through entity may provide cash on a working capital advance basis. Under this procedure, the Federal agency or pass-through entity must advance cash payments to the recipient or subrecipient to cover its estimated disbursement needs for an initial period generally aligned to the recipient's or subrecipient's disbursing cycle. After that, the Federal agency or pass-through entity must reimburse the recipient or subrecipient for its actual cash disbursements. Use of the working capital advance payment method requires that the pass-through entity provide timely advance payments to any subrecipients to meet the subrecipient's actual cash disbursements. The pass-through entity must not use the working capital advance method of payment if the reason for using this method is the unwillingness or inability of the pass-through entity to provide timely advance payments to the subrecipient to meet the subrecipient's actual cash disbursements.
- (5) If available, the recipient or subrecipient must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on Federal funds before requesting additional cash payments.
- (6) Payments for allowable costs must not be withheld at any time during the period of performance unless required by Federal statute, regulations, or in one of the following instances:
 - (i) The recipient or subrecipient has failed to comply with the terms and conditions of the Federal award; or
- (7) A payment withheld for failure to comply with the terms and conditions of the Federal award must be released to the recipient or subrecipient upon subsequent compliance. When a Federal award is suspended, payment adjustments must be made in accordance with [§ 200.343](#) (Effects of suspension and termination).
- (8) A payment must not be made to a recipient or subrecipient for amounts that the recipient or subrecipient withholds from contractors to assure satisfactory completion of work. Payment must be made when the recipient or subrecipient disburses the withheld funds to the contractors or to escrow accounts established to ensure satisfactory completion of work.



- (9) The Federal agency or pass-through entity must not require separate depository accounts for funds provided to the recipient or subrecipient or establish any eligibility requirements for depositories. However, the recipient or subrecipient must be able to account for all Federal funds received, obligated, and expended.
- § 200.302 Financial management.
 - (a) Each State must expend and account for the Federal award in accordance with State laws and procedures for expending and accounting for the State's funds. All recipient and subrecipient financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by the terms and conditions; and tracking expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. See [§ 200.450](#)(Lobbying).
 - (b) The recipient's and subrecipient's financial management system must provide for the following (see [§§ 200.334](#) (Record Retention Requirements), [200.335](#) (Request for Transfer of Records), [200.336](#) (Methods for Collection, Transmission, and Storage of Information), and [200.337](#)(Access to Records):
 - (1) Identification of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity.
 - (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements in [§§ 200.328](#)(Financial Reporting) and [200.329](#)(Monitoring and Reporting Program Performance). When a Federal agency or pass-through entity requires reporting on an accrual basis from a recipient or subrecipient that maintains its records other than on an accrual basis, the recipient or subrecipient must not be required to establish an accrual accounting system. This recipient or subrecipient may develop accrual data for its reports based on an analysis of the documentation on hand.
 - (3) Maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.
 - (4) Effective control over and accountability for all funds, property, and assets. The recipient or subrecipient must safeguard all assets and ensure they are used solely for authorized purposes. See [§ 200.303](#)(Internal Controls).
 - (5) Comparison of expenditures with budget amounts for each Federal award.
 - (6) Written procedures to implement the requirements of [§ 200.305](#).
 - (7) Written procedures for determining the allowability of costs in accordance with subpart E and the terms and conditions of the Federal award.



Section 10. REVISION HISTORY:

Revision #	Date Requested	Author (Name/Title)	Description of Changes	Approved By (Name & Title)	Signature	Date Approved
0	02/27/09	Clarina Modeste Elliott	Initial Release	Valdamier Collens, Finance Commissioner	VC	02/27/09
1	12/27/21	Wilfredo Guzman	Final Review and Approval	Bosede Bruce, Finance Commissioner	BB	01/05/22
2	09/30/25	Brenda Carty	Full annual review and update of all sections	Clarina Modeste Elliott, Exec. Asst. Commissioner	CME	10/15/25
3	10/15/25	Clarina Modeste Elliott	Final review and approval	Kevin McCurdy, Finance Commissioner	KM	10/17/25
4	10/23/25	Clarina Modeste Elliott	Updates to Revision History and Minor Edits	Kevin McCurdy, Finance Commissioner	KM <i>Kevin McCurdy</i>	10/30/25