TSA Amendment #1

Cash Management Improvement Act Agreement between The State of Maine 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 Maine (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 Maine shall be the Deputy Treasurer 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 the Schedule of Expenditures of Federal Awards. 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 $19,284,533.

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
12.401 National Guard Military Operations and Maintenance (O&M) Projects
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

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:

There are currently no programs listed for Section 4.4.

5.0 ENTITIES COVERED

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

Department of Defense
Department of Economic Community and Development
Department of Education
Department of Health and Human Services
Department of Labor
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:

JP Morgan Chase 17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
JP Morgan Chase 17.225S Unemployment Insurance -- State Benefit Account
US Bank 17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
US Bank 17.225S Unemployment Insurance -- State Benefit Account
XEROX State and Local Solutions 10.551 Supplemental Nutrition Assistance Program
XEROX State and Local Solutions 93.558 Temporary Assistance for Needy Families

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 - ACH

The State shall request funds such that they are deposited by ACH in a State account on the settlement date of payments issued by the State.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 amount of funds that clear the State's account on the settlement date.

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 Drawdown - Weekly

The State will draw down funds on a weekly basis based on the actual expenditures which occurred in the past weekly period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

Actual Drawdown- Bi-weekly

The State will get reimbursement and drawdown on a bi-weekly basis based on the actual expenditures which occurred in the past bi-weekly period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

Allocation - Monthly

The State shall request funds once a month based upon a monthly reconciliation of expenditures. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit 1. The amount of the request shall be the actual costs of the month distributed to the program according to the allocation of costs in the monthly reconciliation. This funding technique is interest neutral.

Prorated Payroll - Biweekly

The State shall request funds on a biweekly basis based upon the estimated program share of labor costs. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit 1. At the end of the month, reconciliation will be completed and funds will be requested to match the program expenditures. This funding technique is interest neutral.

Weekly Drawdown - Actual & Estimate

State shall request funds such that they are deposited in a State account on the median business day of the week. The request shall be made in accordance with the appropriate Federal Agency cut-off time specified in Exhibit I. The amount

requested shall be comprised of two portions. Portion 1 - will include the actual expenditures made during the previous two business days, Portion 2 - will include an estimate of the expenditures to be made in the next three business days. Each week, the current cash balance will be taken into consideration through revenue and expense analysis. Any cash imbalances will be corrected in the current week's drawdown. In the event the Payment Management System (PMS) will not allow funds to be returned on the draw date, they can be returned in the days following the draw date. 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 Health and Human Services
% of Funds Agency Receives: 100.00
Component: Payment to Beneficiaries
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Payments to Local Educational Agencies
Technique: Average Clearance
Average Day of Clearance: 2 Days

12.401 National Guard Military Operations and Maintenance (O&M) Projects
Recipient: Department of Defense
% of Funds Agency Receives: 33.00
Component: MMA Parts
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Defense
% of Funds Agency Receives: 33.00
Component: Air/Army National Guard
Technique: Actual Drawdown- Bi-weekly
Average Day of Clearance: N/A

Recipient: Department of Defense
% of Funds Agency Receives: 4.00
Component: MMA All Other
Technique: Allocation - Monthly

Average Day of Clearance: N/A

Recipient: Department of Defense
% of Funds Agency Receives: 30.00
Component: MMA Payroll
Technique: Prorated Payroll - Biweekly
Average Day of Clearance: N/A

14.228 Community Development Block Grants/State's Program
Recipient: Department of Economic Community and Development
% of Funds Agency Receives: 1.00
Component: Administrative (Other)
Technique: Actual Drawdown- Bi-weekly
Average Day of Clearance: N/A

Recipient: Department of Economic Community and Development
% of Funds Agency Receives: 3.00
Component: Administrative (Payroll)
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Economic Community and Development
% of Funds Agency Receives: 96.00
Component: Grants to Cities, Town & Municipalities
Technique: Average Clearance
Average Day of Clearance: 2 Days

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Department of Labor
% of Funds Agency Receives: 91.00
Component: Payments to Beneficiaries - EAC - Debit Card / Direct Deposit
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: Department of Labor
% of Funds Agency Receives: 2.00
Component: Administrative (Other)
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Labor
% of Funds Agency Receives: 1.00
Component: Payment to Beneficiaries -
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Labor

% of Funds Agency Receives: 6.00
Component: Administrative (Payroll)
Technique: Average Clearance
Average Day of Clearance: 0 Days

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Department of Labor
% of Funds Agency Receives: 95.00
Component: Payments to Beneficiaries - EAC - Debit Card / Direct Deposit
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: Department of Labor
% of Funds Agency Receives: 5.00
Component: Payment to Beneficiaries
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 1.00
Component: Administrative (Other)
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Transportation
% of Funds Agency Receives: 11.00
Component: Administrative (Payroll)
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Transportation
% of Funds Agency Receives: 88.00
Component: Direct 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: 1.00
Component: Administrative (Other)
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 1.00

Component: Administrative (Payroll)
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 98.00
Component: Payments to Local Educational Agencies
Technique: Average Clearance
Average Day of Clearance: 2 Days

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 1.00
Component: Administrative (Other)
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 8.00
Component: Administrative (Payroll)
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 91.00
Component: Payments to LEA & Discretionary
Technique: Average Clearance
Average Day of Clearance: 2 Days

93.558 Temporary Assistance for Needy Families
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 100.00
Component: All Expenses
Technique: Weekly Drawdown - Actual & Estimate
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 3.00
Component: Administrative (Other)
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 8.00
Component: Provider Payments - Misc

Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 1.00
Component: Administrative (Payroll)
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 88.00
Component: Provider Payments - MIHMS Weekly
Technique: Average Clearance
Average Day of Clearance: 2 Days

93.778 Medical Assistance Program
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 2.00
Component: Administrative (Other)
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 8.00
Component: Provider Payments - Misc
Technique: Actual Drawdown - Weekly
Average Day of Clearance: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 1.00
Component: Administrative (Payroll)
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 89.00
Component: Provider Payments - MIHMS Weekly
Technique: Average Clearance
Average Day of Clearance: 2 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 State of Maine has developed clearance patterns for three centralized accounts:

Primary Disbursement Account #0366
This is the primary disbursement account for the State of Maine excluding state payroll and unemployment benefits. The clearance pattern for this account also factors in the clearance pattern of ACH payments issued from the #9798 (ACH Primary Disbursement) account.

Payroll Checking Account #0374
This is the State of Maine payroll account for employee payroll payments. The clearance pattern for this account also factors in the clearance pattern of direct deposit (ACH) payments issued from the #9790 (ACH Payroll) account.

Unemployment Compensation #9709
This is the benefit payment account used for direct deposit (ACH) payments.

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

U.S. Bank and the Office of the State Treasurer

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

1. Range of check numbers for checks issued during specified 90-calendar-day time period.
2. Total number of payments and total amount of payments during time period.
3. Total of daily checks presented that fall within the predefined check number range.
4. The number of days from the date of issue by the State to the day the dollars were removed from the State's bank account. Percentage of daily checks presented (number and amount) compared against the total issuance of the period.
5. Dollar-weighted factor created by applying percentage against number of days before check presentation.

The sum of dollar-weighted factors represents the average amount of time for a check to be presented for payment to the bank after the check issuance date.

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:

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.

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 - ACH
Actual Drawdown - Weekly
Actual Drawdown- Bi-weekly
Allocation - Monthly
Average Clearance
Prorated Payroll - Biweekly
Weekly Drawdown - Actual & Estimate

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 and State Funds are Interest Neutral:
There are no interest earnings on funds withdrawn from the State account, as the State has implemented average clearance, an interest-neutral funding technique, for such transfers. For UTF transfers that do not follow the technique specified in section 6.2 and result in a positive balance of funds in a State account, the State's 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 or paid out for program purposes.

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 Clearance:
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

Central Accounting System:
The time period from deposit to issuance shall be determined from information captured by TAMI (Treasury Automated Management Information System). TAMI is an electronic cash receipt system that provides bank validation dates for accounting transactions and can be used to determine when a deposit was made. AdvantageME (State accounting system) and the GQL Warehouse (Database of archived accounting transactions) can be queried to provide dates of check issuance/s in relation to the date of deposit.

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

$I = ADB \times R/365 \times T$, 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

365 = Calendar days

T = Days of State Liability

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:

N/A

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

Kristi L. Carlow
Deputy Treasurer

Signature: [redacted] Date Signed: 5/19/15

Date Submitted 05/05/2015

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

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

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

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 Maine

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 Health and Human Services	100.00	Payment to Beneficiaries	Actual Clearance, ZBA - ACH	0 Days
10.555	National School Lunch Program	Department of Education	100.00	Payments to Local Educational Agencies	Average Clearance	2 Days
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Department of Defense	33.00	MMA Parts	Actual Drawdown - Weekly	N/A
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Department of Defense	33.00	Air/Army National Guard	Actual Drawdown- Bi-weekly	N/A
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Department of Defense	30.00	MMA Payroll	Prorated Payroll - Biweekly	N/A
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Department of Defense	4.00	MMA All Other	Allocation - Monthly	N/A
14.228	Community Development Block Grants/State's Program	Department of Economic Community and Development	3.00	Administrative (Payroll)	Average Clearance	0 Days
14.228	Community Development Block Grants/State's Program	Department of Economic Community and Development	96.00	Grants to Cities, Town & Municipalities	Average Clearance	2 Days
14.228	Community Development Block Grants/State's Program	Department of Economic Community and Development	1.00	Administrative (Other)	Actual Drawdown- Bi-weekly	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	1.00	Payment to Beneficiaries -	Actual Drawdown - Weekly	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	2.00	Administrative (Other)	Actual Drawdown - Weekly	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	91.00	Payments to Beneficiaries - EAC - Debit Card / Direct Deposit	Actual Clearance, ZBA - ACH	0 Days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	6.00	Administrative (Payroll)	Average Clearance	0 Days
17.225S	Unemployment Insurance -- State Benefit Account	Department of Labor	5.00	Payment to Beneficiaries	Actual Drawdown - Weekly	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
17.225S	Unemployment Insurance -- State Benefit Account	Department of Labor	95.00	Payments to Beneficiaries - EAC - Debit Card / Direct Deposit	Actual Clearance, ZBA - ACH	0 Days
20.205	Highway Planning and Construction	Department of Transportation	1.00	Administrative (Other)	Actual Drawdown - Weekly	N/A
20.205	Highway Planning and Construction	Department of Transportation	88.00	Direct Costs	Average Clearance	2 Days
20.205	Highway Planning and Construction	Department of Transportation	11.00	Administrative (Payroll)	Average Clearance	0 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	1.00	Administrative (Other)	Actual Drawdown - Weekly	N/A
84.010	Title I Grants to Local Educational Agencies	Department of Education	98.00	Payments to Local Educational Agencies	Average Clearance	2 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	1.00	Administrative (Payroll)	Average Clearance	0 Days
84.027	Special Education -- Grants to States	Department of Education	1.00	Administrative (Other)	Actual Drawdown - Weekly	N/A
84.027	Special Education -- Grants to States	Department of Education	8.00	Administrative (Payroll)	Average Clearance	0 Days
84.027	Special Education -- Grants to States	Department of Education	91.00	Payments to LEA & Discretionary	Average Clearance	2 Days
93.558	Temporary Assistance for Needy Families	Department of Health and Human Services	100.00	All Expenses	Weekly Drawdown - Actual & Estimate	N/A
93.767	Children's Health Insurance Program	Department of Health and Human Services	8.00	Provider Payments - Misc	Actual Drawdown - Weekly	N/A
93.767	Children's Health Insurance Program	Department of Health and Human Services	3.00	Administrative (Other)	Actual Drawdown - Weekly	N/A
93.767	Children's Health Insurance Program	Department of Health and Human Services	1.00	Administrative (Payroll)	Average Clearance	0 Days
93.767	Children's Health Insurance Program	Department of Health and Human Services	88.00	Provider Payments - MIHMS Weekly	Average Clearance	2 Days
93.778	Medical Assistance Program	Department of Health and Human Services	8.00	Provider Payments - Misc	Actual Drawdown - Weekly	N/A
93.778	Medical Assistance Program	Department of Health and Human Services	2.00	Administrative (Other)	Actual Drawdown - Weekly	N/A
93.778	Medical Assistance Program	Department of Health and Human Services	1.00	Administrative (Payroll)	Average Clearance	0 Days
93.778	Medical Assistance Program	Department of Health and Human Services	89.00	Provider Payments - MIHMS Weekly	Average Clearance	2 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: _____