Cash Management Improvement Act Agreement
between
The Commonwealth of Pennsylvania
and
The Secretary of the Treasury,
United States Department of the Treasury

The Secretary of the Treasury, United States Department of the Treasury (hereafter 'Secretary'), and Commonwealth of Pennsylvania (hereafter 'State'), in order to implement Section 5 of the Cash Management Improvement Act of 1990, as amended (hereafter 'Act'), agree as follows:

1.0 AGENTS OF THE AGREEMENT

1.1 The Authorized Official(s) for the Commonwealth of Pennsylvania shall be the the Chief Accounting Officer, Office of the Budget in all matters concerning this Agreement.

1.2 The Assistant Commissioner, Revenue Collections Management, Bureau of the Fiscal Service (Fiscal Service), U.S. Department of the Treasury, shall act as the Secretary's representative in all matters concerning this Agreement.

2.0 AUTHORITY

2.1 The authority for this Agreement is the Cash Management Improvement Act of 1990 (Public Law 101-453), as amended by the Cash Management Improvement Act of 1992 (Public Law 102-589), codified at 31 U.S.C. 6501 and 31 U.S.C. 6503.

2.2 The regulations codified at 31 CFR Part 205 shall apply to all matters pertaining to this Agreement, and are incorporated herein by reference. In the event of any inconsistency between this Agreement and 31 CFR Part 205, the regulations shall govern.

3.0 DURATION, AMENDING, TERMINATING, AND MISCELLANEOUS PROVISIONS

3.1 This Agreement shall take effect on 07/01/2015 and shall remain in effect until 06/30/2016.

3.2 This Agreement may be amended at any time by written, mutual consent of the State and the Fiscal Service. This Agreement shall be amended annually to incorporate new programs that qualify as major Federal assistance programs and remove programs that no longer qualify as major Federal assistance programs. A State must notify the Fiscal Service in writing within 30 days of the time the State becomes aware of a change that involves additions or deletions of programs subject to Subpart A, changes in funding techniques, and/or changes in clearance patterns. The notification must include a proposed amendment for review by the Fiscal Service.

3.3 Notwithstanding section 3.2, in the event of Federal or State non-compliance with Subpart B of 31 CFR, Part 205, the Fiscal Service may amend this Agreement at any time to incorporate additional programs and the entities that administer those programs.

3.4 This Agreement may be terminated by either party with 30 days' written notice. If this Agreement is terminated, the Fiscal Service will prescribe the funding techniques, clearance patterns, and methods for calculating interest liabilities to be used by the State.

4.0 PROGRAMS COVERED

4.1 The State's threshold and its major Federal assistance programs shall be determined based on the State's published Single Audit for fiscal year ending 06/30/2014.

All major Federal assistance programs shall be covered by this Agreement, unless otherwise specified in section 4.4 of this Agreement.

4.2 The State's threshold for major Federal assistance programs is $77,948,591.

The following programs meet or exceed the threshold and are not excluded in Section 4.4:

10.551 Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
17.225S Unemployment Insurance -- State Benefit Account
20.205 Highway Planning and Construction
84.010 Title I Grants to Local Educational Agencies
84.027 Special Education -- Grants to States
84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
84.367 Improving Teacher Quality State Grants
93.268 Immunization Grants
93.558 Temporary Assistance for Needy Families
93.563 Child Support Enforcement
93.568 Low-Income Home Energy Assistance
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658 Foster Care -- Title IV-E
93.659 Adoption Assistance
93.667 Social Services Block Grant
93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
96.001 Social Security -- Disability Insurance
96.006 Supplemental Security Income

4.3 The following programs fall below the State's threshold but have been required to be covered by Fiscal Service in accordance with the non-compliance provisions of Subpart B of 31 CFR Part 205:

There are currently no programs listed for Section 4.3.

4.4 The following programs exceed the State's threshold but have been excluded from coverage for the reason indicated:

There are currently no programs listed for Section 4.4.

5.0 ENTITIES COVERED

5.1 State agencies and instrumentalities that meet the definition of a State per 31 CFR Part 205, shall be subject to the terms of this Agreement. The following is a list of such entities that administer funds under the programs listed in Section 4.0 of this Agreement:

Department of Education
Department of Health
Department of Human Services
Department of Insurance
Department of Labor and Industry
Department of Transportation
Individual State SSI Recipients

5.2 Entities that meet the definition of a Fiscal Agent per 31 CFR Part 205 shall be subject to the terms of this Agreement. The following is a list of Fiscal Agents that administer funds under the programs listed in the Section 4.0 of this Agreement:

Citibank 10.551 Supplemental Nutrition Assistance Program
Wells Fargo 10.553 School Breakfast Program
Wells Fargo 10.555 National School Lunch Program
Wells Fargo 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Wells Fargo 10.558 Child and Adult Care Food Program
Wells Fargo 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Wells Fargo 17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Wells Fargo 17.225S Unemployment Insurance -- State Benefit Account
Wells Fargo 20.205 Highway Planning and Construction
Wells Fargo 84.010 Title I Grants to Local Educational Agencies
Wells Fargo 84.027 Special Education -- Grants to States
Wells Fargo 84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Wells Fargo 84.367 Improving Teacher Quality State Grants
Wells Fargo 93.268 Immunization Grants
Wells Fargo 93.558 Temporary Assistance for Needy Families
Wells Fargo 93.563 Child Support Enforcement
Wells Fargo 93.568 Low-Income Home Energy Assistance
Wells Fargo 93.575 Child Care and Development Block Grant
Wells Fargo 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Wells Fargo 93.658 Foster Care -- Title IV-E
Wells Fargo 93.659 Adoption Assistance
Wells Fargo 93.667 Social Services Block Grant
Wells Fargo 93.767 Children's Health Insurance Program
Wells Fargo 93.778 Medical Assistance Program
Wells Fargo 96.001 Social Security -- Disability Insurance
Wells Fargo 96.006 Supplemental Security Income

6.0 FUNDING TECHNIQUES

6.1 General Terms

6.1.1 The State shall request Federal funds in accordance with the appropriate cut-off times shown in Exhibit I to ensure funds will be received and credited to a State account by the times specified in the funding techniques. Exhibit I is incorporated by reference herein.

6.1.2 The State shall schedule the receipt of Federal funds such that the funds are received and credited to a State account in accordance with the clearance patterns specified in Exhibit II - List of State Clearance Patterns. Exhibit II is incorporated by reference herein.

6.1.3 In instances where the receipt of funds is scheduled for a Saturday, the State shall request funds for deposit on Friday. In instances where the receipt of funds is scheduled for a Sunday, the State shall request funds for deposit on Monday. In instances where the receipt of Federal funds is scheduled for deposit on a day when the State is not open for business, the State shall request funds for deposit the day following the scheduled day; in instances where the receipt of Federal funds is scheduled for deposit on a day when the Federal Government is not open for business, the State shall request funds for deposit the day prior to the scheduled day.

6.1.4 Estimates and Reconciliation of Estimates:
Where estimated expenditures are used to determine the amount of the drawdown, the State will indicate in the terms of the State unique funding technique how the estimated amount is determined and when and how the State will reconcile the difference between the estimate and the State's actual expenditures.

6.1.5 Supplemental Funding:
Unless otherwise defined by program rules, Supplemental Funding is the award of additional funds to provide for an increase in costs due to unforeseen circumstances.

The State will comply with all Federal program agency policies and procedures for requesting supplemental grant funding.

The State will comply with the following guidelines when requesting supplemental funding for the Medical Assistance Program and associated administrative payments (CFDA 93.778):

The State must submit a revised Medicaid Program Budget Report (CMS-37) to request supplemental funding. The CMS guidelines and instructions for completing the CMS-37 are provided in Section 2600F of the State Medicaid Manual (SMM). The CMS/CO must receive the revised Form CMS-37 through the Medicaid Budget Expenditure System/Children's Budget Expenditure System (MBES/CBES) no later than 10 calendar days before the end of the quarter for which the supplemental grant award is being requested.

Additional guidance on this policy is available from the respective CMS Regional Office, U.S. Department of Health & Human Services.

The State will comply with the following guidelines when requesting supplemental funding for TANF (CFDA 93.558), CCDF (CFDA 93.575), CSE (93.563), and the FC/AA (CFDA 93.658 and CFDA 93.659) programs administered by the U.S. Department of Human Services, Administration for Children and Families (HHS/ACF):

a. Timing of the Request
A State should initiate its request for supplemental funding during a quarter as soon as it becomes aware of the fact that a shortfall does/will exist. For the TANF and CCDF grants, supplemental funding requests (estimates) may be submitted by a State, for consideration by ACF, up through and including the 15th day of the third month of the first, second or third quarter of any fiscal year. Since TANF and CCDF are block grant programs, all unawarded portions of the annual allotment will automatically be issued at the beginning of the fourth quarter. Therefore, supplemental funding requests will

not be available during the fourth quarter for these programs. For the CSE and FC/AA programs, supplemental funding requests may be submitted by a state, for consideration by ACF, up through and including the 15th day of the third month of any quarter of a fiscal year.

b. Justification for the Request

The request for a supplemental funding for any of the above mentioned programs should contain a justification clearly documenting the need for the additional funding authority during the current quarter. This documentation should be in the form of State accounting records or similar documents that will show the actual expenditures through the most recent month for which such data are available, as well as the State's most accurate projection of its anticipated expenditures during the remaining month(s) of the quarter. For either the TANF or the CCDF program, the State's justification should also include an explanation of the activities requiring the obligation and/or expenditure of amounts that exceed the normal quarterly grant award restrictions and why these activities could not have been delayed until the next quarter.

c. Form Submittal

Supplemental funding requests should be made by completing the appropriate ACF quarterly report of expenditures and estimates applicable to the particular program for which the grant award request is being made.

d. Approval Process

Upon receipt of the state's request for additional funding authority for a quarter, the ACF Regional Office will promptly review the supporting documentation. If the request is properly justified, so long as ACF has adequate funding availability, the State's request will be expedited and supplemental funding will be issued within 5 days of ACF receiving the request. The State will be notified by the Regional Office when the supplemental award has been transmitted to the Payment Management System (PMS) and when it may initiate drawdowns against the supplemental funding.

Additional guidance on this policy is provided in the U.S. Department of Health & Human Services, Administration for Children and Families, letter (May 19, 2004) to State Administrators from the Deputy Assistant Secretary for Administration.

6.1.6 With several programs subject to the Act, the primary State agency administering a program will subgrant portions of the program to secondary State agencies. As costs in support of the program are incurred, the secondary agency charges the primary agency, which in turn draws down Federal funds.

In all such cases, the secondary agency shall charge the primary agency no earlier than the day transactions post to the accounts of the secondary agency. The procedures governing the request for funds from the primary agency, and the payment of such requests, shall be in accordance with the agreement between the primary and secondary agencies. Secondary agency transactions may include actual expenditures and/or estimates of current program activity. The primary agency shall apply the indicated funding technique in accordance with Section 6.1.2. Programs subject to the Average Clearance funding technique may utilize a two day average day of clearance for subgrants not exceeding 25% of total program expenditures.

6.2 Description of Funding Techniques

6.2.1 The following are terms under which standard funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

Average Clearance

The State shall request funds such that they are deposited by ACH on the dollar-weighted average day of clearance for the disbursement, in accordance with the clearance pattern specified in Exhibit II.The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.The amount of the request shall be for the exact amount of that disbursement. This funding technique is interest neutral.

6.2.2 The following are terms under which funding techniques for administrative costs shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

There are no funding techniques listed in Section 6.2.2

6.2.3 The following are terms under which miscellaneous funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

There are no funding techniques listed in Section 6.2.3

6.2.4 The following are terms under which State unique funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3.2 of this Agreement.

Daily Trust Fund Draw (CFDA No. 17.225)

The State shall draw down funds on a daily basis. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of each day's State UC draw will be based on actual expenditures that appear on the Daily Disbursement Report (DDR). This amount may be adjusted for any unusual circumstances that may arise. The draw amount for the Federal accounts (FECA, UCX, etc.) will be based on actual expenditures that appear on the DDR. This draw amount will then be adjusted to reflect any corresponding residual balances in the grant order group status report in SAP. This funding technique is interest neutral.

Modified Composite Clearance (CFDA No. 20.205 Highway Planning and Construction)

The State shall establish an average day of clearance date for all expenditures. The average day clearance for this TSA is 25 days. To this date, the State shall deduct two days, representing the adoption of mid-week (Wednesday) average date for all postings during the week. The result will be the composite clearance date for drawing down Federal funds. This funding technique is interest neutral.

Modified Monthly Draws (CFDA No. 10.557 Indirect Costs)

The State shall draw down funds for indirect costs once a month for the prior month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the drawdown will be based on the application of the indirect cost rate to the appropriate direct costs of the prior month. This funding technique is interest neutral.

Modified Monthly Draws (CFDA No. 17.225 Indirect Costs - Internal Cost Plan)

The Commonwealth shall request funds for the indirect costs of each month, no earlier than the end of that month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of funds requested will be based on the actual costs in the financial statements for that month, distributed in accordance with the Department's approved cost plan. This funding technique is interest neutral.

Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))

The State shall draw down funds for indirect costs (Cost Allocation Plan) once a month for the prior month. The request shall be made in accordance with the appropriate Federal Agency cut-off time specified in Exhibit 1. The amount of the drawdown will be based on the application of the cost allocation plan to the prior months actual costs, except for certain programs wherein the first months request shall be based on an estimate of costs for the preceding 12 months and shall be reconciled monthly. This funding technique is interest neutral.

Modified Post-Issuance Funding (CFDA No. 17.225 Direct Administrative Costs)

The State shall request funds based on the negative balance of all Federal fund ledgers within the cash ledger. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of each drawdown shall be the amount of direct expenditures identified to a program from the most recent daily reports. The draw may be adjusted for available State or Federal cash on hand. This funding technique is not interest neutral.

Modified Reverse Flow (CFDA No. 96.006)

The state pays in funds to the federal government that are used in conjunction with federal funds for payments to individual SSI beneficiaries. This funding technique is not interest neutral.

Modified Weekly Draws (CFDA No. 17.225 Payroll)

The State shall request funds weekly for deposit on the day of payday, alternatively on the State's biweekly payday and on the supplementary departmental payday. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount requested will be an estimate based on the most recent daily financial statements and is reconciled monthly. This funding technique is interest neutral.

Modified ZBA - Next Day Payment (CFDA No. 10.557)

The State shall use a modified zero balance account whereby the State shall request Federal funds for deposit on the first business day of the fiscal year to establish a balance in the WIC bank account of not more than one-half of the estimated clearings of the WIC daily reimbursement cycle, which is the fixed period between the clearance of food instruments and the subsequent receipt of the related Federal funds. The State shall request funds in accordance with the appropriate Federal agency cut-off/time specified in Exhibit I. The Federal agency will deposit funds in a State account the day after requested. This funding technique is interest neutral.

Modified ZBA - Supplemental Nutrition Assistance Program

Through its contractor, the State will request funds via the Automated Clearing House as a same day cash drawdown for Electronic Benefit Transfers directly to the account of the third party administrator. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The drawdown of funds shall be the same day as retailers are paid for transactions made at the electronic point of sale machines. Funds will always be drawn on the same day that settlement funds are paid out. This funding technique is interest neutral.

Monthly Draws (CFDA No. 93.667 Indirect Costs)

The State shall request funds at the beginning of each month to fund the activity of the prior month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request for a given month's activity shall be an estimate based on the actual allocation of costs for the preceding 12 months and shall be reconciled monthly. This funding technique is interest neutral.

6.3 Application of Funding Techniques to Programs

6.3.1 The State shall apply the following funding techniques when requesting Federal funds for the component cash flows of the programs listed in sections 4.2 and 4.3 of this Agreement.

6.3.2 Programs

Below are programs listed in Section 4.2 and Section 4.3.

10.551 Supplemental Nutrition Assistance Program
Recipient: Department of Human Services
% of Funds Agency Receives: 100.00
Component: Benefit Payments
Technique: Modified ZBA - Supplemental Nutrition Assistance Program
Average Day of Clearance: N/A

10.553 School Breakfast Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payments to Local Educational Agencies/Indirect Costs/Operational Costs
Technique: Average Clearance
Average Day of Clearance: 13 Days

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payments to Local Educational Agencies/Operational Costs
Technique: Average Clearance
Average Day of Clearance: 13 Days

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: Department of Health
% of Funds Agency Receives: 4.00
Component: Payroll/ Direct Costs
Technique: Average Clearance
Average Day of Clearance: 1 Day

Recipient: Department of Health
% of Funds Agency Receives: 1.00
Component: Indirect Costs
Technique: Modified Monthly Draws (CFDA No. 10.557 Indirect Costs)
Average Day of Clearance: N/A

Recipient: Department of Health
% of Funds Agency Receives: 95.00
Component: Benefit Payments/Payments to Local Agencies
Technique: Modified ZBA - Next Day Payment (CFDA No. 10.557)
Average Day of Clearance: N/A

10.558 Child and Adult Care Food Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payments to Local Education Agencies/Payroll/Indirect Costs
Technique: Average Clearance
Average Day of Clearance: 15 Days

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: Department of Human Services
% of Funds Agency Receives: 50.00
Component: Vendor Payments
Technique: Average Clearance
Average Day of Clearance: 20 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 50.00
Component: Indirect Costs (Cost Allocation Plan)
Technique: Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Department of Labor and Industry
% of Funds Agency Receives: 85.00
Component: Benefit Payments (FECA, EUCA, UI, TAA)
Technique: Daily Trust Fund Draw (CFDA No. 17.225)
Average Day of Clearance: N/A

Recipient: Department of Labor and Industry
% of Funds Agency Receives: 1.00
Component: Administration - Indirect Costs - Internal Cost Plan
Technique: Modified Monthly Draws (CFDA No. 17.225 Indirect Costs - Internal Cost Plan)
Average Day of Clearance: N/A

Recipient: Department of Labor and Industry
% of Funds Agency Receives: 4.00
Component: Administration - Direct Administrative Costs
Technique: Modified Post-Issuance Funding (CFDA No. 17.225 Direct Administrative Costs)
Average Day of Clearance: N/A

Recipient: Department of Labor and Industry
% of Funds Agency Receives: 10.00
Component: Administration - Payroll
Technique: Modified Weekly Draws (CFDA No. 17.225 Payroll)
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Department of Labor and Industry
% of Funds Agency Receives: 100.00
Component: Benefit Payments (Commonwealth Account)
Technique: Daily Trust Fund Draw (CFDA No. 17.225)
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 100.00
Component: Payroll/Construction/Non-Personnel Services Costs
Technique: Modified Composite Clearance (CFDA No. 20.205 Highway Planning and Construction)
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payments to Local Educational Agencies/Payroll/Indirect Costs/Operational Costs
Technique: Average Clearance
Average Day of Clearance: 18 Days

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Payments to Local Educational Agencies/Payroll/Indirect Costs/Operational Costs
Technique: Average Clearance
Average Day of Clearance: 18 Days

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: Department of Labor and Industry
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payroll/Indirect Costs
Technique: Average Clearance
Average Day of Clearance: 19 Days

84.367 Improving Teacher Quality State Grants
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payments to Local Educational Agencies/Payroll/Indirect Costs/Operational Costs
Technique: Average Clearance
Average Day of Clearance: 18 Days

93.268 Immunization Grants

Recipient: Department of Health
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Direct Administrative Costs/Non-Personnel Service Costs/Payroll/Indirect Costs
Technique: Average Clearance
Average Day of Clearance: 21 Days

93.558 Temporary Assistance for Needy Families
Recipient: Department of Human Services
% of Funds Agency Receives: 95.00
Component: Vendor Payments/Payments to Beneficiaries
Technique: Average Clearance
Average Day of Clearance: 11 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 5.00
Component: Indirect Costs (Cost Allocation Plan)
Technique: Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))
Average Day of Clearance: N/A

93.563 Child Support Enforcement
Recipient: Department of Human Services
% of Funds Agency Receives: 94.00
Component: Vendor Payments
Technique: Average Clearance
Average Day of Clearance: 29 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 6.00
Component: Indirect Costs (Cost Allocation Plan)
Technique: Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))
Average Day of Clearance: N/A

93.568 Low-Income Home Energy Assistance
Recipient: Department of Human Services
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Assistance Payments/Payroll
Technique: Average Clearance
Average Day of Clearance: 11 Days

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payroll

Technique: Average Clearance
Average Day of Clearance: 20 Days

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Recipient: Department of Human Services
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Payments to Beneficiaries
Technique: Average Clearance
Average Day of Clearance: 18 Days

93.658 Foster Care -- Title IV-E
Recipient: Department of Human Services
% of Funds Agency Receives: 99.00
Component: Vendor Payments/Care Costs
Technique: Average Clearance
Average Day of Clearance: 33 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 1.00
Component: Indirect Costs (Cost Allocation Plan)
Technique: Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))
Average Day of Clearance: N/A

93.659 Adoption Assistance
Recipient: Department of Human Services
% of Funds Agency Receives: 99.00
Component: Vendor Payments/Care Costs
Technique: Average Clearance
Average Day of Clearance: 32 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 1.00
Component: Indirect Costs (Cost Allocation Plan)
Technique: Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))
Average Day of Clearance: N/A

93.667 Social Services Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 86.00
Component: Vendor Payments
Technique: Average Clearance
Average Day of Clearance: 24 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 14.00
Component: Indirect Costs (Cost Allocation Plan)
Technique: Monthly Draws (CFDA No. 93.667 Indirect Costs)
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: Department of Insurance
% of Funds Agency Receives: 100.00
Component: Vendor Payments/Direct Costs
Technique: Average Clearance
Average Day of Clearance: 14 Days

93.778 Medical Assistance Program
Recipient: Department of Human Services
% of Funds Agency Receives: 98.00
Component: Vendor Payments/Payments to Service Providers/Payroll
Technique: Average Clearance
Average Day of Clearance: 14 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 2.00
Component: Indirect Costs (Costs Allocation Plan)
Technique: Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))
Average Day of Clearance: N/A

96.001 Social Security -- Disability Insurance
Recipient: Department of Labor and Industry
% of Funds Agency Receives: 100.00
Component: Beneficiary Payments/Payroll/Indirect Costs
Technique: Average Clearance
Average Day of Clearance: 19 Days

96.006 Supplemental Security Income
Recipient: Individual State SSI Recipients
% of Funds Agency Receives: 100.00
Component: State Supplementary Payment
Technique: Modified Reverse Flow (CFDA No. 96.006)
Average Day of Clearance: N/A

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

None.

6.3.4 The percentage of funds an agency receives included in 6.3.2 are estimates and may fluctuate throughout the term of this Agreement. A zero represents less than 1 percent of the percentage of funds an agency receives.

6.3.5 The funding technique for 96.006, Supplemental Security Income, is Reverse Flow Program. This techique is discussed in section 9 of this agreement.

7.0 CLEARANCE PATTERNS

7.1 The State shall develop separate clearance patterns for each of the following:

The State shall develop clearance patterns for each program by measuring the dollar-weighted number of days between the day expenditures are sent to Treasury for payment and the day the related checks clear.

Each program is examined to determine the appropriation(s) supporting it (Federal financial assistance to the State is reappropriated by the legislature).

The relevant appropriation(s), an integral element of the voucher transmittals (VTs) used by Commonwealth agencies to request payment, control(s) the selection of VTs for the check clearance research.

All checks associated with the selected VTs during a fiscal year are examined.

7.2 The following shall develop the State's clearance patterns:

The data is assembled by the State Treasurer and forwarded to the Office of the Budget, Comptroller Operations, which creates and runs the computer program that measures clearance activity and computes the clearance patterns.

7.3 The sources of data the State shall use when developing its clearance patterns are as follows:

(1) electronic files provided by the State's financial institutions indicating the dates checks cleared, and (2) electronic files maintained by the State Treasurer indicating VT numbers and posting dates, and the related check issuance dates.

7.4 The State shall use the following methodology when developing its clearance patterns:

When developing each clearance pattern, the State shall track at least 99% of the funds disbursed, from issuance to clearance, for a period of at least three months.

7.5 The State shall identify for each check or warrant (hereafter, check) in the population: (1) the date the check was released for payment; (2) the date the check was debited from the State's account, and, (3) the amount of the check.

7.6 The State shall use the following method to calculate the dollar-weighted average day of clearance:

To determine the number of days each check was outstanding (clearance time), the issue date shall be subtracted from the date the check cleared the State's account.

To determine the percentage of the disbursement paid out each day following issuance, the amount of the checks that clear the State's account each day shall be summed and then divided by the amount of the total disbursement.

For each day following issuance, the clearance time of the checks paid out that day shall be multiplied by the percentage of the total disbursement those checks represent. This product is the clearance factor.

The dollar-weighted average day of clearance for the disbursement shall be determined by summing the clearance factor of each day following the disbursement.

7.6.1 The term "issue date" or "issuance" used in section 7.6 shall refer to the date at which the expenditure was sent to the State Treasurer for payment.

7.7 The State shall adjust each clearance pattern to reflect the dollar-weighted proportion of funds paid out by EFT/Direct payroll, with the following exceptions:

In those instances where an expenditure is paid via EFT/Direct payroll, the check clearance pattern is determined by using the date the expenditure is sent to the State Treasurer for payment to the date the funds clear the bank.

The State shall also adjust each clearance pattern to reflect:

The clearance date of each check is compared to the related date the expenditure was sent to the State Treasurer for payment to determine the actual number of days between these two events.

The clearance time of each voucher transmittal is individually calculated and a dollar-weighted average day of clearance is calculated. This clearance time is then applied to all voucher transmittals that are part of the clearance pattern.

The clearance time of each check in the study is dollar-weighted to produce the dollar-weighted average day of clearance after expenditure posting.

7.8 Each of the State's clearance patterns is calculated in calendar days.

7.9 An authorized State official shall certify that each clearance pattern developed by the State accurately corresponds to the clearance activity of the programs to which it is applied. This certification shall be provided to the Fiscal Service prior to the effective date of the Agreement. The State shall recertify its clearance patterns at least every five years.

7.9.1 The State has developed a check clearance study using actual data for a fiscal year and is recertifying the check clearance patterns in the Treasury-State Agreement. The clearance patterns reflected in Exhibit II are based on this check clearance study completed using the 2010-11 fiscal year. The clearance patterns were developed by the CFDA Program as a whole, not each component of the CFDA program.

7.10 The State shall follow the procedures of 31 CFR 205 if it has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program's clearance activity.

8.0 INTEREST CALCULATION METHODOLOGY

8.1 General Terms

8.1.1 The State and the Secretary agree that no interest liabilities will be incurred for transfers of funds made in accordance with the procedures specified in section 6 of this Agreement where the following funding techniques are applied:

Average Clearance
Daily Trust Fund Draw (CFDA No. 17.225)
Modified Composite Clearance (CFDA No. 20.205 Highway Planning and Construction)
Modified Monthly Draws (CFDA No. 10.557 Indirect Costs)

Modified Monthly Draws (CFDA No. 17.225 Indirect Costs - Internal Cost Plan)
Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))
Modified Weekly Draws (CFDA No. 17.225 Payroll)
Modified ZBA - Next Day Payment (CFDA No. 10.557)
Modified ZBA - Supplemental Nutrition Assistance Program
Monthly Draws (CFDA No. 93.667 Indirect Costs)

8.1.2 The State shall maintain information on disbursements and receipts of funds to verify the implementation of any funding technique and document interest liabilities.
For each disbursement, the State shall be able to identify:
(1) amount of the issuance
(2) date of issuance
(3) date Federal funds are received and credited to a State account
(4) amount of Federal funds received
(5) date funds were requested

8.1.3 The term "date of issuance" in section 8.1.2 shall refer to the expenditure posting date.

8.1.4 The State shall maintain records of clearings and drawdowns to verify the implementation of the Daily Trust Fund Draw and the Working Capital Advance funding techniques. The State shall document, for each day, the amount of funds that clear State accounts and the amount of Federal funds deposited to State accounts.

8.1.5 Where the State administers a Federal program through restricted receipt accounts, which require Federal funds to be on hand prior to generating program payments, the State will calculate the amount of interest due the Federal Government for the period beginning on the date Federal funds are deposited to a State bank account and ending on the date funds are paid out for program purposes, except for Highway Planning and Construction (CFDA No. 20.205), where interest will be calculated as follows:

For program payments made via ACH the State will calculate the amount of interest due the Federal Government for the period beginning on the date Federal funds are deposited to a State bank account and ending on the date funds are paid out for program purposes.

For program payments made via the State Treasury check the State will calculate the amount of interest due the Federal Government for the period beginning on the date Federal funds are deposited to a State bank account and ending on the date funds are paid out for program purposes using the average clearance technique.

8.2 Federal Interest Liabilities

8.2.1 A Federal interest liability shall accrue from the day the State pays out its own funds for program purposes to the day Federal funds are credited to a State account. With regard to funds transferred out of the Federal Highway Trust Fund, if a State does not bill at least weekly for current project costs, the Federal interest liability shall not accrue prior to the day the State submits a request for funds.

8.2.2 The State shall use the following method to calculate Federal interest liabilities:

Average Clearance:
For all transactions where the State pays out its own funds for program purposes prior to receiving Federal funds, the Federal interest liability shall be based on the difference in whole days between the average date of clearance for a

disbursement, as specified in Exhibit II, and the date the related Federal funds are credited to a State account. With Federal-State matching programs, interest shall be calculated on the Federal percentage of the disbursement.

8.2.3 Except for Unemployment Insurance (CFDA No. 17.225), where a Federal agency funds multiple grants under a single payment system, the State shall net positive and negative grant drawdown amounts and request funds for the net positive balance. If within a Letter of Credit having a net positive balance a drawdown cannot be made against a grant because of an insufficient grant balance, the State shall calculate interest due from the Federal Government on that grant. Where the result of netting is a negative amount, a draw will not be made. The State shall calculate interest due to the Federal Government for positive balances in the cash book for the Administrative Fund and on positive bank balances in the Benefit Payment Fund for the Federal share portion. Both interest calculations shall be included on the Annual Report, when applicable.

8.3 The Unemployment Trust Fund

8.3.1 The State shall use the following method to calculate State interest liabilities on funds withdrawn from the several accounts in the Unemployment Trust Fund:

Federal and State Funds are Not Interest Neutral:
The State shall use the following methodology to calculate State interest liabilities on funds withdrawn from the several accounts in the UTF under the Unemployment Insurance program.

Based on statements provided by its financial institution, or other appropriate source, the State shall determine the actual interest earnings and the related banking costs attributable to funds withdrawn from its account in the UTF.

At the end of the State's fiscal year, the State shall calculate the percentage of its total unemployment compensation expenditures for (1) funds withdrawn from the State account in the UTF, or the State %, and (2) funds withdrawn from the Federal Employees Compensation Account (FECA) and the Extended Unemployment Compensation Account (EUCA) and any other accounts of Federal funds in the UTF, or the Federal %.

The State shall calculate the actual interest earnings and the related banking costs attributable to funds withdrawn from the State account in the UTF by multiplying the State % by the amount of the actual interest earnings and the related banking costs of the account as a whole. The State's liability for interest on funds withdrawn from its account in the UTF shall consist of the actual interest earnings attributable to such funds less the related banking costs attributed to such funds.

The State shall determine the average daily cash balance of its unemployment compensation benefit payment account for its fiscal year. The State shall calculate the average daily cash balance of Federal funds by multiplying the Federal % by the average daily cash balance of the benefit payment account on the whole. The State's liability for interest on funds withdrawn from the FECA and EUCA (and any other benefit accounts of Federal funds in the UTF from which the State draws funds) shall be the average daily cash balance of Federal funds multiplied by the annualized rate equal to the average equivalent yields of 13-week Treasury bills auctioned during the State's fiscal year.

8.3.2 The State shall use the following method to calculate State interest liabilities for the administrative costs of the Unemployment Insurance (UI) program (CFDA No. 17.225).

The State shall calculate interest for the predisbursement period based on the following:

(1) The State shall review the State cash ledger book balances to determine if overall fund ledger balances (except the

State fund ledger) are positive, thereby noting that Federal funds are on hand at the time of check issuance. If a positive amount exists, a State liability exists. The principal amount of the State liability will be the positive balance for all fund ledgers (except the State funds ledger) times the percentage relationship that the expenses of the applicable program are to all fund ledgers expenses for that year. The interest rate factor will be in accordance with the Act. The time factor will be for each day that a positive balance exists.

The State shall calculate interest for the postdisbursement period based on the following data:

(2) Average daily float. The average value of a day of float time (checks issued to checks cleared), which is the average daily expenses calculated from the total annual amount of administrative costs of the applicable program.

(3) Check clearance time. The average number of float days (checks issued through checks cleared).

(4) Number of days State funds support float. The average number of days that State funds are available to support average daily float after the checks are issued. This is calculated by the following steps:

(4A) The average daily amount of State cash maintained in the State cash ledger will be multiplied by the percentage relationship that the expenses of the applicable program are to all fund ledgers expenses for that year. The result will be the average daily amount of State cash that is utilized to support average daily float.

(4B) To determine the number of days that State funds support the float, the result of the calculation in paragraph (4A) above will be divided by the average daily float value in paragraph (2) until the full amount of paragraph (4A) is used. Example: Total amount of State funding utilized to support float is $300. Average daily float value is $50. The number of days State cash can support the float is six (6).

(5) Average days between draws. The average number of days between drawdowns for the applicable program. The number of days between draws will be calculated by taking the total number of draws during the year and dividing them into 365 days.

(6) A State interest liability for the postdisbursement period exists when:

(6A) State funds used to support the float time from paragraph (4) above are not available to support the entire average float time from paragraph (3). The State shall determine this by subtracting the number of days in paragraph (3) from the number of days in paragraph (4). If the amount is a negative number of days, then a State liability exists. The principal amount for the State liability will be the average value of a day of float times the number of days State funds did not support the float. The interest rate factor will be in accordance with the Act. The time factor for this calculation is 365 days.

(6B) The average number of days between draws from paragraph (5) is less than the average number of float days from paragraph (3). The State shall determine this by subtracting the number of float days in paragraph (3) from the average number of days between draws in paragraph (5). If the amount is a negative number of days, then a State liability exists. The principal amount for the State liability will be the average value of a day of float times the number of days that funds were drawn before the end of the float. The interest rate factor will be in accordance with the Act. The time factor for this calculation is the number of days equivalent to the number of draws the State made during the year.

The total sum of the State liabilities will be the combined values of paragraph (1) and paragraph (6).

8.4 Refund Liabilities

8.4.1 The State shall be liable for interest on refunds from the date the refund is credited to a State account until the date the refund is debited from the State account for program purposes. The State shall apply a $50,000 refund transaction threshold below which the State shall not incur or calculate interest liabilities on refunds. A transaction is defined as a single deposit.

8.4.2 For each refund, the State shall maintain information identifying:
(1) date a refund is credited to a State account
(2) date of the subsequent deposit of Federal funds against which the refund is offset
(3) amount of the refund

8.4.3 The State shall use the following methodology to calculate interest liabilities on refunds:

With programs using Average Clearance, the State interest liability shall be based on the difference in whole days between the date the refund is deposited in a State account and the date the refund is offset against a subsequent deposit of Federal funds, except for Highway Planning and Construction (CFDA No. 20.205), where interest will be calculated using the Composite Clearance technique.

8.5 Exemptions

8.5.1 Where more than one State agency is a recipient of Federal funds under a program, a particular State agency's funding may be excluded from interest calculation procedures if the State agency receives an amount of funds less than 5 % of the State's threshold for major Federal assistance programs. Notwithstanding this potential exemption, however, in no case shall less than 90% of a program's total funding be subject to interest calculation procedures.

Proration of calculations: If less than total program funding is subject to interest calculation procedures, the resulting interest liability calculations shall be prorated to 100% of program funding.

8.6 State Interest Liabilities

8.6.1 The State shall be liable for interest on Federal funds from the date Federal funds are credited to a State account until the date those funds are paid out for program purposes.

8.6.2 The State shall use the following method to calculate State interest liabilities on Federal funds:

8.6.2.1 Measuring Time Funds Are Held

To determine the total time Federal funds are held, the State shall measure the time between the date Federal funds are received and credited to a State's account and the date those funds are debited from the State's account.

8.6.2.2 Source of Data

The time period from the date an expenditure is posted in the State's central accounting system to the date the disbursement is debited to the State's bank account shall be determined from information captured in the check clearance data provided by the bank to the State Treasurer.

The time period from posting of expenditure in the State's central accounting system to the date funds are debited from the State's account shall be determined by the appropriate clearance pattern specified in Exhibit II.

8.6.2.3 Standards Applied

The average daily cash balance of Federal Funds in the program's account reflects the actual activity of each draw from the date of deposit to the date of issuance or clearance, whichever is pertinent.

8.6.2.4 Calculation Procedure

I = P x r x {PI + CT}, where

I = State's total interest liability

P = Total annual expenditures of Federal funds for program or component cash flow of program

r = Annualized rate equal to the average equivalent yields of 13-week Treasury bills auctioned during a State's fiscal year divided by 365 days

PI = Dollar-weighted average number of days Federal funds are held by State prior to issuance

CT = Dollar-weighted average number of days Federal funds are held by State between issuance and clearance of checks, as determined by the appropriate clearance pattern in Exhibit II

9.0 REVERSE FLOW PROGRAMS

9.1 The Federal government makes payments on behalf of the State for the Supplemental Security Income (SSI) program.

9.2 Definitions

State Supplementary Payment (SSP): Monthly payment made by the State to the Social Security Administration (SSA), as a voluntary supplement to monthly SSI payments made by the SSA to the State' s SSI beneficiaries.

SSI/SSP: The monthly SSI payment made by the SSA to beneficiaries, which combines both Federal SSI program funds and SSP funds.

SSI/SSP Transfer Date: The dollar-weighted average day of clearance of the regularly issued monthly SSI/SSP checks issued by the SSA, adjusted to reflect three payment variations.

Due Date: The day on which States are required to deposit funds to the SSA.

Deposit Date: The day on which State funds are deposited to the SSA.

9.3 Funding Technique

The State and the Federal government will apply the following funding technique to the SSI program:

Component: State Supplementary Payment

Technique: SSI Funding Technique

Description: In accordance with Public Law 106-170, the State shall deposit funds to the SSA no later than the business day preceding the date on which the SSA Commissioner pays monthly benefits, or with respect to monthly benefits paid for the month that is the last month of the State' s fiscal year, the fifth business day following such date.

9.4 Clearance Pattern

The SSI/SSP Transfer Date is determined by adjusting the dollar weighted average day of clearance for regularly issued monthly SSI/SSP checks, as determined by the Federal Reserve Bank's Survey of Float on US Government Checks, with the three payment variations below, to reflect the proportion of SSI/SSP payments made to beneficiaries as follows:

By check on days later in a month: To calculate this adjustment, SSA will determine the nationwide percentage of total SSI/SSP payments made to beneficiaries by check on days later in a month, using full data from the most recent Federal fiscal year. The average day of clearance for regularly issued monthly SSI/SSP checks shall be dollar-weighted for SSI/SSP payments made to beneficiaries by check on days later in the month, which are assumed to be issued on the 11th business day of the month.

By direct deposit on the regularly designated day of the month for delivery of SSI/SSP payments: To calculate this adjustment, SSA will determine the nationwide percentage of total SSI/SSP payments made to beneficiaries by direct deposit on the regularly designated day of the month for delivery of SSI/SSP payments, using full data from the most recent Federal fiscal year. The average day of clearance for regularly issued monthly SSI/SSP checks shall be dollar-weighted with the average day of clearance for SSI/SSP payments made to beneficiaries by direct deposit on the regularly designated day of the month for delivery of SSI/SSP payments to beneficiaries.

By direct deposit on days later in a month: To calculate this adjustment, SSA will determine the nationwide percentage of total SSI/SSP payments made to beneficiaries by direct deposit on days later in a month, using full data from the most recent Federal fiscal year. The average day of clearance for regularly issued monthly SSI/SSP checks shall be dollar-weighted with the average day of clearance for SSI/SSP payments made to beneficiaries by direct deposit on days later in a month, which are assumed to be issued on the 11th business day of the month.

9.5 Interest Calculations

The Federal Government shall use the following methods to calculate and document Federal and State interest liabilities for SSI.

To calculate the interest liability, SSA shall record the Deposit Date of each monthly SSP payment and compare it to the SSI/SSP Transfer Date for each month. The liability for interest will be based on the following:

Payments received before the Due Date: The interest liability provisions of the CMIA do not apply to payments paid by a State before the Due Date, pursuant to Public Law 106-170. All payments received prior to the Due Date will be deemed as received on the Due Date, for the purposes of calculating interest.

Payments received on the Due Date: A Federal interest liability should be computed from (1) the Due Date to (2) the day SSA pays out the State funds for program purposes (SSI/SSP Transfer Date).

Payments received after the Due Date but on or before the SSI/SSP Transfer Date: Interest liability provisions of the CMIA do not apply.

Payments received after the SSI/SSP Transfer Date: A State interest liability will accrue from (1) the SSI/SSP Transfer Date until (2) the day State funds are credited to the SSA.

SSA shall calculate Federal and State interest liabilities on the variance between (1) the amount of the monthly State payment, which is an estimate, and (2) the actual monthly outlays for program purposes made by the SSA on behalf of the State. The monthly State payment includes the cumulative balance brought forward from the previous month. For each month of the State's fiscal year, SSA will compare the amount of the State payment to the amount of the actual outlays made on behalf of the State. To the extent the State payment (including the estimated cumulative balance) is greater than actual outlays, a Federal interest liability will accrue. To the extent the State payment (including estimated cumulative balance) is less than actual outlays, a State interest liability will be calculated. In either case, the interest liability will be calculated based on the difference in whole days from (1) the day the monthly State payment was deposited to a Federal account to (2) the day a subsequent monthly State payment is deposited to a Federal account.

Any overpayment that results in a cumulative balance does not constitute an early deposit as defined in Public Law 106-170, Section 410, Schedule for SSI Supplementation Agreements.

9.6 Refunds

Pursuant to 31 CFR 205.25 (c)(3), the State or the Federal government will not incur interest liabilities on refunds under the Supplemental Security Income Program as States are credited with the refunds in advance, before SSA collects the funds.

10.0 INTEREST CALCULATION COSTS

10.1 As set forth in 31 CFR 205.27, interest calculation costs are defined as those costs necessary for the actual calculation of interest, including the cost of developing and maintaining clearance patterns in support of the interest calculations. Interest calculation costs do not include expenses for normal disbursing services, such as processing of checks or maintaining records for accounting and reconciliation of cash balances, or expenses for upgrading or modernizing accounting systems. Interest calculation costs in excess of $50,000 in any year are not eligible for reimbursement, unless the State provides justification with the annual report.

10.2 The State expects to incur the following types of interest calculation costs:

(1) System analysts' time to prepare detail specifications for programming and testing programs.

(2) Programmer's time to write required programs.

(3) Computer time to analyze bank clearance tapes, process check clearance data, and process interest programs.

(4) User analysts' time to identify payment data criteria for developing check clearance patterns, review check clearance data to establish check clearance patterns and drawdown delay periods, and analyze interest calculation reports.

10.3 The State shall submit all claims for reimbursement of interest calculation costs with its Annual Report in accordance with 31 CFR 205.

11.0 NON-COMPLIANCE

11.1 The provisions of 31 CFR Part 205.29 and 31 CFR Part 205.30 shall apply in cases of non-compliance with the terms of this Agreement.

12.0 AUTHORIZED SIGNATURES

Anna Maria Kiehl
Chief Accounting Officer
Commonwealth of Pennsylvania

Signature: [redacted] Date Signed: 6/23/2015

Date Submitted 04/15/2015

Corvelli A. McDaniel
Assistant Commissioner
Revenue Collections Management
Bureau of the Fiscal Service
U.S. Department of the Treasury

Signature: Corvelli A. McDaniel Date Signed: 6/29/15

Exhibit I - Funds Request and Receipt Times Schedule
Commonwealth of Pennsylvania

Federal Agency	Payment Type	Request Cut-Off Time	Receipt Window
Agriculture-FNS	ACH	11:59 PM	1 day
Agriculture-FNS	Fedwire	5:45 PM	0 day
Agriculture-FS	ACH	3:00 PM	1 day
Air National Guard	ACH	12:00 PM	15 days
Army National Guard	ACH	12:00 PM	15 days
Commerce-NOAA	ACH	2:00 PM	1 day
Dept of Homeland Security (FEMA)	Fedwire	2:00 PM	0 day
Dept of Homeland Security (ODP)	ACH	2:00 PM	2 days
Dept of Homeland Security (ODP)	Fedwire	2:00 PM	2 days
EPA	ACH	2:00 PM	2 days
EPA	Fedwire	2:00 PM	0 day
Education	ACH	3:00 PM	1 day
Education	Fedwire	2:00 PM	0 day
Energy	ACH	4:00 PM	1 day
Energy	Fedwire	3:00 PM	0 day
HHS	ACH	6:30 PM	1 day
HHS	Fedwire	3:00 PM	0 day
HUD	ACH	5:30 PM	2 days
HUD	Fedwire	3:00 PM	0 day
Interior-FWS	ACH	11:59 PM	1 day
Interior-FWS	Fedwire	5:45 PM	0 day
Interior-OSM	ACH	3:00 PM	1 day
Interior-OSM	Fedwire	5:45 PM	0 day
Justice	ACH	11:00 PM	6 days
Justice	Fedwire	2:00 PM	2 days
Labor-Non-UTF	ACH	3:00 PM	1 day
Labor-UTF	ACH	3:00 PM	1 day
Labor-UTF	Fedwire	3:00 PM	0 day
National Science Foundation (NSF)	ACH	8:00 PM	1 day
National Science Foundation (NSF)	Fedwire	5:45 PM	0 day
Social Security Administration	ACH	11:59 PM	1 day
Social Security Administration	Fedwire	5:45 PM	0 day
Transportation (FAA)	ACH	2:00 PM	1 day
Transportation (FHWA)	ACH	12:00 PM	3 days
Transportation (FHWA)	Fedwire	12:00 PM	0 day
Transportation (FTA)	ACH	2:00 PM	1 day
Veterans Administration	ACH	12:00 PM	3 days

Exhibit II - Commonwealth of Pennsylvania

LIST OF STATE CLEARANCE TIMES

(Rounded Dollar-Weighted Average Day of Clearance)

Clearance Times Where the Timing of A Draw Down Is Based on A Clearance Pattern

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
10.551	Supplemental Nutrition Assistance Program	Department of Human Services	100.00	Benefit Payments	Modified ZBA - Supplemental Nutrition Assistance Program	N/A
10.553	School Breakfast Program	Department of Education	100.00	Vendor Payments/Payments to Local Educational Agencies/Indirect Costs/Operational Costs	Average Clearance	13 Days
10.555	National School Lunch Program	Department of Education	100.00	Vendor Payments/Payments to Local Educational Agencies/Operational Costs	Average Clearance	13 Days
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	4.00	Payroll/ Direct Costs	Average Clearance	1 Day
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	95.00	Benefit Payments/Payments to Local Agencies	Modified ZBA - Next Day Payment (CFDA No. 10.557)	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	1.00	Indirect Costs	Modified Monthly Draws (CFDA No. 10.557 Indirect Costs)	N/A
10.558	Child and Adult Care Food Program	Department of Education	100.00	Vendor Payments/Payments to Local Education Agencies/Payroll/Indirect Costs	Average Clearance	15 Days
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Department of Human Services	50.00	Vendor Payments	Average Clearance	20 Days
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Department of Human Services	50.00	Indirect Costs (Cost Allocation Plan)	Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor and Industry	4.00	Administration - Direct Administrative Costs	Modified Post-Issuance Funding (CFDA No. 17.225 Direct Administrative Costs)	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor and Industry	10.00	Administration - Payroll	Modified Weekly Draws (CFDA No. 17.225 Payroll)	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor and Industry	1.00	Administration - Indirect Costs - Internal Cost Plan	Modified Monthly Draws (CFDA No. 17.225 Indirect Costs - Internal Cost Plan)	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor and Industry	85.00	Benefit Payments (FECA, EUCA, UI, TAA)	Daily Trust Fund Draw (CFDA No. 17.225)	N/A
17.225S	Unemployment Insurance -- State Benefit Account	Department of Labor and Industry	100.00	Benefit Payments (Commonwealth Account)	Daily Trust Fund Draw (CFDA No. 17.225)	N/A
20.205	Highway Planning and Construction	Department of Transportation	100.00	Payroll/Construction/Non-Personnel Services Costs	Modified Composite Clearance (CFDA No. 20.205 Highway Planning and Construction)	N/A
84.010	Title I Grants to Local Educational Agencies	Department of Education	100.00	Vendor Payments/Payments to Local Educational Agencies/Payroll/Indirect Costs/Operational Costs	Average Clearance	18 Days
84.027	Special Education -- Grants to States	Department of Education	100.00	Payments to Local Educational Agencies/Payroll/Indirect Costs/Operational Costs	Average Clearance	18 Days
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Department of Labor and Industry	100.00	Vendor Payments/Payroll/Indirect Costs	Average Clearance	19 Days
84.367	Improving Teacher Quality State Grants	Department of Education	100.00	Vendor Payments/Payments to Local Educational Agencies/Payroll/Indirect Costs/Operational Costs	Average Clearance	18 Days
93.268	Immunization Grants	Department of Health	100.00	Vendor Payments/Direct Administrative Costs/Non-Personnel Service Costs/Payroll/Indirect Costs	Average Clearance	21 Days
93.558	Temporary Assistance for Needy Families	Department of Human Services	95.00	Vendor Payments/Payments to Beneficiaries	Average Clearance	11 Days
93.558	Temporary Assistance for Needy Families	Department of Human Services	5.00	Indirect Costs (Cost Allocation Plan)	Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))	N/A
93.563	Child Support Enforcement	Department of Human Services	94.00	Vendor Payments	Average Clearance	29 Days
93.563	Child Support Enforcement	Department of Human Services	6.00	Indirect Costs (Cost Allocation Plan)	Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))	N/A
93.568	Low-Income Home Energy Assistance	Department of Human Services	100.00	Vendor Payments/Assistance Payments/Payroll	Average Clearance	11 Days
93.575	Child Care and Development Block Grant	Department of Human Services	100.00	Vendor Payments/Payroll	Average Clearance	20 Days
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Department of Human Services	100.00	Vendor Payments/Payments to Beneficiaries	Average Clearance	18 Days
93.658	Foster Care -- Title IV-E	Department of Human Services	99.00	Vendor Payments/Care Costs	Average Clearance	33 Days

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
93.658	Foster Care -- Title IV-E	Department of Human Services	1.00	Indirect Costs (Cost Allocation Plan)	Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))	N/A
93.659	Adoption Assistance	Department of Human Services	99.00	Vendor Payments/Care Costs	Average Clearance	32 Days
93.659	Adoption Assistance	Department of Human Services	1.00	Indirect Costs (Cost Allocation Plan)	Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))	N/A
93.667	Social Services Block Grant	Department of Human Services	86.00	Vendor Payments	Average Clearance	24 Days
93.667	Social Services Block Grant	Department of Human Services	14.00	Indirect Costs (Cost Allocation Plan)	Monthly Draws (CFDA No. 93.667 Indirect Costs)	N/A
93.767	Children's Health Insurance Program	Department of Insurance	100.00	Vendor Payments/Direct Costs	Average Clearance	14 Days
93.778	Medical Assistance Program	Department of Human Services	98.00	Vendor Payments/Payments to Service Providers/Payroll	Average Clearance	14 Days
93.778	Medical Assistance Program	Department of Human Services	2.00	Indirect Costs (Costs Allocation Plan)	Modified Monthly Draws (CFDA Nos. 10.561, 93.558, 93.563, 93.658, 93.659, 93.778 Indirect Costs (Cost Allocation Plan))	N/A
96.001	Social Security -- Disability Insurance	Department of Labor and Industry	100.00	Beneficiary Payments/Payroll/Indirect Costs	Average Clearance	19 Days
96.006	Supplemental Security Income	Individual State SSI Recipients	100.00	State Supplementary Payment	Modified Reverse Flow (CFDA No. 96.006)	N/A

I hereby certify that an authorized State official has certified at least every five years that the "Rounded Days of Clearance" listed in Exhibit 2 of this Treasury-State Agreement:

1. Have been prepared in accordance with the standards provided in 31 CFR 205.20;

2. Accurately represent the flow of Federal funds under the Federal assistance programs to which they apply;

3. Reflect seasonal or other periodic variations in the clearance activities; and,

4. Are auditable.

Date: 6/23/2015

Printed Name: Anna Maria Kiehl

Certifying Signature: [redacted]

Title: Chief Accounting Officer