Cash Management Improvement Act Agreement
between
The State of New Hampshire
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 New Hampshire (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 New Hampshire shall be the Chief Deputy State 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 07/01/2015 and shall remain in effect until 06/30/2016.

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

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

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

4.0 PROGRAMS COVERED

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

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

4.2 The State's threshold for major Federal assistance programs is $5,280,965.

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

10.551 Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
12.401 National Guard Military Operations and Maintenance (O&M) Projects
17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
17.225S Unemployment Insurance -- State Benefit Account
20.205 Highway Planning and Construction
64.015 Veterans State Nursing Home Care
66.458 Capitalization Grants for Clean Water State Revolving Funds
66.468 Capitalization Grants for Drinking Water Revolving Fund
66.605 EPA Performance Partnership Grant
84.010 Title I Grants to Local Educational Agencies
84.027 Special Education -- Grants to States
84.048 Vocational Education -- Basic Grants to States
84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
84.287 Twenty-First Century Community Learning Centers
84.367 Improving Teacher Quality State Grants
93.558 Temporary Assistance for Needy Families
93.563 Child Support Enforcement
93.568 Low-Income Home Energy Assistance
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658 Foster Care -- Title IV-E
93.667 Social Services Block Grant
93.778 Medical Assistance Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse
96.001 Social Security -- Disability Insurance
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

There are currently no programs listed for Section 4.3.

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

93.268 Immunization Grants --- Exclusion:Non-Cash

5.0 ENTITIES COVERED

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

Adjutant General
Department of Education
Department of Employment Security
Department of Environmental Services
Department of Health and Human Services
Department of Safety
Department of Transportation
Governor's Office of Energy and Planning
NH State Veterans Home

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:

Citizens Bank 93.558 Temporary Assistance for Needy Families
Marshall and Ilsley Bank 10.551 Supplemental Nutrition Assistance Program

6.0 FUNDING TECHNIQUES

6.1 General Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

d. Approval Process

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

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

6.2 Description of Funding Techniques

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

Actual Clearance, ZBA - 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.

Capitalization Grants for State Revolving Funds

The State shall request funds to minimize the time between the drawdown of funds from Treasury and their deposit into the revolving fund. The timing of the drawdown of Federal funds for deposit to the revolving fund is subject to the interest provisions of 31 CFR Part 205, however there is an interest exemption for the interest the State earns once the funds are deposited into the revolving fund. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be for the amount of the funds to be used for immediate program purposes. The State will not incur an interest liability for interest earned on revolving fund loans. This funding technique is interest neutral.

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 Draw - Monthly

The State shall request funds monthly after the allocation of funds has been processed by the State's financial system. Requests shall be made in accordance with the cut-off time(s) in Exhibit I. Amount(s) requested shall be based on actual expenditures over the prior month. This funding technique is interest neutral.

Actual Draw - Bi-Monthly

The State shall request funds no more than twice a month based upon the cash needs of the program after the allocation of funds has been processed by the State's financial system. Requests shall be made in accordance with the cut-off time(s) in Exhibit I. Amount(s) requested shall be based on actual expenditures over the prior month. This funding technique is interest neutral.

Actual Draw - Quarterly

The State shall request funds once a quarter after federal reporting has been completed. The amount of the request shall be based on the actual costs of the prior quarter that have been allocated to the program in accordance with the Department's approved cost allocation plan. This funding technique is interest neutral.

Actual Draw - Twice Weekly

The State shall request funds up to twice weekly through the use of the Department's Current Bill system which calculates invoices processed in the prior period. The State shall request funds in accordance with applicable cut-off times in Exhibit I. The amount requested shall be based on actual costs of the prior period. This funding technique is interest neutral.

Actual Draw - Weekly

The State shall request reimbursement up to twice per week. The State shall request funds in accordance with applicable cut-off times in Exhibit 1. The amount requested shall be based on actual expenditures over the prior period. This funding technique is interest neutral.

Cost Allocation Plans - Monthly

The state shall request funds monthly once Cost Allocation is available 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 requested amount shall be based on actual costs distributed in accordance with the approved cost allocation plan. This funding technique is interest neutral.

Cost Allocation Plans - Quarterly - Other

The state shall request funds no less than quarterly once Cost Allocation is available to fund activity of the prior Quarter. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The requested amount shall be based on actual costs distributed in accordance with the approved cost allocation plan. This funding technique is interest neutral.

Estimated Draw - Administrative Cap

The State shall request funds bi-weekly. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the draw for each bi-weekly period within a quarter shall be an estimate based upon the federal grant administrative cap. The amount drawn will be adjusted quarterly, when cost allocation and/or federal reporting is complete, by reducing or increasing the quarterly cash balance draw. This funding technique is

interest neutral.

Estimated Draw - Bi-Weekly

The State shall request funds bi-weekly. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the draw for each bi-weekly period within a quarter shall be an estimate based upon the most recent prior quarter's cost allocation and/or federal reporting that is available at the beginning of the quarter. The amount drawn will be adjusted quarterly, when cost allocation and/or federal reporting is complete, by reducing or increasing the quarterly cash balance draw. This funding technique is interest neutral.

Estimated Draw - Bi-Weekly Other

The State shall request funds bi-weekly. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the draw for each bi-weekly period shall be an estimate based on the average cost allocations of the prior three month period and immediate cash needs. The bi-weekly draws will be adjusted to actual once a month once cost allocation is completed. Adjustments will be made by reducing or increasing the subsequent draw. 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: Direct Program
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

10.553 School Breakfast Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Direct Ptogram
Technique: Average Clearance
Average Day of Clearance: 1 Day

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 1 Day

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 90.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 2 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 10.00
Component: Administrative Costs
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: N/A

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 100.00
Component: Administrative Costs
Technique: Estimated Draw - Bi-Weekly
Average Day of Clearance: N/A

12.401 National Guard Military Operations and Maintenance (O&M) Projects
Recipient: Adjutant General
% of Funds Agency Receives: 99.00
Component: Direct Program
Technique: Actual Draw - Bi-Monthly
Average Day of Clearance: N/A

Recipient: Adjutant General
% of Funds Agency Receives: 1.00
Component: Administrative
Technique: Actual Draw - Quarterly
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Department of Employment Security
% of Funds Agency Receives: 5.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 4 Days

Recipient: Department of Employment Security
% of Funds Agency Receives: 95.00
Component: Administrative Costs
Technique: Estimated Draw - Bi-Weekly Other
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Department of Employment Security
% of Funds Agency Receives: 100.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 4 Days

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 10.00
Component: Administrative Costs
Technique: Actual Draw - Twice Weekly
Average Day of Clearance: N/A

Recipient: Department of Transportation
% of Funds Agency Receives: 90.00
Component: Direct Program
Technique: Actual Draw - Twice Weekly
Average Day of Clearance: N/A

64.015 Veterans State Nursing Home Care
Recipient: NH State Veterans Home
% of Funds Agency Receives: 5.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: NH State Veterans Home
% of Funds Agency Receives: 95.00
Component: Direct Program
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

66.458 Capitalization Grants for Clean Water State Revolving Funds
Recipient: Department of Environmental Services
% of Funds Agency Receives: 96.00
Component: Direct Program
Technique: Capitalization Grants for State Revolving Funds
Average Day of Clearance: N/A

Recipient: Department of Environmental Services
% of Funds Agency Receives: 4.00
Component: Administrative Costs
Technique: Cost Allocation Plans - Quarterly - Other
Average Day of Clearance: N/A

66.468 Capitalization Grants for Drinking Water Revolving Fund
Recipient: Department of Environmental Services
% of Funds Agency Receives: 69.00
Component: Direct Program
Technique: Capitalization Grants for State Revolving Funds
Average Day of Clearance: N/A

Recipient: Department of Environmental Services
% of Funds Agency Receives: 31.00
Component: Administrative Costs
Technique: Cost Allocation Plans - Quarterly - Other
Average Day of Clearance: N/A

66.605 EPA Performance Partnership Grant
Recipient: Department of Environmental Services
% of Funds Agency Receives: 95.00
Component: Administrative Costs
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: N/A

Recipient: Department of Environmental Services
% of Funds Agency Receives: 5.00
Component: Direct Program
Technique: Cost Allocation Plans - Monthly
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 2.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 98.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 1 Day

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 5.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 95.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 1 Day

84.048 Vocational Education -- Basic Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 5.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 95.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 1 Day

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 61.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 39.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 4 Days

84.287 Twenty-First Century Community Learning Centers
Recipient: Department of Education
% of Funds Agency Receives: 3.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 97.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 1 Day

84.367 Improving Teacher Quality State Grants
Recipient: Department of Education
% of Funds Agency Receives: 3.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 97.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 1 Day

93.558 Temporary Assistance for Needy Families
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 85.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 1 Day

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 15.00
Component: Administrative Costs
Technique: Estimated Draw - Administrative Cap
Average Day of Clearance: N/A

93.563 Child Support Enforcement
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 100.00
Component: Administrative
Technique: Estimated Draw - Bi-Weekly
Average Day of Clearance: N/A

93.568 Low-Income Home Energy Assistance
Recipient: Governor's Office of Energy and Planning
% of Funds Agency Receives: 2.00
Component: Administrative Costs
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Governor's Office of Energy and Planning
% of Funds Agency Receives: 98.00
Component: Direct Program
Technique: Actual Draw - Weekly
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 100.00
Component: Direct Program
Technique: Actual Draw - Quarterly
Average Day of Clearance: N/A

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 90.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 3 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 10.00
Component: Administrative Costs
Technique: Estimated Draw - Bi-Weekly
Average Day of Clearance: N/A

93.658 Foster Care -- Title IV-E
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 90.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 3 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 10.00
Component: Administrative Costs
Technique: Estimated Draw - Bi-Weekly
Average Day of Clearance: N/A

93.667 Social Services Block Grant
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 100.00
Component: Direct Program
Technique: Cost Allocation Plans - Quarterly - Other
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 90.00
Component: Direct Program
Technique: Average Clearance

Average Day of Clearance: 1 Day

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 10.00
Component: Administrative Costs
Technique: Estimated Draw - Bi-Weekly
Average Day of Clearance: N/A

93.959 Block Grants for Prevention and Treatment of Substance Abuse
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 95.00
Component: Direct Program
Technique: Cost Allocation Plans - Quarterly - Other
Average Day of Clearance: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 5.00
Component: Administrative
Technique: Estimated Draw - Administrative Cap
Average Day of Clearance: N/A

96.001 Social Security -- Disability Insurance
Recipient: Department of Education
% of Funds Agency Receives: 58.00
Component: Administrative
Technique: Actual Draw - Monthly
Average Day of Clearance: N/A

Recipient: Department of Education
% of Funds Agency Receives: 42.00
Component: Direct Program
Technique: Average Clearance
Average Day of Clearance: 5 Days

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: Department of Safety
% of Funds Agency Receives: 3.00
Component: Administrative
Technique: Actual Draw - Bi-Monthly
Average Day of Clearance: N/A

Recipient: Department of Safety
% of Funds Agency Receives: 97.00
Component: Direct Program
Technique: Actual Draw - Bi-Monthly
Average Day of Clearance: N/A

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

none

7.0 CLEARANCE PATTERNS

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

Average Clearance

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

NH State Treasury

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

For the first year that a program is incorporated under this Agreement the State shall use Fiscal Service-provided clearance patterns if available or the clearance pattern of a program currently in compliance with the Act that most closely compares with the newly complying program.
For years subsequent to the first year, the State shall use its accounting system data and bank account clearance data to determine an accurate clearance pattern of each program. (For a summary of the results of clearance pattern calculations refer to Exhibit II).

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.

For all clearance patterns developed by statistical sampling, the State shall randomly sample checks to ensure, at a minimum, a 95% confidence interval for a .25 weighted-day level of precision for the checks in the sample. The State shall track at least 99% of the funds disbursed, from issuance to clearance, in the sample period.

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:

NA

The State shall also adjust each clearance pattern to reflect:

NA

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 Draw - Monthly
Actual Draw - Bi-Monthly
Actual Draw - Quarterly
Actual Draw - Twice Weekly
Actual Draw - Weekly
Average Clearance
Capitalization Grants for State Revolving Funds
Cost Allocation Plans - Monthly
Cost Allocation Plans - Quarterly - Other
Estimated Draw - Administrative Cap
Estimated Draw - Bi-Weekly
Estimated Draw - Bi-Weekly Other

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

8.2 Federal Interest Liabilities

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

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

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

8.3 The Unemployment Trust Fund

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

The State shall use the following methodology to calculate State interest liabilities on funds withdrawn from the several accounts in the UTF under the Unemployment Insurance program.

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

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

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

8.4 Refund Liabilities

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

single deposit.

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

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

With programs to which applicable interest neutral funding techniques are applied, the State interest liability shall be based on the difference in whole days between the date the refund is deposited in a State account and the date the refund is offset against a subsequent deposit of Federal funds.

8.5 Exemptions

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

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

8.6 State Interest Liabilities

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

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

8.6.2.1 Measuring Time Funds Are Held

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: New Hampshire First (NHFirst) Lawson statewide financial and accounting system. Treasury relies on agency reported draw down dates (the date on which an agency drew down federal funds)and compares those to the expenditure as well as subsequent cash receipt date. Federal programs are loaded in the NHFirst activity subsystem with clearance pattern and other characteristics such that when an expenditure occurs, the system calculates what day federal funds should be drawn down to be received in a State bank account on the same day that bank account is debited for the expenditure. Reporting is based on running queries against the financial system. Treasury also validates the date the funds are received by approving the cash receipt based on bank statements and/or on-line bank data.

8.6.2.3 Standards Applied

To measure the time Federal funds are held in a State account prior to being disbursed, the State shall use statistical sampling. The sample shall be randomly selected, and shall be of sufficient size to ensure, at a minimum, a 95%

confidence interval no wider than ± 0.3 dollar-weighted days about the estimated mean.

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

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

8.6.2.4 Calculation Procedure

I = ADB x R x N, where

I = State's total interest liability

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

R = Daily interest rate equal to the average equivalent yields of 13-week Treasury bills auctioned during a State's fiscal year obtained from http://FMS.treas.gov/cmia/interest.

N = Number of business days cash was advance funded (i.e. drawdown requested too early and not in compliance with established funding technique) or received late to the designated State account.

9.0 REVERSE FLOW PROGRAMS

The State is not required to cover any reverse flow programs under the terms of this Agreement because the program falls below the State's threshold.

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:

-Annual calculation of interest liabilities.

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

Rachel K. Miller
Chief Deputy State Treasurer

Signature: [redacted] Date Signed: 3/3/2017

Date Submitted 02/22/2017

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: 3/21/17

Exhibit I - Funds Request and Receipt Times Schedule
State of New Hampshire

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 New Hampshire

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	Direct Program	Actual Clearance, ZBA - ACH	0 Days
10.553	School Breakfast Program	Department of Education	100.00	Direct Ptogram	Average Clearance	1 Day
10.555	National School Lunch Program	Department of Education	100.00	Direct Program	Average Clearance	1 Day
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health and Human Services	90.00	Direct Program	Average Clearance	2 Days
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health and Human Services	10.00	Administrative Costs	Cost Allocation Plans - Monthly	N/A
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Department of Health and Human Services	100.00	Administrative Costs	Estimated Draw - Bi-Weekly	N/A
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Adjutant General	1.00	Administrative	Actual Draw - Quarterly	N/A
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Adjutant General	99.00	Direct Program	Actual Draw - Bi-Monthly	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Employment Security	5.00	Direct Program	Average Clearance	4 Days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Employment Security	95.00	Administrative Costs	Estimated Draw - Bi-Weekly Other	N/A
17.225S	Unemployment Insurance -- State Benefit Account	Department of Employment Security	100.00	Direct Program	Average Clearance	4 Days
20.205	Highway Planning and Construction	Department of Transportation	10.00	Administrative Costs	Actual Draw - Twice Weekly	N/A
20.205	Highway Planning and Construction	Department of Transportation	90.00	Direct Program	Actual Draw - Twice Weekly	N/A
64.015	Veterans State Nursing Home Care	NH State Veterans Home	95.00	Direct Program	Actual Draw - Monthly	N/A
64.015	Veterans State Nursing Home Care	NH State Veterans Home	5.00	Administrative	Actual Draw - Monthly	N/A
66.458	Capitalization Grants for Clean Water State Revolving Funds	Department of Environmental Services	96.00	Direct Program	Capitalization Grants for State Revolving Funds	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
66.458	Capitalization Grants for Clean Water State Revolving Funds	Department of Environmental Services	4.00	Administrative Costs	Cost Allocation Plans - Quarterly - Other	N/A
66.468	Capitalization Grants for Drinking Water Revolving Fund	Department of Environmental Services	69.00	Direct Program	Capitalization Grants for State Revolving Funds	N/A
66.468	Capitalization Grants for Drinking Water Revolving Fund	Department of Environmental Services	31.00	Administrative Costs	Cost Allocation Plans - Quarterly - Other	N/A
66.605	EPA Performance Partnership Grant	Department of Environmental Services	95.00	Administrative Costs	Cost Allocation Plans - Monthly	N/A
66.605	EPA Performance Partnership Grant	Department of Environmental Services	5.00	Direct Program	Cost Allocation Plans - Monthly	N/A
84.010	Title I Grants to Local Educational Agencies	Department of Education	98.00	Direct Program	Average Clearance	1 Day
84.010	Title I Grants to Local Educational Agencies	Department of Education	2.00	Administrative	Actual Draw - Monthly	N/A
84.027	Special Education -- Grants to States	Department of Education	95.00	Direct Program	Average Clearance	1 Day
84.027	Special Education -- Grants to States	Department of Education	5.00	Administrative	Actual Draw - Monthly	N/A
84.048	Vocational Education -- Basic Grants to States	Department of Education	95.00	Direct Program	Average Clearance	1 Day
84.048	Vocational Education -- Basic Grants to States	Department of Education	5.00	Administrative	Actual Draw - Monthly	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Department of Education	39.00	Direct Program	Average Clearance	4 Days
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Department of Education	61.00	Administrative	Actual Draw - Monthly	N/A
84.287	Twenty-First Century Community Learning Centers	Department of Education	97.00	Direct Program	Average Clearance	1 Day
84.287	Twenty-First Century Community Learning Centers	Department of Education	3.00	Administrative	Actual Draw - Monthly	N/A
84.367	Improving Teacher Quality State Grants	Department of Education	97.00	Direct Program	Average Clearance	1 Day
84.367	Improving Teacher Quality State Grants	Department of Education	3.00	Administrative	Actual Draw - Monthly	N/A
93.558	Temporary Assistance for Needy Families	Department of Health and Human Services	85.00	Direct Program	Average Clearance	1 Day
93.558	Temporary Assistance for Needy Families	Department of Health and Human Services	15.00	Administrative Costs	Estimated Draw - Administrative Cap	N/A
93.563	Child Support Enforcement	Department of Health and Human Services	100.00	Administrative	Estimated Draw - Bi-Weekly	N/A
93.568	Low-Income Home Energy Assistance	Governor's Office of Energy and Planning	98.00	Direct Program	Actual Draw - Weekly	N/A
93.568	Low-Income Home Energy Assistance	Governor's Office of Energy and Planning	2.00	Administrative Costs	Actual Draw - Monthly	N/A
93.575	Child Care and Development Block Grant	Department of Health and Human Services	100.00	Direct Program	Actual Draw - Quarterly	N/A
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Department of Health and Human Services	90.00	Direct Program	Average Clearance	3 Days
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Department of Health and Human Services	10.00	Administrative Costs	Estimated Draw - Bi-Weekly	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
93.658	Foster Care -- Title IV-E	Department of Health and Human Services	90.00	Direct Program	Average Clearance	3 Days
93.658	Foster Care -- Title IV-E	Department of Health and Human Services	10.00	Administrative Costs	Estimated Draw - Bi-Weekly	N/A
93.667	Social Services Block Grant	Department of Health and Human Services	100.00	Direct Program	Cost Allocation Plans - Quarterly - Other	N/A
93.778	Medical Assistance Program	Department of Health and Human Services	90.00	Direct Program	Average Clearance	1 Day
93.778	Medical Assistance Program	Department of Health and Human Services	10.00	Administrative Costs	Estimated Draw - Bi-Weekly	N/A
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Department of Health and Human Services	95.00	Direct Program	Cost Allocation Plans - Quarterly - Other	N/A
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Department of Health and Human Services	5.00	Administrative	Estimated Draw - Administrative Cap	N/A
96.001	Social Security -- Disability Insurance	Department of Education	42.00	Direct Program	Average Clearance	5 Days
96.001	Social Security -- Disability Insurance	Department of Education	58.00	Administrative	Actual Draw - Monthly	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Department of Safety	97.00	Direct Program	Actual Draw - Bi-Monthly	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Department of Safety	3.00	Administrative	Actual Draw - Bi-Monthly	N/A

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

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

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

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

4. Are auditable.

Date: 3/3/2017

Printed Name: RACHEL MILLER

Certifying Signature: [redacted]

Title: Chief Deputy State Treasurer