



State of South Carolina
Department on Aging

Henry McMaster
Governor

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Director

PROGRAM INSTRUCTION FOR: Advanced Funding

INFORMATION MEMORANDUM FOR: Area Agencies on Aging

SUBJECT: Advance Funding

DATE: August 10, 2026

AAA COMPLIANCE DATE: July 1, 2027

Advanced Funding	POLICY NUMBER
REFERENCE(S): 1321.9(c)(2)(xviii), 2 CFR 200	
RELEASE DATE: July 1, 2026	AAA COMPLIANCE DATE: July 1, 2027

Definitions of terms:

Advance payment: a payment that a Federal Awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes.

Policy Statement

AAAs may request Cash Advances from SCDOA in accordance to applicable policies and procedures in the following order of precedence: program regulations, 2 CFR 200, agency policies, program instructions, and award terms and conditions to include remarks.

Advance funding may be requested to meet immediate cash needs of not more than one month's expenditures.

Interest earned on advances of federal funds is not program income.

SUA Procedure

SCDOA accepts requests for the advance payment of expenditures in compliance with applicable policies and procedures.

The SUA is responsible for:

- Approving Advanced Funding requests subject to review and compliance.
- Monitoring Advanced Funding for Area Agencies on Aging (AAAs) and service providers
- Ensuring proper reporting and tracking of Advance Funding
- Ensuring Advance Funding policies comply with OAA and HHS/ACL regulations
- Taking corrective action if coercive or noncompliant practices are found

AAA Procedure

The AAA may request Advance funding for services from the SUA. Requests for advances should be minimized and reasonable, not to exceed one month's working capital.

The AAA is responsible for:

- Properly requesting Advance funding.
- Ensuring advanced funds are accurately accounted for and reported in both financial records and payment requests.
- Requesting reasonable advances not to exceed one month's working capital.
- Expending or returning cash advances before the end of the award period; unless arrangements are agreed upon by the SUA.
- Expending or returning case advances before the grant closure date, without exception.

See also: (related/cross-referenced policies and/or forms – use hyperlinks)



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