

Temporary Cash Flow For Non-Federal Funds

Objective

To assure that state obligations are paid promptly from the appropriate fund and appropriation unit in accordance with prompt payment legislation.

Policy

It is Minnesota Management & Budget (DOF) policy to promote the efficient and effective use of the Minnesota Accounting and Procurement System (MAPS). This includes the prompt payment of state obligations as required by Minnesota Statutes Section 16A.124 from the proper appropriation units. When the Executive and Legislative branches do not provide for sufficient cash flow to pay for start-up or ordinary and necessary expenses through the normal appropriation process or where cash receipts do not match purchasing or payment needs, the Commissioner of Finance using the authority in Minnesota Statutes Section 16A.129 Subdivision 3, can authorize payments through MAPS.

Cash flow problems complicate the payment of obligations through dedicated appropriation units and funds, because MAPS will not allow payments to be made before the receipts of goods and services. In these cases, the DOF can modify appropriation budget authority to authorize payments to be made prior to receiving the receipts.

Requesting cash flow assistance should be the action of last resort. During the legislative process for a program or project or when establishing agreements, financing arrangements and other funding, consider options to alleviate cash flow issues. If this is a new program, investigate the possibility of receiving startup cash as part of the legislation. For agreements, negotiate up-front cash and monthly or periodic payments rather than infrequent or lump sum one-time payments at the end of the project.

In order for the DOF to modify the appropriation, it must receive an annual written request on Form (FI-00523) accompanied by correspondence or other documentation that substantiates the reasons for a temporary cash flow problem in the appropriation unit or fund.

Forms

[FI-00398 Request For Cash Flow Assistance](#)
[FI-00523 Cash Flow Analysis](#)

General Procedures

Step #	Actions to be Performed	Responsible Party
1.	Determine that receipts will not be received prior to the time payments must be made.	Agency
2.	Prepare Request For Cash Flow Assistance form (FI-00398) and the Cash Flow Analysis form (FI-00523). Attach any documentation that substantiates that receipts will not be received prior to the time payments must be made. Submit the forms and documentation to Finance, Budget Operations.	Agency
3.	Review request and documentation. If the request is new, go to Step 3a. If the request is not new, go to Step 3c.	Finance, Budget Operations
3a.	New Cash Flow Requests: Forward the request to Finance, Executive Budget Officer for approval.	Finance, Budget Operations
3b.	New Cash Flow Requests: Approve the cash flow request and return to Budget Operations for entry into database. Go on to Step 4.	Finance, Executive Budget Officer
3c.	Recurring Cash Flow Requests: Approve the cash flow request and notify the Executive Budget Officer. Go on to Step 4.	Finance, Budget Operations
4.	Enter approved cash flow request into database for monthly review, monitoring, and follow-up. Forward to Agency Assistance for MAPS entry.	Finance, Budget Operations
5.	Enter an appropriation modification into the MAPS system, changing the budget authority from "O" to "G". File and retain the signed form with other budget documents.	Finance, Agency Assistance