Agency Advance of Funds Policy

Policy governing requests, approval, disbursement, monitoring, and repayment of program advances

1. Purpose

This policy establishes a consistent, accountable process for an agency funded by the Juvenile Welfare Board of Pinellas County (JWB) to request an advance of program funds when a documented, temporary cash-flow need would otherwise delay program implementation or interrupt services. Advances are exceptions to reimbursement-based funding and are not additional funding.

2. Scope

This policy applies to program budget advances requested by agencies under a current JWB funding agreement.

3. Policy

Section VI-10(a) of Board Policy allows for program budget advances. The Advance Agency of Funds Policy contains implementation policies and procedures for an advance of funds. JWB may approve an advance only when the requesting agency demonstrates a specific program-related need, has adequate financial controls, is in good standing, and agrees to all monitoring and repayment requirements. The advance shall be limited to the lesser of: (a) the amount supported by documented near-term cash requirements; (b) one-fourth of the agency's annual JWB program allocation; or (c) $250,000 in total advances outstanding per agency. No agency may have more than one advance outstanding at any given time, excluding Non-operating and Capital RFA advances. No agency under a Corrective Action Plan (CAP) or a Performance Improvement Plan (PIP) is eligible for an advance.

4. Definitions

- **Advance:** JWB funds disbursed before the agency incurs and submits allowable program expenditures for reimbursement.
- **Demonstrated need:** A documented, temporary cash-flow condition directly related to the funded program and supported by financial evidence.
- **Agency:** A funded provider requesting an advance under a current JWB agreement.
- **Reconciliation:** The process of applying verified allowable expenditures and repayments against the outstanding advance balance.

5. Eligibility and Demonstrated Need

The agency must be in good standing under its JWB agreements and provide evidence of at least two of the following five criteria:

1. Documented startup or expansion costs exceed $10,000 and must be incurred before reimbursement is available.
2. A program-specific cash-flow projection shows a reimbursement timing gap of at least 30 days.
3. Unrestricted cash reserves are below 60 days of organizational operating expenses.
4. Without the advance, program implementation would be delayed, or services would be materially reduced or interrupted.
5. Demonstration of an emergency need which poses an immediate and material threat to the health, safety, or welfare of program participants, staff, or the public, or an urgent regulatory, licensing, accreditation, or mandated compliance requirement that must be addressed to maintain program operations. The agency must document the emergency, explain why the need could not reasonably have been anticipated or addressed through normal reimbursement timing, and demonstrate that the advance is necessary to prevent or mitigate the threatened harm or interruption of services.

Non-qualifying circumstances

- Increasing operating reserves or improving liquidity without a specific program cash-flow need.
- Covering unrelated organizational deficits, debt, disallowed costs, or costs outside the approved program.
- Convenience or preference for receiving funds in advance.
- Chronic cash-management problems not attributable to the funded program or reimbursement timing.
- Replacing other funds that the agency is required to contribute or spend first.

6. Required Request Package

Application Period

An agency may submit an advance request only during the first quarter of JWB's fiscal year (October through December). Requests submitted after the first quarter will not be considered unless an emergency creates an immediate and material threat to the health, safety, or welfare of program participants, staff, or the public. The agency must document the emergency, explain why the need could not reasonably have been anticipated or addressed during the first quarter, and demonstrate that the advance is necessary to prevent or mitigate the threatened harm or interruption of services. Emergency requests remain subject to all other eligibility, documentation, approval, monitoring, and repayment requirements of this policy.

The agency's authorized representative must submit a written request before the funds are needed. The request must include:

- Requested amount and proposed disbursement date.
- Program name and annual allocation.
- A narrative explaining the demonstrated need, service impact, and why other unrestricted resources are unavailable or insufficient.

- A 12-month, program-specific cash-flow projection showing beginning cash, expected receipts, planned disbursements, the timing gap, and the proposed advance repayment. Include information about identified repayment sources, available unrestricted resources or other verifiable financial evidence.
- Most recent audited financial statements, current year-to-date balance sheet and statement of activities, and recent bank statements.
- A detailed startup or expenditure budget and implementation timeline, when applicable.
- A proposed repayment schedule identifying whether repayment will occur through deductions from reimbursements, direct payments, or both.
- Certification that the information is complete and accurate and that funds will be used only for allowable costs under the JWB agreement.

7. Review and Approval

1. Program and Finance staff shall review the request for completeness, allowability, reasonableness, demonstrated need, financial capacity, prior performance, monitoring results, and repayment risk.
2. Staff may recommend a lower amount, staged disbursements, additional conditions, or denial.
3. The Chief Executive Officer may approve advances of $50,000 or less. Advances greater than $50,000 require Board approval. Advances requiring Board approval may require additional processing time for placement on Board agenda.
4. Approval is discretionary. Meeting eligibility criteria does not create an entitlement to an advance.
5. No advance shall be disbursed until the funding agreement, or amendment is executed inclusive of the approved amount, purpose, accounting treatment, reporting requirements, and repayment terms.

8. Disbursement and Use of Funds

- The advance shall be limited and timed to the agency's actual, near-term program cash requirements.
- Funds may be used only for allowable costs within the approved program budget and funding period.
- Advance proceeds may not be transferred to another program, pledged as collateral, invested for income, or used to pay unrelated obligations.

9. Accounting, Reporting, and Monitoring

The advance shall be recorded as a receivable by JWB and as a liability by the agency until repaid or reconciled. JWB may conduct additional financial monitoring based on risk.

10. Reconciliation and Repayment

- The agency must repay the full amount no later than the end of the fiscal year in which the advance was made or upon termination of the funding agreement, whichever occurs first.

- Repayment may occur through deductions from approved reimbursement requests, direct payments to JWB, or a combination approved in writing.
- JWB may accelerate repayment, offset amounts against any payment due to the agency, suspend further disbursements, or pursue other remedies allowed by the agreement and law.

11. Default and Additional Advances

Failure to comply with the approved use, reporting, reconciliation, or repayment terms constitutes a breach of the funding agreement and may affect the agency's eligibility for future funding or advances.