Cash Management Improvement Act Agreement
between
The State of Oklahoma
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 Oklahoma (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 Oklahoma shall be the the Director of the Office of Management and Enterprise 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 07/01/2015 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 Single Audit Report 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 $42,809,841.

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

10.551 Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
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
84.010 Title I Grants to Local Educational Agencies
84.027 Special Education -- Grants to States
93.558 Temporary Assistance for Needy Families
93.563 Child Support Enforcement
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
93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
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:

Department of Civil Emergency Management
Department of Education

Department of Health
Department of Human Services
Department of Transportation
Department of Veterans Affairs
Employment Security Commission
Health Care Authority

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:

SOLUTRAN 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Xerox 10.551 Supplemental Nutrition Assistance Program
Xerox 93.558 Temporary Assistance for Needy Families
Xerox 93.575 Child Care and Development Block Grant
Xerox 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

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 In instances where a change in policy of the federal grantor agency may result in the state's inability to follow the stated funding techniques, the state may adjust the funding techniques as necessary to maintain the interest neutral status provided by the stated funding techniques.

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.

Actual Clearance, ZBA - Same Day Payment

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

Average Clearance

The State shall request funds such that they are deposited by ACH on the dollar-weighted average day of clearance for the disbursement, in accordance with the clearance pattern specified in Exhibit II.The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.The amount of the request shall be for the exact amount of that disbursement. This funding technique is interest neutral.

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

There are no funding techniques listed in Section 6.2.2

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

There are no funding techniques listed in Section 6.2.3

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

Cost Allocation - Actual - Biweekly

Actual Allocation, Biweekly: The State shall request funds every two weeks, such that they are deposited during the first and third weeks of the month, to fund activity of the prior two weeks. 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 two week'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.

Cost Allocation - Daily - Variation #2

Daily Allocation, Variation 2: The State shall request funds daily to fund costs incurred. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The funds drawn will be disbursed using Actual Clearance, (ZBA) ZBA - ACH, Wire. This funding technique is interest neutral.

Cost Allocation - Weekly - Variation #1

Weekly Allocation, Variation 1: The State shall request funds weekly to fund costs incurred. 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 actual agency federal administrative costs incurred, based on expenditures of the prior week. The percentage of administrative costs for each week are attributable to each grant. Actual Clearance (0 Days). This funding technique is interest neutral.

Payment Schedule - Monthly - Variation #1

The State shall request funds such that they are deposited in a State account on the (A) to fund the costs incurred during that period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be (B) and adjusted to actual on a (C) basis.

A - 15th (or closest working day prior to the 15th)
B - an estimate based on the actual allocation of costs to the program for the preceding six months, or one-third the quarterly grant award
C - quarterly. This funding technique is interest neutral.

Payment Schedule - Monthly - Variation 2

The State shall request funds such that they are deposited in a State account on the (A) to fund the costs incurred during that period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be (B) and adjusted to actual on a (C) basis.

A - basis such that funds are deposited on the last working day of the month
B - an estimate of the monthly administrative (including payroll) costs
C - the next month. This funding technique is interest neutral.

Payment Schedule - Weekly - Variation #4

The State shall request funds such that they are deposited in a State account on the (A) to fund the costs incurred during that period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be (B) and adjusted to actual on a (C) basis.

A - a weekly basis such that they are deposited midweek
B - an estimate for the week
C - to reflect actual expenditures of the prior week. This funding technique is interest neutral.

Payment Schedule - Weekly - Variation #7

The State shall request funds such that they are deposited in a State account on the (A) to fund the costs incurred during that period. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be (B) and adjusted to actual on a (C) basis.

A - midweek
B - prior week's costs
C - not applicable This funding technique is interest neutral.

6.3 Application of Funding Techniques to Programs

6.3.1 The State shall apply the following funding techniques when requesting Federal funds for the component cash flows of the programs listed in sections 4.2 and 4.3 of this Agreement.

6.3.2 Programs

Below are programs listed in Section 4.2 and Section 4.3.

10.551 Supplemental Nutrition Assistance Program
Recipient: Department of Human Services
% of Funds Agency Receives: 100.00
Component: Program, EBT Component
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: Program
Technique: Average Clearance
Average Day of Clearance: 0 Days

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 94.00
Component: Program
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 6.00
Component: Program
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: 0 Days

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Recipient: Department of Health
% of Funds Agency Receives: 77.00
Component: Program
Technique: Actual Clearance, ZBA - ACH

Average Day of Clearance: 0 Days

Recipient: Department of Health
% of Funds Agency Receives: 12.00
Component: Payroll
Technique: Average Clearance
Average Day of Clearance: 1 Day

Recipient: Department of Health
% of Funds Agency Receives: 11.00
Component: Administrative, Nonpayroll
Technique: Payment Schedule - Weekly - Variation #4
Average Day of Clearance: 0 Days

10.558 Child and Adult Care Food Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: Program
Technique: Average Clearance
Average Day of Clearance: 0 Days

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Employment Security Commission
% of Funds Agency Receives: 90.00
Component: Federal Benefits
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

Recipient: Employment Security Commission
% of Funds Agency Receives: 10.00
Component: Administrative
Technique: Cost Allocation - Weekly - Variation #1
Average Day of Clearance: 0 Days

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Employment Security Commission
% of Funds Agency Receives: 100.00
Component: State Benefits
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: 0 Days

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 5.00
Component: Debt Service

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

Recipient: Department of Transportation
% of Funds Agency Receives: 3.00
Component: Payroll
Technique: Cost Allocation - Actual - Biweekly
Average Day of Clearance: N/A

Recipient: Department of Transportation
% of Funds Agency Receives: 92.00
Component: Contractor and Right of Way Payments
Technique: Payment Schedule - Weekly - Variation #7
Average Day of Clearance: 0 Days

64.015 Veterans State Nursing Home Care
Recipient: Department of Veterans Affairs
% of Funds Agency Receives: 94.00
Component: Program - Payroll
Technique: Average Clearance
Average Day of Clearance: 1 Day

Recipient: Department of Veterans Affairs
% of Funds Agency Receives: 6.00
Component: Program - Warrants
Technique: Average Clearance
Average Day of Clearance: 6 Days

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 1.00
Component: Payroll
Technique: Average Clearance
Average Day of Clearance: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 99.00
Component: Program
Technique: Average Clearance
Average Day of Clearance: 0 Days

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 2.00
Component: Payroll
Technique: Average Clearance

Average Day of Clearance: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 98.00
Component: Program
Technique: Average Clearance
Average Day of Clearance: 0 Days

93.558 Temporary Assistance for Needy Families
Recipient: Department of Human Services
% of Funds Agency Receives: 34.00
Component: Daycare Payments (EBT)
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 41.00
Component: Program
Technique: Cost Allocation - Daily - Variation #2
Average Day of Clearance: 0 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 25.00
Component: Administrative, payroll and nonpayroll
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: 0 Days

93.563 Child Support Enforcement
Recipient: Department of Human Services
% of Funds Agency Receives: 67.00
Component: Admin, payroll, nonpayroll
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: 0 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 33.00
Component: Subrecipient Admin
Technique: Payment Schedule - Monthly - Variation 2
Average Day of Clearance: 0 Days

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 100.00
Component: Daycare Payments (EBT)
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Recipient: Department of Human Services
% of Funds Agency Receives: 100.00
Component: Daycare Pymts (EBT)
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

93.658 Foster Care -- Title IV-E
Recipient: Department of Human Services
% of Funds Agency Receives: 52.00
Component: Admin, nonpayroll
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: 0 Days

Recipient: Department of Human Services
% of Funds Agency Receives: 48.00
Component: Program
Technique: Payment Schedule - Monthly - Variation #1
Average Day of Clearance: 0 Days

93.767 Children's Health Insurance Program
Recipient: Health Care Authority
% of Funds Agency Receives: 100.00
Component: Program - ACH payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

93.778 Medical Assistance Program
Recipient: Health Care Authority
% of Funds Agency Receives: 100.00
Component: Program - ACH payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: Department of Civil Emergency Management
% of Funds Agency Receives: 100.00
Component: Program
Technique: Average Clearance
Average Day of Clearance: 9 Days

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

Department of Human Services portion of 10.558 was less than 5% of State's threshold.

7.0 CLEARANCE PATTERNS

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

The State may develop a separate clearance pattern for an individual program, or develop a composite clearance pattern for a logical group of programs, or develop a clearance pattern on another basis acceptable to the Bureau of the Fiscal Service. The State shall ensure that a clearance pattern accurately represents the flow of Federal funds and that a clearance pattern reflects seasonal or other periodic variations in clearance activity.

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

The State will develop the State's clearance patterns. The records of the Office of Management and Enterprise Services will serve as the system of record for sampling data. Supplemental data from the Oklahoma State Treasurer and the recipient agency will be utilized.

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

Development of clearance patterns will be based on data from at least 3 consecutive months; based on 100 percent of the data, or on a sample size sufficient to ensure, at a minimum, a 96 percent confidence interval for a plus or minus .25% weighted-day level of precision; and truncated at no less than 99 percent of disbursement dollars.

7.4 The State shall use the following methodology when developing its clearance patterns:

When developing each clearance pattern, the State shall track at least 99% of the funds disbursed, from issuance to clearance, for a period of at least three months.

7.5 The State shall identify for each check or warrant (hereafter, check) in the population: (1) the date the check was released for payment; (2) the date the check was debited from the State's account, and, (3) the amount of the check.

7.6 The State shall use the following method to calculate the dollar-weighted average day of clearance:

To determine the number of days each check was outstanding (clearance time), the issue date shall be subtracted from the date the check cleared the State's account.

To determine the percentage of the disbursement paid out each day following issuance, the amount of the checks that clear the State's account each day shall be summed and then divided by the amount of the total disbursement.

For each day following issuance, the clearance time of the checks paid out that day shall be multiplied by the percentage of the total disbursement those checks represent. This product is the clearance factor.

The dollar-weighted average day of clearance for the disbursement shall be determined by summing the clearance factor of each day following the disbursement.

7.7 The State shall adjust each clearance pattern to reflect the dollar-weighted proportion of funds paid out by EFT/Direct payroll, with the following exceptions:

None

The State shall also adjust each clearance pattern to reflect:

Not Applicable

7.8 Each of the State's clearance patterns is calculated in calendar days.

7.9 An authorized State official shall certify that each clearance pattern developed by the State accurately corresponds to the clearance activity of the programs to which it is applied. This certification shall be provided to the Fiscal Service prior to the effective date of the Agreement. The State shall recertify its clearance patterns at least every five years.

7.10 The State shall follow the procedures of 31 CFR 205 if it has actual or constructive knowledge, at any time, that a clearance pattern does not correspond to a program's clearance activity.

8.0 INTEREST CALCULATION METHODOLOGY

8.1 General Terms

8.1.1 The State and the Secretary agree that no interest liabilities will be incurred for transfers of funds made in accordance with the procedures specified in section 6 of this Agreement where the following funding techniques are applied:

Actual Clearance, ZBA - ACH
Actual Clearance, ZBA - Same Day Payment
Average Clearance
Cost Allocation - Actual - Biweekly
Cost Allocation - Daily - Variation #2
Cost Allocation - Weekly - Variation #1
Payment Schedule - Monthly - Variation #1
Payment Schedule - Monthly - Variation 2
Payment Schedule - Weekly - Variation #4
Payment Schedule - Weekly - Variation #7

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:

The State shall track the actual cash activity for each Federal program by its own account. A negative cash balance at the close of business indicates the State paid out its own funds for program purposes in the absence of supporting Federal funds. The Federal interest liability shall be calculated by applying the daily interest to a program's negative cash balance.

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:

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. If bank charges exceed interest earned, the state will incur no liability.

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:

Refunds Deposited to Non-Interest Neutral Programs - Liability Captured Manually by Each Agency:
For programs to which applicable non-interest neutral funding techniques are applied, each State agency shall maintain records identifying:

(1) the date of the refund
(2) the date the refund is offset against subsequent deposit of Federal funds
(3) the check issue date for the disbursement related to the subsequent deposit of Federal funds
(4) the amount of the refund

Interest shall be calculated based on the difference in whole days between the date the refund is deposited in a State account and the date the refund is paid out for program purposes. The State shall measure this period by dividing it into three periods: the pre-offset period, the pre-disbursement period, and the clearance period.

The pre-offset period is from deposit of the refund to the subsequent deposit of Federal funds against which the refund is offset. The pre-disbursement period is from the deposit of Federal funds against which the refund is offset to the issuance of checks, as measured by period one calculations. The clearance period is from the issuance of checks to the clearance of checks.

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

The time period from deposit to clearance shall be determined from information captured by each state agency.

8.6.2.3 Standards Applied

For interest calculation the average daily balance of Federal funds in the program's account reflects balances created from the date of deposit to the date funds are paid out when procedures listed in section 6 are not applied and/or when the preissuance funding technique is applied. The State interest liability shall begin on the day Federal funds are deposited as stated in section 6.3 and the State does not pay out as stated in section 6.3.

8.6.2.4 Calculation Procedure

I = ADB x R, where

I = State's total interest liability

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

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

8.7 The State will not incur an interest liability to the Federal Government on WIC rebate funds provided that all interest earned by the State on these funds is used for program purposes.

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:

Average Daily Balance Software (including computer programming, data entry of interest events, and machine usage), Review of interest calculation, and Preparation of Annual Report.

10.3 The State shall submit all claims for reimbursement of interest calculation costs with its Annual Report in accordance with 31 CFR 205.

11.0 NON-COMPLIANCE

11.1 The provisions of 31 CFR Part 205.29 and 31 CFR Part 205.30 shall apply in cases of non-compliance with the terms of this Agreement.

12.0 AUTHORIZED SIGNATURES

Preston Doerflinger
Director, Office of Management and Enterprise Services

(b) (6)

Signature: [redacted] Date Signed: 6/29/15

Date Submitted 06/24/2015

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

Signature: Corvelli A. McDaniel Date Signed: 7/8/15

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

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 Oklahoma

LIST OF STATE CLEARANCE TIMES

(Rounded Dollar-Weighted Average Day of Clearance)

Clearance Times Where the Timing of A Draw Down Is Based on A Clearance Pattern

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
10.551	Supplemental Nutrition Assistance Program	Department of Human Services	100.00	Program, EBT Component	Actual Clearance, ZBA - ACH	0 Days
10.553	School Breakfast Program	Department of Education	100.00	Program	Average Clearance	0 Days
10.555	National School Lunch Program	Department of Education	94.00	Program	Average Clearance	0 Days
10.555	National School Lunch Program	Department of Human Services	6.00	Program	Payment Schedule - Monthly - Variation #1	0 Days
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	77.00	Program	Actual Clearance, ZBA - ACH	0 Days
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	12.00	Payroll	Average Clearance	1 Day
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	11.00	Administrative, Nonpayroll	Payment Schedule - Weekly - Variation #4	0 Days
10.558	Child and Adult Care Food Program	Department of Education	100.00	Program	Average Clearance	0 Days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Employment Security Commission	90.00	Federal Benefits	Actual Clearance, ZBA - Same Day Payment	0 Days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Employment Security Commission	10.00	Administrative	Cost Allocation - Weekly - Variation #1	0 Days
17.225S	Unemployment Insurance -- State Benefit Account	Employment Security Commission	100.00	State Benefits	Actual Clearance, ZBA - Same Day Payment	0 Days
20.205	Highway Planning and Construction	Department of Transportation	5.00	Debt Service	Actual Clearance, ZBA - ACH	N/A
20.205	Highway Planning and Construction	Department of Transportation	3.00	Payroll	Cost Allocation - Actual - Biweekly	N/A
20.205	Highway Planning and Construction	Department of Transportation	92.00	Contractor and Right of Way Payments	Payment Schedule - Weekly - Variation #7	0 Days
64.015	Veterans State Nursing Home Care	Department of Veterans Affairs	6.00	Program - Warrants	Average Clearance	6 Days
64.015	Veterans State Nursing Home Care	Department of Veterans Affairs	94.00	Program - Payroll	Average Clearance	1 Day
84.010	Title I Grants to Local Educational Agencies	Department of Education	99.00	Program	Average Clearance	0 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	1.00	Payroll	Average Clearance	0 Days
84.027	Special Education -- Grants to States	Department of Education	98.00	Program	Average Clearance	0 Days

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
84.027	Special Education -- Grants to States	Department of Education	2.00	Payroll	Average Clearance	0 Days
93.558	Temporary Assistance for Needy Families	Department of Human Services	41.00	Program	Cost Allocation - Daily - Variation #2	0 Days
93.558	Temporary Assistance for Needy Families	Department of Human Services	34.00	Daycare Payments (EBT)	Actual Clearance, ZBA - ACH	0 Days
93.558	Temporary Assistance for Needy Families	Department of Human Services	25.00	Administrative, payroll and nonpayroll	Payment Schedule - Monthly - Variation #1	0 Days
93.563	Child Support Enforcement	Department of Human Services	67.00	Admin, payroll, nonpayroll	Payment Schedule - Monthly - Variation #1	0 Days
93.563	Child Support Enforcement	Department of Human Services	33.00	Subrecipient Admin	Payment Schedule - Monthly - Variation 2	0 Days
93.575	Child Care and Development Block Grant	Department of Human Services	100.00	Daycare Payments (EBT)	Actual Clearance, ZBA - ACH	0 Days
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Department of Human Services	100.00	Daycare Pymts (EBT)	Actual Clearance, ZBA - ACH	0 Days
93.658	Foster Care -- Title IV-E	Department of Human Services	48.00	Program	Payment Schedule - Monthly - Variation #1	0 Days
93.658	Foster Care -- Title IV-E	Department of Human Services	52.00	Admin, nonpayroll	Payment Schedule - Monthly - Variation #1	0 Days
93.767	Children's Health Insurance Program	Health Care Authority	100.00	Program - ACH payments	Actual Clearance, ZBA - ACH	0 Days
93.778	Medical Assistance Program	Health Care Authority	100.00	Program - ACH payments	Actual Clearance, ZBA - ACH	0 Days
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Department of Civil Emergency Management	100.00	Program	Average Clearance	9 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: 6/29/15

Printed Name: PRESTON DOERFLINGER

(b) (6) [redacted]

Certifying Signature: _____

Title: DIRECTOR, OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES