

Program Instructions

AOA-PI-98-01 - October 17, 1997

TO : STATE AND AREA AGENCIES ON AGING ADMINISTERING PROGRAMS UNDER TITLE III OF THE OLDER AMERICANS ACT OF 1965, AS AMENDED.

SUBJECT : INTEREST-BEARING BANK ACCOUNTS

LEGAL AND RELATED REFERENCES : OMB CIRCULAR A-110 AND 45 CFR Part 74

This program instruction is being issued by the Administration on Aging to remind you that nonprofit subrecipients are required under OMB Circular A-110 and 45 CFR Part 74, to maintain advances of federal funds in interest-bearing bank accounts.

The provisions of 45 CFR 74.22(k) require deposits to be made in interest-bearing accounts, and 45 CFR 74.22(l) requires that the interest earned on federal advances deposited in interest-bearing accounts be remitted annually, through the state agency, to the Department of Health and Human Services, Payment Management System (PMS), P.O. Box 6021, Rockville, MD 20852.

Interest amounts up to \$250 per year may be retained by the recipient for administrative expenses.

Inquiries: Contact Gwendolyn Johnson, of PMS,
at (301) 443-9195.

William F. Benson
Acting Principal Deputy Assistant
Secretary for Aging

INQUIRIES: Inquiries should be addressed to Regional Administrators on Aging, DHHS regional offices.