Cash Management Improvement Act Agreement
between
The State of Oregon
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 Oregon (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 Oregon shall be the the Director of the Oregon Department of Administrative Services 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 State's 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 $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
10.555 National School Lunch Program
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
17.225S Unemployment Insurance -- State Benefit Account
20.205 Highway Planning and Construction
66.458 Capitalization Grants for State Revolving Funds
84.010 Title I Grants to Local Educational Agencies
84.027 Special Education -- Grants to States
93.558 Temporary Assistance for Needy Families
93.658 Foster Care -- Title IV-E
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:

10.665 Schools and Roads -- Grants to States --- Exclusion:Federal Statute - Full Exemption
84.038 Federal Perkins Loan Program -- Federal Capital Contributions --- Exclusion:Non-State
84.063 Federal Pell Grant Program --- Exclusion:Non-State
84.268 Federal Direct Student Loan --- Exclusion:Non-State

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:

100—Department of Human Services
340–Department of Environmental Quality
443 - Oregon Health Authority
471—Employment Department

581—Department of Education
730—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:

EFD eFunds Corporation 10.551 Supplemental Nutrition Assistance Program

6.0 FUNDING TECHNIQUES

6.1 General Terms

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

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

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

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

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

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

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

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

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

Human Services.

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

a. Timing of the Request
A State should initiate its request for supplemental funding during a quarter as soon as it becomes aware of the fact that a shortfall does/will exist. For the TANF and CCDF grants, supplemental funding requests (estimates) may be submitted by a State, for consideration by ACF, up through and including the 15th day of the third month of the first, second or third quarter of any fiscal year. Since TANF and CCDF are block grant programs, all unawarded portions of the annual allotment will automatically be issued at the beginning of the fourth quarter. Therefore, supplemental funding requests will not be available during the fourth quarter for these programs. For the CSE and FC/AA programs, supplemental funding requests may be submitted by a state, for consideration by ACF, up through and including the 15th day of the third month of any quarter of a fiscal year.

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

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

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

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

6.1.6 Issuance of Payments:
A State Attorney General's opinion, dated February 10, 1992, addresses certain issues dealing with implementation of the Act. The Attorney General has concluded that funds must be on deposit prior to the issuance of payments. Therefore, the State shall use various funding techniques, including Pre-Issuance Funding, Average Clearance, and Estimated Clearance. Some programs may utilize more than one technique.

The State and the FMS agree that the Pre-Issuance Funding technique will be used as little as possible. The Attorney

General's opinion requires that the State apply Pre-Issuance to a limited number of programs. The State intends to use an Estimated Clearance or Average Clearance Funding technique to the extent that State funds are available to draw the check or warrant against. When State funds are not available, the State shall switch to the Pre-Issuance Funding technique. These programs are described in section 6.3. Each State entity shall be responsible for determining when this switch is to take place.

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.

Composite Clearance

The State shall request funds such that they are deposited on the dollar-weighted average number of days required for funds to be paid out for a series of disbursements, 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 the sum of the payments issued in the series of disbursements. This funding technique is interest neutral.

Estimated Clearance

The State shall request funds such that they are deposited in a State account in accordance with the clearance pattern specified in Exhibit II - EC (Estimated Clearance).The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.The amount of each request will be a percentage of the disbursement, according to the State's clearance pattern specified in Exhibit II - EC. This funding technique is interest neutral.

Post-Issuance

The State shall request funds such that they are deposited in a State account after the State issues checks, but before the checks clear.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 the amount of the disbursement. This funding technique is not interest neutral.

Pre-Issuance

The State shall request funds such that they are deposited in a State account not more than three business days prior to the day the State makes a disbursement.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 the amount the State expects to disburse. This funding technique is not 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.

Cost Allocation Plans - Estimated Allocation - Monthly

The State shall request funds once a month, such that they are deposited on the median day of the month, to fund the costs incurred during that month.The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.The amount of the request shall be an estimate based on the actual allocation of costs to the program for the preceding six months. This funding technique is interest neutral.

Cost Allocation Plans - Monthly

The State shall request funds once a month, such that they are deposited on the median day of the month, to fund activity of the prior month.The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.The amount of the request for a given month's activity shall be based on actual costs distributed in accordance with the State's approved cost allocation plan. This funding technique is interest neutral.

Direct Administrative Costs - Drawdowns on a Payroll Cycle

The State shall request funds for all direct administrative costs such that they are deposited on the dollar-weighted average date of clearance of payroll.The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.The amount of funds requested shall be based on the amount of liabilities recorded for direct administrative costs since the last request for funds. This funding technique is interest neutral.

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 Clearance, ZBA-ACH (Modified)

The State shall request funds such that they are deposited by ACH in a State account the following day. The request shall be made in accordance with the appropriate Federal agency cut-off times specified in Exhibit 1. The amount of the request shall be for the amount of funds that clear the State's account the previous day. This funding technique is interest neutral.

Estimated Clearance (Truncated)

For the first ten (10) business days, the State shall request funds such that they are deposited in accordance with the clearance pattern specified. The State shall make a request for all funds outstanding after ten business days such that the funds are deposited on the dollar-weighted average day of clearance for the outstanding funds, in accordance with the clearance pattern specified. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit 1. This funding technique is interest neutral.

Weekly Drawdown of Administrative Costs

The State shall request funds such that they are deposited in a State account the following day. 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 the amount of funds paid out for administrative costs that clear the State's account the previous week. This funding technique is interest neutral.

6.2.5 When the average clearance funding technique is used, average clearance days will be rounded down from .01 through .49 and rounded up from .50 through .99.
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: 100---Department of Human Services
% of Funds Agency Receives: 100.00
Component: Program Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

10.555 National School Lunch Program
Recipient: 581---Department of Education
% of Funds Agency Receives: 2.00
Component: Payroll Costs
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: 581---Department of Education
% of Funds Agency Receives: 98.00
Component: Program Payments & Direct Administrative Costs
Technique: Post-Issuance
Average Day of Clearance: N/A

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: 443 - Oregon Health Authority
% of Funds Agency Receives: 100.00
Component: Program Payments
Technique: Actual Clearance, ZBA-ACH (Modified)
Average Day of Clearance: 1 Day

Recipient: 100---Department of Human Services
% of Funds Agency Receives: 0.00
Component: Administrative Costs
Technique: Weekly Drawdown of Administrative Costs
Average Day of Clearance: 1 Day

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: 100---Department of Human Services

% of Funds Agency Receives: 15.00
Component: Allocated Administrative Costs
Technique: Cost Allocation Plans - Estimated Allocation - Monthly
Average Day of Clearance: N/A

Recipient: 100---Department of Human Services
% of Funds Agency Receives: 69.00
Component: Indirect Payroll Costs
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: 0 Days

Recipient: 100---Department of Human Services
% of Funds Agency Receives: 16.00
Component: Program Payments
Technique: Estimated Clearance (Truncated)
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: 471---Employment Department
% of Funds Agency Receives: 83.00
Component: ACH Program Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: N/A

Recipient: 471---Employment Department
% of Funds Agency Receives: 2.00
Component: Allocated Administrative Costs
Technique: Cost Allocation Plans - Estimated Allocation - Monthly
Average Day of Clearance: N/A

Recipient: 471---Employment Department
% of Funds Agency Receives: 10.00
Component: Payroll Costs & Direct Administrative Costs
Technique: Direct Administrative Costs - Drawdowns on a Payroll Cycle
Average Day of Clearance: 2 Days

Recipient: 471---Employment Department
% of Funds Agency Receives: 5.00
Component: Program Payments (clearance pattern based on calendar days)
Technique: Estimated Clearance
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: 471---Employment Department
% of Funds Agency Receives: 94.00
Component: ACH Program Payments

Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: N/A

Recipient: 471---Employment Department
% of Funds Agency Receives: 6.00
Component: Program Payments (clearance pattern based on calendar days)
Technique: Estimated Clearance
Average Day of Clearance: N/A

20.205 Highway Planning and Construction
Recipient: 730---Department of Transportation
% of Funds Agency Receives: 100.00
Component: All Components
Technique: Composite Clearance
Average Day of Clearance: 4 Days

66.458 Capitalization Grants for State Revolving Funds
Recipient: 340--Department of Environmental Quality
% of Funds Agency Receives: 100.00
Component: Program Payments
Technique: Pre-Issuance
Average Day of Clearance: 2 Days

84.010 Title I Grants to Local Educational Agencies
Recipient: 581---Department of Education
% of Funds Agency Receives: 1.00
Component: Payroll Costs
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: 581---Department of Education
% of Funds Agency Receives: 99.00
Component: Program Payments & Direct Administrative Costs
Technique: Post-Issuance
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: 581---Department of Education
% of Funds Agency Receives: 1.00
Component: Indirect Administrative Costs
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: 581---Department of Education
% of Funds Agency Receives: 3.00

Component: Payroll Costs
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: 581—Department of Education
% of Funds Agency Receives: 96.00
Component: Program Payments & Direct Administrative Costs
Technique: Post-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: 100—Department of Human Services
% of Funds Agency Receives: 51.00
Component: EBT/ACH Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: 100—Department of Human Services
% of Funds Agency Receives: 8.00
Component: Allocated Administrative Costs
Technique: Cost Allocation Plans - Estimated Allocation - Monthly
Average Day of Clearance: N/A

Recipient: 100—Department of Human Services
% of Funds Agency Receives: 29.00
Component: Indirect Payroll costs
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: 0 Days

Recipient: 100—Department of Human Services
% of Funds Agency Receives: 12.00
Component: Program Payments
Technique: Estimated Clearance (Truncated)
Average Day of Clearance: N/A

93.658 Foster Care – Title IV-E
Recipient: 100—Department of Human Services
% of Funds Agency Receives: 8.00
Component: EBT/ACH Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: 100—Department of Human Services
% of Funds Agency Receives: 14.00
Component: Allocated Administrative Costs
Technique: Cost Allocation Plans - Estimated Allocation - Monthly

Average Day of Clearance: N/A

Recipient: 100---Department of Human Services
% of Funds Agency Receives: 48.00
Component: Indirect Payroll Costs
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: 0 Days

Recipient: 100---Department of Human Services
% of Funds Agency Receives: 30.00
Component: Program Payments
Technique: Estimated Clearance (Truncated)
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: 443 - Oregon Health Authority
% of Funds Agency Receives: 70.00
Component: EBT/ACH Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: 443 - Oregon Health Authority
% of Funds Agency Receives: 1.00
Component: Allocated Administrative Costs
Technique: Cost Allocation Plans - Estimated Allocation - Monthly
Average Day of Clearance: N/A

Recipient: 443 - Oregon Health Authority
% of Funds Agency Receives: 2.00
Component: Indirect Payroll Costs
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: 0 Days

Recipient: 443 - Oregon Health Authority
% of Funds Agency Receives: 27.00
Component: Program Payments
Technique: Estimated Clearance (Truncated)
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: 443 - Oregon Health Authority
% of Funds Agency Receives: 72.00
Component: EBT/ACH Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: 443 - Oregon Health Authority

% of Funds Agency Receives: 2.00
Component: Indirect Payroll Costs
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: 0 Days

Recipient: 443 - Oregon Health Authority
% of Funds Agency Receives: 26.00
Component: Program Payments
Technique: Estimated Clearance (Truncated)
Average Day of Clearance: N/A

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

109 - Department of Aviation
114 - Long-Term Care Ombudsman
121 - Office of the Governor
123 - Business Oregon
137 - Oregon Department of Justice
141 - Department of State Lands
165 - Secretary of State
198 - Judicial Department
213 - Oregon Crimminal Justice Commission
248 - Oregon Military Department
250 - Oregon State Marine Board
257 - Oregon State Police
259 - Board on Public Safety Standards & Training
274 - Department of Veteran's Affairs
291 - Department of Corrections
330 - Department of Energy
399 - Psychiatric Security Review Board
415 - Oregon Youth Authority
423 - Oregon Commission on Children and Families
440 - Oregon Department of Consumer and Business Services
543 - Oregon State Library
575 - Oregon Student Assistance Commission
584 - Teacher Standards & Practices Commission
585 - Commission for the Blind
586 - Department of Community College & Workforce Develop
603 - Department of Agriculture
632 - Oregon Department of Geology & Mineral Industries
634 - Oregon Parks and Recreation
635 - Oregon Department of Fish and Wildlife
660 - Department of Land Conservation and Development
690 - Water Resources Department
691 - Oregon Watershed Enhancement Board

839 - Bureau of Labor & Industries
851 - Oregon State Board of Nursing
860 - Public Utility Commission
914 - Housing and Community Services Department

7.0 CLEARANCE PATTERNS

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

10.561 State Administrative Matching Grants for Food Stamp Program
17.225F Unemployment Insurance-Federal Benefit Account and Administrative Costs
17.225S Unemployment Insurance-State Benefit Account
93.558 State Family Assistance Grant
93.658 Foster Care - Title IV-E
93.767 State Children's Insurance Program
93.778 Medical Assistance Program

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

The agencies administering the Federal programs shall develop the State's clearance patterns, or use an alternative as outlined in Section 7.3.

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

Agency accounting records, State treasury records, banking records and other records appropriate.

For Programs where the actual State warrant clearance information is not available, alternate methods of developing clearance patterns shall be used. These other methods shall consist of the clearance patterns developed by FMS or use of valid statistical sampling techniques.

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 business 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 Clearance, ZBA-ACH (Modified)
Composite Clearance
Cost Allocation Plans - Estimated Allocation - Monthly
Cost Allocation Plans - Monthly
Direct Administrative Costs - Drawdowns on a Payroll Cycle
Estimated Clearance
Estimated Clearance (Truncated)
Weekly Drawdown of Administrative Costs

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

8.2 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.

8.2.4 Average Clearance

For all transactions where the State pays out its own funds for program purposes prior to receiving Federal funds, the Federal interest liability shall be based on the difference in whole days between the average date of clearance for a disbursement, as specified in Exhibit II, and the date the related Federal funds are credited to a State account. With Federal-State matching programs, interest shall be calculated on the Federal percentage of the disbursement.

8.3 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 Refunds Deposited to Non-Interest Neutral Programs - Part of Liability Captured Under State's Pre-Issuance Calculation:
With programs to which Pre-Issuance funding is applied, the State interest liability, payment subject to lawfully available funds, shall be based on two periods: (1) the difference in whole days between the date the refund is deposited to a State account and the date the refund is offset against a subsequent deposit of Federal funds; (2) the difference in whole days between the date the refund is offset against a subsequent deposit of Federal funds and the date the refund is paid out for program purposes.

Interest on refunds during period 1 will be calculated using the information recorded in a separate account. Interest on refunds during period 2 will be captured under the State method for calculating interest under pre-issuance funding. Under this method, interest is calculated on totals disbursed, which includes refunds on hand as well as amounts drawn. The reported interest liability for refunds, therefore, will reflect period 1 only.

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

8.6.2.2 Source of Data

Bank or Agency:
The time period from deposit to clearance shall be determined from information captured by agency accounting records, State Treasury records, banking records, and other records as appropriate.

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 Agencies not using the model in Sections 8.6.2 through 8.6.5, due to either cost/benefit or administrative capability considerations, shall calculate interest using appropriate statistical sampling methodology. The sampling populations shall include individual programs or logical groups of programs. The State shall conduct statistical sampling in accordance with 31 CFR Part 205.19 of the regulations.

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:

Prorated portion of consultant's contract related to development of
clearance patterns and interest calculation methodologies.
Agency and State Treasury personnel time to calculate clearance patterns and interest.
Agency and State Treasury EDP costs (not including system upgrades) incurred in the calculation of clearance patterns and interest.

Other costs identified that qualify under 31 CFR 205.27.

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

Michael J. Jordan
Director, Oregon Department of Administrative Services

Signature: (b) (6) [redacted] Date Signed: 6/30/14

Date Submitted 06/26/2014 [redacted]

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

Signature: Corvelli A. McDaniel Date Signed: 7/9/14

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

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 Oregon

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	100---Department of Human Services	100.00	Program Payments	Actual Clearance, ZBA - ACH	0 Days
10.555	National School Lunch Program	581---Department of Education	2.00	Payroll Costs	Post-Issuance	N/A
10.555	National School Lunch Program	581---Department of Education	98.00	Program Payments & Direct Administrative Costs	Post-Issuance	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	100---Department of Human Services	0.00	Administrative Costs	Weekly Drawdown of Administrative Costs	1 Day
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	443 - Oregon Health Authority	100.00	Program Payments	Actual Clearance, ZBA-ACH (Modified)	1 Day
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	100---Department of Human Services	16.00	Program Payments	Estimated Clearance (Truncated)	N/A
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	100---Department of Human Services	69.00	Indirect Payroll Costs	Cost Allocation Plans - Monthly	0 Days
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	100---Department of Human Services	15.00	Allocated Administrative Costs	Cost Allocation Plans - Estimated Allocation - Monthly	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	471---Employment Department	83.00	ACH Program Payments	Actual Clearance, ZBA - ACH	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	471---Employment Department	2.00	Allocated Administrative Costs	Cost Allocation Plans - Estimated Allocation - Monthly	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	471---Employment Department	10.00	Payroll Costs & Direct Administrative Costs	Direct Administrative Costs - Drawdowns on a Payroll Cycle	2 Days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	471---Employment Department	5.00	Program Payments (clearance pattern based on calendar days)	Estimated Clearance	N/A
17.225S	Unemployment Insurance -- State Benefit Account	471---Employment Department	94.00	ACH Program Payments	Actual Clearance, ZBA - ACH	N/A
17.225S	Unemployment Insurance -- State Benefit Account	471---Employment Department	6.00	Program Payments (clearance pattern based on calendar days)	Estimated Clearance	N/A
20.205	Highway Planning and Construction	730---Department of Transportation	100.00	All Components	Composite Clearance	4 Days

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
66.458	Capitalization Grants for State Revolving Funds	340--Department of Environmental Quality	100.00	Program Payments	Pre-Issuance	2 Days
84.010	Title I Grants to Local Educational Agencies	581---Department of Education	1.00	Payroll Costs	Post-Issuance	N/A
84.010	Title I Grants to Local Educational Agencies	581---Department of Education	99.00	Program Payments & Direct Administrative Costs	Post-Issuance	N/A
84.027	Special Education -- Grants to States	581---Department of Education	96.00	Program Payments & Direct Administrative Costs	Post-Issuance	N/A
84.027	Special Education -- Grants to States	581---Department of Education	3.00	Payroll Costs	Post-Issuance	N/A
84.027	Special Education -- Grants to States	581---Department of Education	1.00	Indirect Administrative Costs	Post-Issuance	N/A
93.558	Temporary Assistance for Needy Families	100---Department of Human Services	51.00	EBT/ACH Payments	Actual Clearance, ZBA - ACH	0 Days
93.558	Temporary Assistance for Needy Families	100---Department of Human Services	12.00	Program Payments	Estimated Clearance (Truncated)	N/A
93.558	Temporary Assistance for Needy Families	100---Department of Human Services	29.00	Indirect Payroll costs	Cost Allocation Plans - Monthly	0 Days
93.558	Temporary Assistance for Needy Families	100---Department of Human Services	8.00	Allocated Administrative Costs	Cost Allocation Plans - Estimated Allocation - Monthly	N/A
93.658	Foster Care -- Title IV-E	100---Department of Human Services	8.00	EBT/ACH Payments	Actual Clearance, ZBA - ACH	0 Days
93.658	Foster Care -- Title IV-E	100---Department of Human Services	30.00	Program Payments	Estimated Clearance (Truncated)	N/A
93.658	Foster Care -- Title IV-E	100---Department of Human Services	48.00	Indirect Payroll Costs	Cost Allocation Plans - Monthly	0 Days
93.658	Foster Care -- Title IV-E	100---Department of Human Services	14.00	Allocated Administrative Costs	Cost Allocation Plans - Estimated Allocation - Monthly	N/A
93.767	Children's Health Insurance Program	443 - Oregon Health Authority	70.00	EBT/ACH Payments	Actual Clearance, ZBA - ACH	0 Days
93.767	Children's Health Insurance Program	443 - Oregon Health Authority	27.00	Program Payments	Estimated Clearance (Truncated)	N/A
93.767	Children's Health Insurance Program	443 - Oregon Health Authority	2.00	Indirect Payroll Costs	Cost Allocation Plans - Monthly	0 Days
93.767	Children's Health Insurance Program	443 - Oregon Health Authority	1.00	Allocated Administrative Costs	Cost Allocation Plans - Estimated Allocation - Monthly	N/A
93.778	Medical Assistance Program	443 - Oregon Health Authority	72.00	EBT/ACH Payments	Actual Clearance, ZBA - ACH	0 Days
93.778	Medical Assistance Program	443 - Oregon Health Authority	26.00	Program Payments	Estimated Clearance (Truncated)	N/A
93.778	Medical Assistance Program	443 - Oregon Health Authority	2.00	Indirect Payroll Costs	Cost Allocation Plans - Monthly	0 Days

---

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

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

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

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

4. Are auditable.

Date: 6/30/14

Printed Name: MICHAEL JORDAN

Certifying Signature: (b) (6) [redacted]

Title: COO

Cash Management Improvement Act - 2015 Treasury State Agreement
State of Oregon - Exhibit II Estimated Clearance

Effective 06/30/2014 until 06/29/2015

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs

Program Payments (clearance pattern based on calendar days)

Day	% Cleared
Day 1	0.00
Day 2	0.00
Day 3	6.00
Day 4	13.00
Day 5	5.00
Day 6	13.00
Day 7	25.00
Day 8	12.00
Day 9	6.00
Day 10	4.00
Day 11	3.00
Day 12	1.00
Day 13	1.00
Day 14	2.00
Day 15	9.00
Day 16	0.00
Day 17	0.00
Day 18	0.00
Day 19	0.00
Day 20	0.00
Day 21	0.00
Day 22	0.00
Day 23	0.00
Day 24	0.00
Day 25	0.00
Day 26	0.00
Day 27	0.00
Day 28	0.00
Day 29	0.00
Day 30	0.00
Day 31	0.00
Total	100.00

17.225S Unemployment Insurance -- State Benefit Account

Program Payments (clearance pattern based on calendar days)

Day	% Cleared
Day 1	0.00
Day 2	0.00
Day 3	6.00

Day	% Cleared
Day 4	13.00
Day 5	5.00
Day 6	13.00
Day 7	25.00
Day 8	12.00
Day 9	6.00
Day 10	4.00
Day 11	3.00
Day 12	1.00
Day 13	1.00
Day 14	2.00
Day 15	9.00
Day 16	0.00
Day 17	0.00
Day 18	0.00
Day 19	0.00
Day 20	0.00
Day 21	0.00
Day 22	0.00
Day 23	0.00
Day 24	0.00
Day 25	0.00
Day 26	0.00
Day 27	0.00
Day 28	0.00
Day 29	0.00
Day 30	0.00
Day 31	0.00
Total	100.00

Certification

"I hereby certify that the "% Cleared" listed in Exhibit II Estimated Clearance of this Treasury State Agreement:

1. Has been prepared in accordance with the standards provided in 31 CFR 205.20;
2. Accurately represents the flow of federal funds under the federal assistance programs to which they apply;
3. Reflects seasonal or other periodic variations in the clearance activities;
4. Is auditable; and,
5. Has been certified as accurate by an authorized State Official."

(b) (6) [redacted]

Signature

Michael Jordan

6/30/14

Date Signed

Printed Name

COO

Printed Title