Policy 2.115
Cash Management Interest Distributions

Responsible Official: Vice President for Finance/Chief Finance Officer
Administering Division/Department: Treasury Operations
Effective Date: September 01, 2011
Last Revision: September 02, 2011

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Overview

To provide guidelines for managing the distribution of operational cash management interest earnings. It is the responsibility of the Controller’s Office to accurately calculate and distribute interest revenue and expense according to the policies defined by the Ways & Means Committee of the University.

Applicability

All employees with financial management responsibility.

Policy Details

Cash Management Interest Revenue Overview

The University holds certain operating cash in approved bank account(s) and earns interest and market returns based upon agreed-upon terms with the financial institution(s) and other investments. The Finance Division manages the day-to-day operating cash needs and moves cash among various bank accounts to maximize earnings and meet the University’s financial obligations.

In the PeopleSoft financial system (“PeopleSoft” or “Compass”), all transactions have a “claim” on the operating cash account at the business unit, operating unit, department, fund and project levels. Operating transactions either use cash (decrease Claim on Cash) or provide cash (increase Claim on Cash).

Distributions of Cash Management Interest Revenue

Interest earnings of the Operating Cash account support the University’s operating budget and various other initiatives critical to the institution. Claim on Cash balances in PeopleSoft generally do not receive a distribution, or share, of the interest earned by the Operating Cash accounts, unless defined by the policy herein and approved by the Ways and Means Committee. The following are approved circumstances:
· An interest allocation (based on the 90 day T-Bill rate) is specifically required by an donor in the terms of the gift agreement

· An interest allocation (based on the 90 day T-Bill rate) is specifically required by a sponsored program in the terms of the award agreement (including grants, Federally Sponsored Student Loans, etc)

· An interest allocation (based on the 90 day T-Bill rate) regardless of balance is specifically designated by the Ways & Means Committee, such as for the following Claim on Cash balances supporting:
  - Emory Healthcare (including hospitals and Carlyle Fraser)
  - Emory Advantage
  - Strategic Plan Fund
  - Capital Projects (if defined in the project approval request)
  - Information Technology Projects (if defined in the project approval request)
  - Significant Royalty Awards (such as FTC Monetization Funds)
  - Restricted Gifts (for which required by donor)
  - Woodruff Gifts (E&E, George, Irene, etc)

· An interest allocation (based on the 90 T-Bill rate) to Carter Center cash balances

· Internal loan agreements approved by Ways & Means with defined interest rate to be applied to the Claim on Cash balance or defined amortization schedule for the project.

Definitions

T-Bill: Treasury Bills are short-term debt obligations backed by the U.S. government with a maturity of less than one year. T-bills are sold in denominations of $1,000 up to a maximum of $5 million and commonly have maturities of 30 days, 90 days or six months, with rates differing based on the terms.

Related Links

- Current Version of This Policy: [http://policies.emory.edu/2.115](http://policies.emory.edu/2.115)
- US Department of the Treasury ([http://www.treasury.gov/Pages/default.aspx](http://www.treasury.gov/Pages/default.aspx))

Contact Information

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controller’s Office</td>
<td>404-727-6080</td>
<td><a href="mailto:ctrl@emory.edu">ctrl@emory.edu</a></td>
<td></td>
</tr>
</tbody>
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Revision History

No previous versions of this policy were found.

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