

ALAMEDA COUNTY CASH ADVANCE POLICY

Counties have the authority to grant an advance payment to a community-based private nonprofit agency if it is essential for the effective implementation of a particular program being funded; to the extent funds are available to the supervising department, and not more frequently than once each fiscal year. In order to maintain its ongoing commitment to creating and sustaining its community partnerships, the policy of the Alameda County Board of Supervisors will be to grant a cash advance payment to subcontractors in accordance with Government Code 11019 (c) based on the following guidelines:

- A. Agencies must be community-based, private, nonprofit organizations.
- B. One advance payment will be considered during the contract period on a case-by-case basis in response to critical financial need or the inability to reasonably meet payroll and operating expense requirements in a timely manner.

Examples:

- Cash flow – inability to meet expenses for normal operation/payroll during the contract year
 - Extraordinary one-time-only expenses – lump sum payment required unusual repairs or maintenance, etc.
 - New contractor or new service – start-up costs
- C. A cash advance may be granted only once during the contract period for expenses associated only with Alameda County's contracts and will be limited to one-twelfth of the annual contract amount.
 - D. The cash advance must be repaid in cash and include a recoupment plan based on one of the following:
 - 1. The cash advance is repaid over the course of the contract for an approved number of months.
 - 2. The entire cash advance will be repaid with the final claim(s) for funds against the contract, with any adjustments necessary to ensure the provision of services during the last month(s) of the contract and complete recoupment by the County.

Contractor shall guarantee provision of contracted service level throughout the contract period, regardless of repayment method. Contract repayment adjustments or demand for full repayment may be made at any time after departmental review to ensure service levels, contract compliance and adequate reimbursement to the County.

- E. Any cash advance request must be in the form of a letter from the Executive Director submitted to the supervising department, with the **Alameda County Cash Advance Request Form** completed and attached. Departments will review each request within three weeks and forward the approved request to the Auditor for processing. If the cash advance request is denied, the reason for the denial will be stated in writing to the subcontractor.