



Cash on Hand Informational Sheet

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Overview:

MOVA administers cost reimbursement grants. This means that funds will not be paid to you in a lump sum but rather disbursed over time as costs are incurred. Cash on hand is the amount of cash your organization has immediately available. Federal guidance requires that cash on hand is minimized.

Examples:

As stated in [MOVA Grants Policies and Procedures](#), the money you receive from MOVA should be used within 10 days of receiving it to avoid it being considered cash on hand. You can ask us to reimburse you for:

- Incurred costs – costs that have happened but haven't been paid; and
- Expended costs – costs that have happened and have been paid.

For example, you have a line item on your approved budget for brochures which will cost \$100. If you order the brochures in January, you should request reimbursement in the January expense report. When you receive reimbursement, if you:

- Have already paid the vendor, the \$100 is an expended cost and you can keep the reimbursement without it being considered cash on hand
- Haven't paid the vendor, the reimbursement is an incurred cost and you must pay the vendor within 10 calendar days to avoid the funds being considered cash on hand

Examples of unallowable cash on hand include, but are not limited to:

- Gift cards purchased in a performance period but not given out to participants before the end of the grant.

- For example, if 10 gift cards are purchased in January and 8 of them are given out to participants by June 30, the remaining 2 gift cards are considered cash on hand.
 - See MOVA's [Gift Card Best Practices Informational Sheet](#) for more information on gift cards.
- Payroll advances. You can only include payroll in your expense report once the employee has put in the time.
- Requesting funds that exceed incurred costs for the purpose of maintaining cash flow

MOVA reserves the right to request return of funds not spent or disbursed within 10 days of receipt.

Best Practices:

- Develop written procedures for cash management of funds to ensure that cash on hand is kept at or near zero.
- Contact your Program Coordinator to learn if your situation constitutes cash on hand or with any questions.