**Section 1.50 Cash Management**

a) Grantees shall make all cash depositories in accounts covered under Federal Depositors Insurance Corporation or Federal Savings and Loan Insurance Corporation agreements.

b) In the event the Department employs a letter of credit procedure, separate accounts must be used by Grantees for each letter of credit.

c) Grantees shall provide for bonding of fiscal employees (i.e., the amount of coverage shall be higher of $100,000 or the highest cash drawdown planned during the grant period). (Refer to Appendices A and B regarding bonding requirements.)

d) The Grantee shall maintain no more than the minimum amount of cash on hand necessary to operate the program (i.e., three days of average cash disbursements).