Cash Management Improvement Act Agreement
between
The District of Columbia
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 District of Columbia (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 District of Columbia shall be the Deputy Chief Financial Officer /Treasurer, OCFO 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 10/01/2014 and shall remain in effect until 09/30/2015.

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 actual data for the A-133 Single Audit Report for fiscal year ending 09/30/2013.

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 $20,052,583.

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

10.551 Supplemental Nutrition Assistance Program
10.555 National School Lunch Program
14.218 Community Development Block Grants/Entitlement Grants
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
84.395 State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act
93.525 State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges
93.558 Temporary Assistance for Needy Families
93.658 Foster Care -- Title IV-E
93.778 Medical Assistance Program
93.914 HIV Emergency Relief
97.067 Homeland Security Grant Program

4.3 The following programs fall below the State's threshold but have been required to be covered by FMS 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:

97.075 Rail and Transit Security Grant Program --- Exclusion:Discontinued

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:

Child and Family Services Agency
Department of Employment Services
Department of Health
Department of Health Care Finance
Department of Housing and Community Development
Department of Human Services
District Department of Transportation

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:

FIS Government Solutions 10.551 Supplemental Nutrition Assistance Program

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.

6.2 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.

Actual Clearance, ZBA - Same Day Payment

The State shall request funds the same day it pays out funds, in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.A Federal agency will deposit funds in a State account the same day as requested.The amount of the request shall be for the amount of funds that clear the State's account that day. This funding technique is interest neutral.

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.

Actual Costs-Modified Clearance

The District shall request funds such that they are deposited by ACH on the dollar-weghted average day of clearance for the disbursement or later, 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 the disbursement. This funding technique is interest neutral.

Bi-Weekly Actual

The District shall request funds bi-weekly based on the actual expenditures made during the previous two week period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of each request shall equal the total expenditures posted during the District's bi-weekly billing cycle. This funding technique is interest neutral.

Direct Costs

The State shall request funds only after related cash expenditures have been recorded in the System of Accounting and Reporting (SOAR). Because the process is a manual one, we expect reimbursement from FHWA two business days after wire requests are made. In the event of a treasury offset, which results in an ACH transfer, this may delay receipt of federal funds by up to an additional two business days. The amount of the request shall be the actual sum of cash expenditures that have been incurred, recorded, identified, and reconciled as billable from the preceding week. This funding technique is interest neutral.

Modified Average Clearance - Non Personal Services

The District shall request a biweekly draw for deposit on the dollar-weighted average day of clearance for the disbursement, in accordance with the clearance pattern in Exhibit II. Non Personal Service expenditures will be based on the average expenditure cost of the previous quarter. Any required adjustments will be made with the first draw down of the following quarter; except where it pertains to the Child and Family Services Agency, the adjustment will be made with the third drawdown of the following quarter. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

Modified Average Clearance - Payroll

The District shall request a biweekly draw for deposit on the dollar-weighted average day of clearance for the disbursement, in accordance with the clearance pattern in Exhibit II. Payroll will be based on the average payroll cost of the previous quarter. Any required adjustments will be made with the first draw down of the following quarter; except where it pertains to the Child and Family Services Agency, the adjustment will be made with the third drawdown of the following quarter. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

OSSE Billable Costs

The State shall request funds only after related cash expenditures have been recorded in the System of Accounting and Reporting (SOAR). The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the actual sum of cash expenditures that have been incurred, recorded, identified, and reconciled as billable from the preceding week. This funding technique is interest neutral.

Payment Monthly-Non Personal Service

The District shall request funds once a month such that funds are deposited on or about the 25th of the month. The request shall be made in accordance with teh appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be based on the actual expenditures incurred that are available for drawdown and have cleared the District's account. This funding technique is interest neutral.

Restricted Draw

The District has been placed under restricted draw for this grant by the cognizant Federal agency. The District shall request reimbursement within 5 days of approval of reported expenditures. The amount of the reimbursement will be the total amount approved for draw by the Federal agency. 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.

6.3 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: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

10.555 National School Lunch Program
Recipient: Office of the State Superintendent of Education
% of Funds Agency Receives: 100.00
Component: Program Payments
Technique: OSSE Billable Costs
Average Day of Clearance: N/A

14.218 Community Development Block Grants/Entitlement Grants
Recipient: Department of Housing and Community Development
% of Funds Agency Receives: 20.00
Component: Administrative Costs
Technique: Payment Monthly-Non Personal Service
Average Day of Clearance: N/A

Recipient: Department of Housing and Community Development
% of Funds Agency Receives: 80.00
Component: Program Payments
Technique: Payment Monthly-Non Personal Service
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Department of Employment Services
% of Funds Agency Receives: 35.00
Component: Non Personal Services
Technique: Bi-Weekly Actual
Average Day of Clearance: N/A

Recipient: Department of Employment Services
% of Funds Agency Receives: 65.00
Component: Payroll
Technique: Bi-Weekly Actual
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Department of Employment Services
% of Funds Agency Receives: 100.00
Component: Benefit Payments
Technique: Average Clearance
Average Day of Clearance: 0 Days

20.205 Highway Planning and Construction
Recipient: District Department of Transportation
% of Funds Agency Receives: 100.00
Component: Program Payments
Technique: Direct Costs
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Office of the State Superintendent of Education
% of Funds Agency Receives: 0.20
Component: Administrative Costs
Technique: OSSE Billable Costs
Average Day of Clearance: N/A

Recipient: Office of the State Superintendent of Education
% of Funds Agency Receives: 1.00
Component: Payroll
Technique: OSSE Billable Costs
Average Day of Clearance: N/A

Recipient: Office of the State Superintendent of Education
% of Funds Agency Receives: 98.80
Component: Program Payments
Technique: OSSE Billable Costs
Average Day of Clearance: N/A

84.395 State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act
Recipient: Office of the State Superintendent of Education
% of Funds Agency Receives: 5.00
Component: Administrative Costs
Technique: OSSE Billable Costs
Average Day of Clearance: N/A

Recipient: Office of the State Superintendent of Education
% of Funds Agency Receives: 95.00
Component: Program Payments
Technique: OSSE Billable Costs
Average Day of Clearance: N/A

93.525 State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges
Recipient: Department of Health Care Finance
% of Funds Agency Receives: 100.00
Component: Program Payments
Technique: Average Clearance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: Department of Human Services
% of Funds Agency Receives: 80.00
Component: Benefit Payments
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 5.00
Component: Payroll
Technique: Actual Costs-Modified Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 15.00
Component: Administrative Costs
Technique: Actual Costs-Modified Clearance
Average Day of Clearance: 7 Days

93.658 Foster Care -- Title IV-E
Recipient: Child and Family Services Agency
% of Funds Agency Receives: 80.00
Component: Benefit Payments
Technique: Modified Average Clearance - Non Personal Services
Average Day of Clearance: 7 Days

Recipient: Child and Family Services Agency
% of Funds Agency Receives: 20.00
Component: Administrative Costs
Technique: Modified Average Clearance - Payroll
Average Day of Clearance: 0 Days

93.778 Medical Assistance Program
Recipient: Department of Health Care Finance
% of Funds Agency Receives: 79.00
Component: Provider Payments
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Health Care Finance
% of Funds Agency Receives: 18.00
Component: Program Payments
Technique: Average Clearance
Average Day of Clearance: 5 Days

Recipient: Department of Health Care Finance

% of Funds Agency Receives: 2.00
Component: Non-Personal Services
Technique: Modified Average Clearance - Non Personal Services
Average Day of Clearance: 5 Days

Recipient: Department of Health Care Finance
% of Funds Agency Receives: 1.00
Component: Payroll
Technique: Modified Average Clearance - Payroll
Average Day of Clearance: 0 Days

93.914 HIV Emergency Relief
Recipient: Department of Health
% of Funds Agency Receives: 92.00
Component: Benefit Payments
Technique: Restricted Draw
Average Day of Clearance: N/A

Recipient: Department of Health
% of Funds Agency Receives: 8.00
Component: Payroll
Technique: Restricted Draw
Average Day of Clearance: N/A

97.067 Homeland Security Grant Program
Recipient: Homeland Security and Emergency Management Agency
% of Funds Agency Receives: 5.00
Component: Administrative Costs
Technique: Actual Costs-Modified Clearance
Average Day of Clearance: 7 Days

Recipient: Homeland Security and Emergency Management Agency
% of Funds Agency Receives: 95.00
Component: Program Payments
Technique: Actual Costs-Modified Clearance
Average Day of Clearance: 7 Days

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

No exempt agencies.

7.0 CLEARANCE PATTERNS

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

The District developed check clearance patterns for controlled disbursement types (run IDs) in the District's check writing and cash reconciliation systems. The disbursement types applicable for this Agreement are:

23-Medicaid (Provider Payments)
73-SOAR Checks NPS
81-Payroll Group 1
82-Payroll Group 2

The check clearance patterns are produced without regard to funding type. The District is responsible for the development and appropriate application of these check clearance patterns for the programs covered by the Agreement.

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

For each disbursement type, the District s Office of Finance and Treasury has analyzed at least 99% of the funds disbursed from issuance to the clearance for a period of at least three months..

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

The data provided for testing the check clearance patterns are provided through the District financial management system, the System of Accounting and Reporting (SOAR) and its Accounts Reconcillation Processing (ARP) component. The ARP component, controlled by the Office of the Chief Information Officer, contains the clearance pattern information required by this agreement. All Payroll is paid via direct deposit and therefore result in a zero day clearance time.

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.

7.7 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:

None.

The State shall also adjust each clearance pattern to reflect:

Any systemic problems, such as what occurred with the mail distribution during the Anthrax crisis. Adjustments in the clearance patterns will be made to smooth out the resulting anomalies.

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.

7.10 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:

Actual Clearance, ZBA - Same Day Payment
Actual Costs-Modified Clearance
Average Clearance
Bi-Weekly Actual
Direct Costs
Modified Average Clearance - Non Personal Services
Modified Average Clearance - Payroll
OSSE Billable Costs
Payment Monthly-Non Personal Service
Restricted Draw

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

8.2 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:

For all transactions where the State pays out its own funds for program purposes prior to receiving Federal funds, the State shall track each payment from the date it is paid out of a State account to the date Federal funds are subsequently credited to a State account to cover that outlay. The Federal interest liability on each payment shall be based on the difference in whole days between the two events. With Federal-State matching programs, interest shall be calculated on the Federal percentage of the disbursement.

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:

When the Funding Technique is properly used, there should be no interest earnings on funds withdrawn from the State account, as the State has implemented Actual Clearance Same Day Pay, an interest-neutral funding technique, for such transfers. For transfers UTF that do not follow the technique specified in section 6.2 and result in a positive balance of funds in a State account, the States liability for interest on funds withdrawn from its account in the UTF shall consist of the actual interest earnings of the benefit payment account on the pro-rata share less the related banking costs attributed to such funds.

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 to which applicable interest neutral funding techniques are applied, 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.

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

Deposit to Issuance; Issuance to Clearance:
To determine the total time Federal funds are held, the State shall separately measure two time periods: (1) the date Federal funds are deposited to the date checks are issued; and (2) the date checks are issued to the date funds are debited from the State's account.

8.6.2.2 Source of Data

The time period from issuance to clearance shall be determined from information captured through the District's System of Accounting and Reporting (SOAR) and its Account Reconcilliation Processing (ARP) component. See Section 7.3 for more information

8.6.2.3 Standards Applied

Statistical Sampling (Pre-Issuance):
To measure the time Federal funds are held in a State account prior to being disbursed, the State shall use statistical sampling. The sample shall be randomly selected, and shall be of sufficient size to ensure, at a minimum, a 95% confidence interval no wider than ± 0.3 dollar-weighted days about the estimated mean.

For each check in the sample population, the State shall:
1 subtract the deposit date from the issuance date
2 multiply the difference of step 1 by the check amount
3 divide the product of step 2 by the total amount of funds drawn in the sample to determine the dollar-weighted pre-issuance time for that check

The State shall then sum the dollar-weighted pre-issuance time for each check to arrive at the total dollar-weighted average pre-issuance time to be used for calculating State interest liabilities.

8.6.2.4 Calculation Procedure

I = ADB x R, where

I = State's total interest liability

ADB = Average Daily Balance of cash in a program's account, measured from deposit to clearance

R = Annualized rate equal to the average equivalent yields of 13-week Treasury bills auctioned during a State's fiscal year

9.0 REVERSE FLOW PROGRAMS

The State is not required to cover any reverse flow programs under the terms of this Agreement because the State does not participate in the program.

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:

To develop and maintain check clearance patterns.

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

Jeffrey Barnette
Deputy Chief Financial Officer /Treasurer, OCFO
Office of Finance & Treasury

Signature: (b) (6) Date Signed: 9/15/14

Date Submitted 09/15/2014

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

Signature: Corvelli A. McDaniel Date Signed: 10/17/14

Exhibit I - Funds Request and Receipt Times Schedule
District of Columbia

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 - District of Columbia

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	Actual Clearance, ZBA - Same Day Payment	0 Days
10.555	National School Lunch Program	Office of the State Superintendent of Education	100.00	Program Payments	OSSE Billable Costs	N/A
14.218	Community Development Block Grants/Entitlement Grants	Department of Housing and Community Development	20.00	Administrative Costs	Payment Monthly-Non Personal Service	N/A
14.218	Community Development Block Grants/Entitlement Grants	Department of Housing and Community Development	80.00	Program Payments	Payment Monthly-Non Personal Service	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Employment Services	65.00	Payroll	Bi-Weekly Actual	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Employment Services	35.00	Non Personal Services	Bi-Weekly Actual	N/A
17.225S	Unemployment Insurance -- State Benefit Account	Department of Employment Services	100.00	Benefit Payments	Average Clearance	0 Days
20.205	Highway Planning and Construction	District Department of Transportation	100.00	Program Payments	Direct Costs	N/A
84.010	Title I Grants to Local Educational Agencies	Office of the State Superintendent of Education	0.20	Administrative Costs	OSSE Billable Costs	N/A
84.010	Title I Grants to Local Educational Agencies	Office of the State Superintendent of Education	1.00	Payroll	OSSE Billable Costs	N/A
84.010	Title I Grants to Local Educational Agencies	Office of the State Superintendent of Education	98.80	Program Payments	OSSE Billable Costs	N/A
84.395	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Office of the State Superintendent of Education	5.00	Administrative Costs	OSSE Billable Costs	N/A
84.395	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Office of the State Superintendent of Education	95.00	Program Payments	OSSE Billable Costs	N/A
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges	Department of Health Care Finance	100.00	Program Payments	Average Clearance	N/A
93.558	Temporary Assistance for Needy Families	Department of Human Services	80.00	Benefit Payments	Actual Clearance, ZBA - Same Day Payment	0 Days
93.558	Temporary Assistance for Needy Families	Department of Human Services	5.00	Payroll	Actual Costs-Modified Clearance	0 Days

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
93.558	Temporary Assistance for Needy Families	Department of Human Services	15.00	Administrative Costs	Actual Costs-Modified Clearance	7 Days
93.658	Foster Care -- Title IV-E	Child and Family Services Agency	20.00	Administrative Costs	Modified Average Clearance - Payroll	0 Days
93.658	Foster Care -- Title IV-E	Child and Family Services Agency	80.00	Benefit Payments	Modified Average Clearance - Non Personal Services	7 Days
93.778	Medical Assistance Program	Department of Health Care Finance	79.00	Provider Payments	Average Clearance	0 Days
93.778	Medical Assistance Program	Department of Health Care Finance	18.00	Program Payments	Average Clearance	5 Days
93.778	Medical Assistance Program	Department of Health Care Finance	1.00	Payroll	Modified Average Clearance - Payroll	0 Days
93.778	Medical Assistance Program	Department of Health Care Finance	2.00	Non-Personal Services	Modified Average Clearance - Non Personal Services	5 Days
93.914	HIV Emergency Relief	Department of Health	92.00	Benefit Payments	Restricted Draw	N/A
93.914	HIV Emergency Relief	Department of Health	8.00	Payroll	Restricted Draw	N/A
97.067	Homeland Security Grant Program	Homeland Security and Emergency Management Agency	95.00	Program Payments	Actual Costs-Modified Clearance	7 Days
97.067	Homeland Security Grant Program	Homeland Security and Emergency Management Agency	5.00	Administrative Costs	Actual Costs-Modified Clearance	7 Days

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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: _____

Printed Name: _____

Certifying Signature: _____

Title: _____