Cash Management Improvement Act Agreement
between
The State of Louisiana
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 State of Louisiana (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 State of Louisiana shall be the the Commissioner of Administration 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 07/01/2014 and shall remain in effect until 06/30/2015.

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 State Single Audit Report for fiscal year ending 06/30/2013.

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 $60,000,000.

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
14.228 Community Development Block Grants/State's 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
93.558 Temporary Assistance for Needy Families
93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.039 Hazard Mitigation Grant

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:

93.268 Immunization Grants --- Exclusion:Non-Cash

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 Children and Family Services
Department of Education
Department of Health and Hospitals
Department of Transportation and Development

Executive Department
Governor's Office of Homeland Security and Emergency Preparedness
Louisiana Workforce Commission

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:

Affiliated Computer Services 10.551 Supplemental Nutrition Assistance Program
Affiliated Computer Services 93.558 Temporary Assistance for Needy Families
Solutran 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

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 The State will request funds from the Federal granting agency based on estimates when a State or Federal holiday coincides with the release of checks for program components using an actual clearance pattern. These estimates will be based on historical data from prior check issuances of a similar nature. The estimates will be reconciled to actual check issuance data received from the financial system the checks were issued from. The subsequent drawdown of Federal

funds will be adjusted to reflect the actual amount expended.

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 and Adjusted Estimate

Administrative costs for all programs will be drawn at the same time as payroll. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The draw will consist of an amount to fund the actual expenditures of the prior week and an amount to fund the estimated expenditures of the current/upcoming week based on year to date actual expenditures. The estimated draws will be adjusted for variances between the most recent estimate and actual expenditures each time a draw is made. This funding technique is interest neutral.

Actual at Fixed Intervals

The State shall request funds at a fixed interval, i.e., bi-weekly, monthly, quarterly, etc., for the actual program expenditures of the period prior to the draw. 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 previous period s disbursements. This funding technique is interest neutral.

Allocation of Payroll and Administrative Costs

The State will request funds on a bi-weekly basis. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. Administrative costs for all programs are to be drawn at the same time as payroll costs. The draw will be completed to meet the cash requirements based on the most recent certified cost allocations with subsequent adjustments completed pursuant to the actual allocation of costs. This funding technique is interest neutral.

Payroll and Administrative - Fixed Frequency

The State shall request funds once at a fixed interval, i.e., bi-weekly, monthly, quarterly, etc., such that they are deposited to fund the actual activity of the previous period. 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 based on the amount of the actual cash outlays for payroll and administrative costs during the previous period. 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 Children and Family Services
% of Funds Agency Receives: 100.00
Component: Assistance Payments - EBT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

10.553 School Breakfast Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Payments to Parishes, Universities, Public Schools and Daycare Providers
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Payments to Parishes, Universities, Public Schools and Daycare Providers
Technique: Average Clearance
Average Day of Clearance: 0 Days

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 73.75
Component: Vouchers
Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 11.54
Component: Administrative Costs
Technique: Actual and Adjusted Estimate
Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 14.71
Component: Payroll
Technique: Allocation of Payroll and Administrative Costs
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: Payments to Parishes, Universities, Public Schools and Daycare Providers
Technique: Average Clearance
Average Day of Clearance: 0 Days

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: Department of Children and Family Services
% of Funds Agency Receives: 100.00
Component: Payroll and Administrative Costs
Technique: Allocation of Payroll and Administrative Costs
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's Program
Recipient: Executive Department
% of Funds Agency Receives: 5.72
Component: CDBG Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Executive Department
% of Funds Agency Receives: 90.49
Component: Disaster Recovery Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Executive Department
% of Funds Agency Receives: 0.22
Component: CDBG Administrative Costs
Technique: Actual and Adjusted Estimate
Average Day of Clearance: N/A

Recipient: Executive Department
% of Funds Agency Receives: 3.57
Component: Disaster Recovery Administrative Costs
Technique: Actual at Fixed Intervals
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Louisiana Workforce Commission
% of Funds Agency Receives: 72.06
Component: Benefits Payments - Federal
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Louisiana Workforce Commission
% of Funds Agency Receives: 14.34
Component: Payroll
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Louisiana Workforce Commission
% of Funds Agency Receives: 13.60
Component: Administrative Costs
Technique: Actual and Adjusted Estimate
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Louisiana Workforce Commission
% of Funds Agency Receives: 100.00
Component: Benefit Payments - State
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: Department of Transportation and Development
% of Funds Agency Receives: 6.34
Component: Payroll
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

Recipient: Department of Transportation and Development
% of Funds Agency Receives: 84.88
Component: Capital Projects
Technique: Average Clearance
Average Day of Clearance: 2 Days

Recipient: Department of Transportation and Development

% of Funds Agency Receives: 8.78
Component: Indirect Costs
Technique: Average Clearance
Average Day of Clearance: 2 Days

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 99.94
Component: Program Expenditures
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 0.06
Component: Payroll & Administrative Costs
Technique: Payroll and Administrative - Fixed Frequency
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 91.43
Component: Program Expenditures
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 8.57
Component: Payroll & Administrative Costs
Technique: Payroll and Administrative - Fixed Frequency
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: Department of Children and Family Services
% of Funds Agency Receives: 21.45
Component: Assistance Payments - EBT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Children and Family Services
% of Funds Agency Receives: 0.47
Component: Assistance Payments - EFT Findwork
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Children and Family Services
% of Funds Agency Receives: 30.54

Component: Payroll & Administrative Costs
Technique: Actual at Fixed Intervals
Average Day of Clearance: N/A

Recipient: Department of Children and Family Services
% of Funds Agency Receives: 47.54
Component: TANF Contract Payments
Technique: Actual at Fixed Intervals
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 94.54
Component: Children's Insurance Benefits - EFT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 2.65
Component: Payroll
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 2.81
Component: Medicaid Administrative Cost Grant
Technique: Actual and Adjusted Estimate
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 82.87
Component: Medicaid Benefits - EFT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 11.11
Component: Medicaid Benefits and Disproportionate Share Pool Payments - EFT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 3.42
Component: Medicare Buy-In Premiums
Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 0.53
Component: Payroll
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Department of Health and Hospitals
% of Funds Agency Receives: 2.07
Component: Medicaid Administrative Cost Grant
Technique: Actual and Adjusted Estimate
Average Day of Clearance: N/A

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: Governor's Office of Homeland Security and Emergency Preparedness
% of Funds Agency Receives: 80.47
Component: Applicant Payments - EFT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Governor's Office of Homeland Security and Emergency Preparedness
% of Funds Agency Receives: 13.19
Component: State Subrecipient - EFT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Governor's Office of Homeland Security and Emergency Preparedness
% of Funds Agency Receives: 1.13
Component: Payroll and Administrative Costs
Technique: Actual at Fixed Intervals
Average Day of Clearance: N/A

Recipient: Governor's Office of Homeland Security and Emergency Preparedness
% of Funds Agency Receives: 5.21
Component: Applicant Payments - Checks
Technique: Average Clearance
Average Day of Clearance: 8 Days

97.039 Hazard Mitigation Grant
Recipient: Governor's Office of Homeland Security and Emergency Preparedness
% of Funds Agency Receives: 46.38
Component: Applicant Payments - EFT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Governor's Office of Homeland Security and Emergency Preparedness

% of Funds Agency Receives: 42.78
Component: State Subrecipient - EFT
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

Recipient: Governor's Office of Homeland Security and Emergency Preparedness
% of Funds Agency Receives: 4.07
Component: Payroll and Administrative Costs
Technique: Actual at Fixed Intervals
Average Day of Clearance: N/A

Recipient: Governor's Office of Homeland Security and Emergency Preparedness
% of Funds Agency Receives: 6.77
Component: Applicant Payments - Checks
Technique: Average Clearance
Average Day of Clearance: 8 Days

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

N/A

7.0 CLEARANCE PATTERNS

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

N/A

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

Department of Education, Department of Transportation and Development and the Governor's Office of Homeland Security and Emergency Preparedness

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

Check registers, checks cleared reports from the bank, and reconciliation tapes.

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:

N/A

The State shall also adjust each clearance pattern to reflect:

N/A

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.

7.11 The State will usually use the actual expenditures for calculating payroll costs. However, at June 30 and December 31 of any year, it may be necessary to use estimated costs for payroll expenditures, based upon the day of the week when the State s payroll system will update the State s accounting system. This is due to when the last payroll in June or December will post to the accounting system. Drawdowns for payroll expenditures will be reconciled within 14 days after these two dates. Draws will be adjusted accordingly. Every effort will be made to ensure accuracy and any errors will be corrected in the next draw. Such errors will be interest neutral.

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 and Adjusted Estimate
Actual at Fixed Intervals
Actual Clearance, ZBA - Same Day Payment
Allocation of Payroll and Administrative Costs
Average Clearance
Payroll and Administrative - Fixed Frequency

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:

Actual Activity:
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:

Federal Funds Interest Neutral, State Funds not:
The State shall use the following methodology to calculate State interest liabilities on funds withdrawn from the State account in the UTF under the Unemployment Insurance program.

Based on statements provided by its financial institution (or other appropriate sources), 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 States 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 actual interest earnings of the benefit payment account on the whole constitute the actual interest earnings attributable to funds withdrawn from the State account in the UTF, since the State shall apply an appropriate interest neutral funding technique, to funds withdrawn from the FECA and EUCA and any other benefit accounts of Federal funds in the UTF from which the State draws.

The State shall calculate the related banking costs attributable to funds withdrawn from the State account in the UTF by multiplying the State % by the amount of the related banking costs of the benefit payment account as a whole. 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 whole 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:

Refunds Deposited to Interest Neutral Programs:
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.

8.4.4 Rebates for the Medicaid Benefits and Disproportionate Share Pool Payments component for CFDA #93.778 Medical Assistance Program will be interest neutral when used in conjunction with an estimated refund process. Three refund components have been identified to be used in the reduction of the weekly requests for federal funds: (1) Drug Rebates rebates are identified on a quarterly basis and tracked to establish a historical trend that will be used to estimate the weekly rebates. The estimates will be adjusted to actual collections the following week; (2) Provider Refunds these refunds were averaged over a weekly basis to obtain a historical trend that will be used to estimate the weekly refund. This weekly estimated amount will be reduced from the weekly request and then adjusted the following week to actual refunds collected; and (3) Interagency Refunds other state agencies collect refunds due to the Medical Assistance Program. A weekly average was developed. This weekly estimated amount will be reduced from the weekly request and then adjusted the following week to actual refunds collected.

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 credit to a State's account and the date those funds are debited from the State's account.

8.6.2.2 Source of Data

Clearance Patterns:
The time period from issuance of funds 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

Census (Average Daily Balance):
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

Average Daily Balance:
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

8.6.7 With regard to the post issuance funding technique, there are special interest provisions that apply to the particular program in question (see Section 8.3).

8.6.8 The State interest liability on each payment shall be based on the difference in whole days between when federal funds are credited to a State account and when it was either expended for program purposes or offset against a subsequent draw of federal funds.

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:

The state expects to incur the following types of interest calculation costs:
(1) warrant clearance development

(2) interest calculation, and
(3) preparation of annual report

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

Ruth Johnson
Deputy Commissioner, Division of Administration

Signature: (b) (6) Date Signed: 6/26/2014

Date Submitted 04/28/2014

Kristine S. Conrath
Assistant Commissioner
Revenue Collections Management
Bureau of the Fiscal Service
U.S. Department of the Treasury

Signature: Date Signed: 7/10/14

Exhibit I - Funds Request and Receipt Times Schedule
State of Louisiana

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 - State of Louisiana

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 Children and Family Services	100.00	Assistance Payments - EBT	Actual Clearance, ZBA - Same Day Payment	N/A
10.553	School Breakfast Program	Department of Education	100.00	Payments to Parishes, Universities, Public Schools and Daycare Providers	Actual Clearance, ZBA - Same Day Payment	N/A
10.555	National School Lunch Program	Department of Education	100.00	Payments to Parishes, Universities, Public Schools and Daycare Providers	Average Clearance	0 Days
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health and Hospitals	73.75	Vouchers	Actual Clearance, ZBA - Same Day Payment	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health and Hospitals	11.54	Administrative Costs	Actual and Adjusted Estimate	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health and Hospitals	14.71	Payroll	Allocation of Payroll and Administrative Costs	N/A
10.558	Child and Adult Care Food Program	Department of Education	100.00	Payments to Parishes, Universities, Public Schools and Daycare Providers	Average Clearance	0 Days
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Department of Children and Family Services	100.00	Payroll and Administrative Costs	Allocation of Payroll and Administrative Costs	N/A
14.228	Community Development Block Grants/State's Program	Executive Department	5.72	CDBG Program Costs	Actual Clearance, ZBA - Same Day Payment	N/A
14.228	Community Development Block Grants/State's Program	Executive Department	90.49	Disaster Recovery Program Costs	Actual Clearance, ZBA - Same Day Payment	N/A
14.228	Community Development Block Grants/State's Program	Executive Department	0.22	CDBG Administrative Costs	Actual and Adjusted Estimate	N/A
14.228	Community Development Block Grants/State's Program	Executive Department	3.57	Disaster Recovery Administrative Costs	Actual at Fixed Intervals	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Louisiana Workforce Commission	14.34	Payroll	Actual Clearance, ZBA - Same Day Payment	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Louisiana Workforce Commission	72.06	Benefits Payments - Federal	Actual Clearance, ZBA - Same Day Payment	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Louisiana Workforce Commission	13.60	Administrative Costs	Actual and Adjusted Estimate	N/A
17.225S	Unemployment Insurance -- State Benefit Account	Louisiana Workforce Commission	100.00	Benefit Payments - State	Actual Clearance, ZBA - Same Day Payment	N/A
20.205	Highway Planning and Construction	Department of Transportation and Development	6.34	Payroll	Actual Clearance, ZBA - Same Day Payment	0 Days
20.205	Highway Planning and Construction	Department of Transportation and Development	8.78	Indirect Costs	Average Clearance	2 Days
20.205	Highway Planning and Construction	Department of Transportation and Development	84.88	Capital Projects	Average Clearance	2 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	99.94	Program Expenditures	Actual Clearance, ZBA - Same Day Payment	N/A
84.010	Title I Grants to Local Educational Agencies	Department of Education	0.06	Payroll & Administrative Costs	Payroll and Administrative - Fixed Frequency	N/A
84.027	Special Education -- Grants to States	Department of Education	91.43	Program Expenditures	Actual Clearance, ZBA - Same Day Payment	N/A
84.027	Special Education -- Grants to States	Department of Education	8.57	Payroll & Administrative Costs	Payroll and Administrative - Fixed Frequency	N/A
93.558	Temporary Assistance for Needy Families	Department of Children and Family Services	21.45	Assistance Payments - EBT	Actual Clearance, ZBA - Same Day Payment	N/A
93.558	Temporary Assistance for Needy Families	Department of Children and Family Services	0.47	Assistance Payments - EFT Findwork	Actual Clearance, ZBA - Same Day Payment	N/A
93.558	Temporary Assistance for Needy Families	Department of Children and Family Services	30.54	Payroll & Administrative Costs	Actual at Fixed Intervals	N/A
93.558	Temporary Assistance for Needy Families	Department of Children and Family Services	47.54	TANF Contract Payments	Actual at Fixed Intervals	N/A
93.767	Children's Health Insurance Program	Department of Health and Hospitals	2.65	Payroll	Actual Clearance, ZBA - Same Day Payment	N/A
93.767	Children's Health Insurance Program	Department of Health and Hospitals	94.54	Children's Insurance Benefits - EFT	Actual Clearance, ZBA - Same Day Payment	N/A
93.767	Children's Health Insurance Program	Department of Health and Hospitals	2.81	Medicaid Administrative Cost Grant	Actual and Adjusted Estimate	N/A
93.778	Medical Assistance Program	Department of Health and Hospitals	0.53	Payroll	Actual Clearance, ZBA - Same Day Payment	N/A
93.778	Medical Assistance Program	Department of Health and Hospitals	3.42	Medicare Buy-In Premiums	Actual Clearance, ZBA - Same Day Payment	N/A
93.778	Medical Assistance Program	Department of Health and Hospitals	11.11	Medicaid Benefits and Disproportionate Share Pool Payments - EFT	Actual Clearance, ZBA - Same Day Payment	N/A
93.778	Medical Assistance Program	Department of Health and Hospitals	82.87	Medicaid Benefits - EFT	Actual Clearance, ZBA - Same Day Payment	N/A
93.778	Medical Assistance Program	Department of Health and Hospitals	2.07	Medicaid Administrative Cost Grant	Actual and Adjusted Estimate	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Governor's Office of Homeland Security and Emergency Preparedness	13.19	State Subrecipient - EFT	Actual Clearance, ZBA - Same Day Payment	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Governor's Office of Homeland Security and Emergency Preparedness	80.47	Applicant Payments - EFT	Actual Clearance, ZBA - Same Day Payment	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Governor's Office of Homeland Security and Emergency Preparedness	5.21	Applicant Payments - Checks	Average Clearance	8 Days

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Governor's Office of Homeland Security and Emergency Preparedness	1.13	Payroll and Administrative Costs	Actual at Fixed Intervals	N/A
97.039	Hazard Mitigation Grant	Governor's Office of Homeland Security and Emergency Preparedness	42.78	State Subrecipient - EFT	Actual Clearance, ZBA - Same Day Payment	N/A
97.039	Hazard Mitigation Grant	Governor's Office of Homeland Security and Emergency Preparedness	46.38	Applicant Payments - EFT	Actual Clearance, ZBA - Same Day Payment	N/A
97.039	Hazard Mitigation Grant	Governor's Office of Homeland Security and Emergency Preparedness	6.77	Applicant Payments - Checks	Average Clearance	8 Days
97.039	Hazard Mitigation Grant	Governor's Office of Homeland Security and Emergency Preparedness	4.07	Payroll and Administrative Costs	Actual at Fixed Intervals	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: _____

Printed Name: _____

Certifying Signature: _____

Title: _____

Exhibit II

Clearance Pattern – Average Clearance
CFDA #10.555 – National School Lunch Program
Department of Education
Component: Payments to Parishes, Universities, Public Schools and Daycare Providers

Day After Issuance	Percentage Of Issuance	Factor	Day After Issuance	Percentage Of Issuance	Factor
0	0.9890	0.0000	4+	0.0067	0.0268
3	0.0043	0.0129			

Average Day of Clearance	Rounded Day of Clearance
0.0398	0

Certified as to accuracy by:

(b) (6) [redacted]

Signed

Director

Title

6/29/16

Date

Exhibit II

Clearance Pattern – Average Clearance
CFDA #10.558 – Child and Adult Care Food Program
Department of Education
Component: Payments to Parishes, Universities, Public Schools and Daycare Providers

Day After Issuance	Percentage Of Issuance	Factor	Day After Issuance	Percentage Of Issuance	Factor
0	0.9620	0.0000	7	0.0025	0.0175
2	0.0009	0.0018	8	0.0007	0.0054
3	0.0117	0.0351	9	0.0001	0.0012
4	0.0027	0.0110	10	0.0039	0.0385
5	0.0044	0.0218	11+	0.0067	0.0737
6	0.0044	0.0263			

Average Day of Clearance	Rounded Day of Clearance
0.2323	0

Certified as to accuracy by:

(b) (6) [redacted]

Signed

Director

Title

6/29/10

Date

Exhibit II

Clearance Pattern – Average Clearance

CFDA #20.205 – Highway Planning and Construction
Department of Transportation and Development
Component: Capital Projects

Day After Issuance	Percentage of Issuance	Factor	Day After Issuance	Percentage of Issuance	Factor
0	0.7051	0.0000	15	0.0002	0.0026
1	0.0005	0.0005	16	0.0005	0.0082
2	0.0047	0.0094	17	0.0046	0.0790
3	0.0327	0.0981	18	0.0008	0.0144
4	0.0415	0.1661	19	0.0051	0.0968
5	0.0425	0.2123	20	0.0036	0.0728
6	0.0572	0.3431	21	0.0014	0.0285
7	0.0479	0.3355	22	0.0004	0.0079
8	0.0016	0.0127	23	0.0001	0.0026
9	0.0009	0.0079	24	0.0014	0.0324
10	0.0111	0.1115	25	0.0000	0.0001
11	0.0129	0.1420	26	0.0007	0.0192
12	0.0022	0.0258	27	0.0046	0.1237
13	0.0032	0.0422	28+	0.0079	0.2216
14	0.0046	0.0648			

Average Day of Clearance	Rounded Day of Clearance
2.2819	2.0

Certified as to accuracy by: (b) (6) [redacted]

Name

Director

Title

6/21/2011

Date

Exhibit II

Clearance Pattern – Average Clearance

CFDA #97.036 – Disaster Grants – Public Assistance
(Presidentially Declared Disasters)
Governor's Office of Homeland Security and Emergency Preparedness
Component: Applicant Payments - Checks

Day After Issuance	Percentage of Issuance	Factor	Day After Issuance	Percentage of Issuance	Factor
2	0.0190	0.0379	13	0.0261	0.3394
3	0.0814	0.2441	14	0.0106	0.1483
4	0.1144	0.4576	16	0.0017	0.0274
5	0.0307	0.1536	17	0.0214	0.3633
6	0.3343	2.0060	18	0.0008	0.0138
7	0.1033	0.7234	19	0.0006	0.0117
8	0.0161	0.1286	20	0.0000	0.0010
9	0.0122	0.1097	21	0.0001	0.0030
10	0.1696	1.6959	22	0.0209	0.4590
11	0.0016	0.0174	34	0.0064	0.2183
12	0.0222	0.2660	40+	0.0067	0.2668

Average Day of Clearance	Rounded Day of Clearance
7.6921	8.0

Certified as to accuracy by: (b) (6) [redacted]

Name

Director

Title

8/21/2011

Date

Exhibit II

Clearance Pattern – Average Clearance

CFDA #97.039 – Hazard Mitigation Grant Program
Governor's Office of Homeland Security and Emergency Preparedness
Component: Applicant Payments - Checks

Day After Issuance	Percentage of Issuance	Factor	Day After Issuance	Percentage of Issuance	Factor
4	0.2834	1.1338	12	0.0024	0.0288
5	0.0952	0.4759	14	0.0100	0.1406
6	0.1302	0.7809	17	0.0144	0.2450
7	0.1744	1.2206	18	0.0264	0.4758
9	0.0019	0.0174	19	0.0528	1.0040
10	0.0973	0.9729	21	0.0247	0.5178
11	0.0834	0.9175	23+	0.0034	0.0793

Average Day of Clearance	Rounded Day of Clearance
8.0103	8.0

Certified as to accuracy by: (b) (6) [redacted]

Name

Director

Title

6/21/11

Date