

Part: **Public Money and Property**  
 Section: **General Revenue Fund and Revolving Funds**  
 Subsection: **Payments from the GRF**  
 Policy: **Timing of Grant Payments**

Number: **3142**  
 Date: **2020-12-15**  
 Page: **1 of 2**

## Timing of Grant Payments

<b>Objective</b>	<i>The objective is to provide guidance on the timing of grant payments.</i>
<b>Authority</b>	<i>The Financial Administration Act, 1993, clauses 5(a) and 5(e), subsection 10(2) and sections 22 and 28</i>
<b>Background</b>	The Government is responsible to taxpayers for effectively managing public money. There is a cost to Government if grants are paid to recipients earlier than required, as typically the Government is required to borrow the funds and pay related interest costs.
<b>Definition</b>	<p><b>Grants</b> – (i.e., transfers) are transfers of <b>monetary assets</b> or tangible capital assets from a government to an individual, an organization or another government for which the government making the transfer does not:</p> <ul style="list-style-type: none"> <li>• receive any goods or services directly in return, as would occur in a purchase/sale or other exchange transaction;</li> <li>• expect to be repaid in the future, as would be expected in a loan; or</li> <li>• expect a direct financial return, as would be expected in an investment. (CPA Public Sector Accounting Handbook, PS 3410).</li> </ul>
<b>Treasury Board Policy</b>	.01 Ministries are responsible for scheduling grant payments in a manner that reflects the objective of the grant, the needs of the grant recipient, as well as the requirement to effectively manage the Government’s cash resources.
<b>Provincial Comptroller Directives</b>	.02 Operating grants should be paid monthly as this will typically meet a recipient’s cash flow needs. However, operating grants less than \$100,000 may be paid annually and those between \$100,000 and \$250,000 may be paid in quarterly payments, as this provides for administrative efficiency without incurring substantial borrowing costs.
	.03 Capital grants should be paid in a manner that reasonably approximates the cash flow requirements of the project (e.g., as construction progresses or at key milestones).
	.04 Payments may be made on another basis: <ul style="list-style-type: none"> <li>• to better meet the operating/cash flow requirements of a recipient (e.g., in tenths where this aligns with the nature of a recipient’s business);</li> </ul>

Part: **Public Money and Property**  
 Section: **General Revenue Fund and Revolving Funds**  
 Subsection: **Payments from the GRF**  
 Policy: **Timing of Grant Payments**

Number: **3142**  
 Date: **2020-12-15**  
 Page: **2 of 2**

- immediately, such as may be the case with a disaster assistance payment; or
- according to the unique objective of the grant (e.g., in a pattern needed to secure the hosting of a major event in the Province).

Ministries must maintain documentation outlining the rationale for paying grants in a manner different than addressed in .02 and .03 above.

- .05 To facilitate effective cash management of Government funds, larger grants (i.e., individual payments greater than \$1 million), are to be reported in advance to the Treasury Management Branch, Ministry of Finance.
- .06 The Government's central financial system can accommodate the scheduling of payments. Refer to the [Accounting Manual, Appendix H Central System Processing](#).
- .07 Where grant payments are made to suppliers to provide goods and/or services to individuals, these payments are subject to the 30 day payment policy (e.g., payments to SaskEnergy on behalf of Saskatchewan Assistance Plan recipients). Refer to [Section 3150 Timing of Supplier Payments](#).
- .08 Recurring grant payments should be made by direct deposit to the payee's bank account. For more information on making payments by direct deposit, refer to the [Accounting Manual, Appendix H Central System Processing](#). Ministries should schedule direct deposits for the desired payment date. Where a cheque is used for payment, cheques must be scheduled on the central financial system to allow for mailing time (approximately four days).

## References

[3100 Payments from the GRF](#)  
[3101 GRF Payment Responsibilities](#)  
[3150 Timing of Supplier Payments](#)

[Accounting Manual, Section 3200 Government Transfers](#)

[Accounting Manual, Appendix H Central System Processing](#)