



# FINANCIAL ADMINISTRATION MANUAL



Issue Date: <b>September 2009</b>	Effective Date: <b>Immediate</b>	Responsible Agency: <b>Comptroller General</b>	Directive No: <b>817-4</b>
Chapter: <b>Control of Expenditures</b>			
Directive Title: <b>ACCOUNTABLE ADVANCES – CONTRIBUTIONS</b>			

## 1. POLICY

Disbursements made as a result of a contribution agreement must be recorded as accountable advances at the time the funds are released.

## 2. DIRECTIVE

Each request for an accountable advance must be pursuant to an approved contribution policy or payment directive that meets the requirements contained in Directive 801 – Grants and Contributions and the following provisions.

## 3. PROVISIONS

- 3.1 A contribution agreement signed by both the Government and the recipient must be in place prior to the disbursement of an accountable advance.
- 3.2 Where a contribution exceeds \$25,000 annually, departments must cash flow the contribution agreement disbursements based on the working capital requirements of the recipient. Contributions of this size should not be disbursed in one lump sum at the start of the agreement.
- 3.3 Departments are responsible to monitor the recipient organization and determine if eligibility criteria have been met.
- 3.4 Accountable advances must be cleared on a timely basis where eligibility requirements have been met.
- 3.5 Where the eligibility criteria have not been met, or a portion of the advance has not been expended, the department is responsible for recovering the amount due in accordance with the contribution agreement and the provisions of Directive 908 – Collection of Amounts Owing to the Government.



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- 3.6 Annually, in accordance with the timelines established in the Department of Finance year-end procedures, the Executive Finance Officer for each department must provide the Comptroller General with a signed report confirming the amount and status of all outstanding accountable advances.