

**Cash Management Improvement Act Agreement
between
The State of Arkansas
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 the State of Arkansas (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 Arkansas shall be the Administrator of the Office of Accounting, Department of Finance and Administration in all matters concerning this Agreement.

1.2 The Assistant Commissioner, Federal Finance, Financial Management Service (FMS), 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 herein. 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 7/1/2006 and shall remain in effect until 06/30/07.

3.2 This Agreement may be amended at any time by written, mutual consent of the State and FMS. 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 FMS 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 FMS.

3.3 Notwithstanding section 3.2, in the event of Federal or State non-compliance with Subpart B of 31 CFR, Part 205, FMS 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, FMS 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 Federal Portion of Statewide Single Audit Report prepared by the State of Arkansas Division of Legislative Audit for fiscal year ending 6/30/2005.

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 \$30,523,672.

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

- 10.551 Food Stamps
- 10.555 National School Lunch Program for Children
- 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
- 12.401 National Guard Military Operations and Maintenance (O&M) Projects
- 17.225 F Unemployment Insurance -- Federal Benefit Account and Other Federal Funds
- 17.225 S Unemployment Insurance -- State Benefit Account
- 20.205 Highway Planning and Construction
- 84.010 Title I Grants to Local Educational Agencies
- 84.027 Special Education -- Grants to States
- 84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
- 93.558 Temporary Assistance for Needy Families
- 93.575 Child Care and Development Block Grant
- 93.658 Foster Care -- Title IV-E
- 93.767 State Children's Insurance Program
- 93.778 Medical Assistance Program

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

There are 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:

84.032 Federal Family Education Loans --- Exclusion: Non-State
84.038 Federal Perkins Loan Program -- Federal Capital Contributions --- Exclusion: Non-State
84.063 Federal Pell Grant Program --- Exclusion: Non-State

5.0 ENTITIES COVERED

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

Arkansas Rehabilitation Services
Department of Education
Department of Health and Human Services
Department of Workforce Services
State Highway and Transportation Department
State Military Department

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 Section 4.0 of this Agreement:

Affiliated Computer Services(ACS) 10.551 Food Stamps
Electronic Data Services 93.778 Medical Assistance Program
Financial Management Services Corporation 10.557 WIC 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 of this Agreement.

Actual Clearance, ZBA - Same Day Payment

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

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.

Estimated Clearance

The State shall request funds such that they are deposited by ACH in a State account 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. 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 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 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 of this Agreement.

Advance Funding based on actual - Payroll (CFDA 12.401)

For payroll and payroll related payments, the actual amount of the payroll will be drawn on Wednesday preceding the State's Friday payday. The State will submit its request for advance payment to the USPFO who will prepare a SF270 with the understanding that money will be received by the State Treasurer within three to five working days. The USPFO will request funds on behalf of the State in accordance with cut-off times in Exhibit I. The State shall prepare a SF1034 at the end of each month, and along with appropriate actual expenditure documentation for the period, submit to the USPFO. The subsequent draw will be increased/decreased to reflect any corrections/omissions that may occur. This funding technique is not interest neutral.

Actual Costs - Department of Health & Human services

The State shall request funds for all Direct Client Services on a daily basis. The amount of the request shall be based on the amount of liabilities recorded for direct costs since the last request for funds. The request for funds shall be made in accordance with the appropriate Federal cut-off time specified in Exhibit I. This funding technique is interest neutral.

Actual Costs - Direct Administrative

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

Pro Rated Draw on Payday (CFDA 93.575)

Fund draws for administrative expenses are processed on a bi-weekly schedule to coincide with the scheduled time period in which funds are required in the State Treasury to process regular employee payroll vouchers. The Department of Health and Human Services (DHHS) determines the amount drawn from each Letter of Credit by averaging these costs for the prior fiscal year to get an average cost bi-weekly. The average amount to draw bi-weekly is drawn daily during the period based on the daily clearance pattern for payroll. DHHS draws down the amount calculated by this method to fund administrative expenses during the previous two-week period. This method is used each quarter and draws are adjusted the next quarter to reflect any increase/decrease that may occur in administrative expenses during the course of operations. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

Advance Funding Based on An Estimate - O & M (CFDA 12.401)

The State Military Department (State) and the National Guard Bureau (NGB), funded by Department of Defense (DOD) appropriations, have entered into a Master Cooperative Agreement (MCA) to establish the terms and conditions applicable to the contribution of NGB funds and/or in-kind assistance for the operation and training of the State Army and Air National Guard. This Master Cooperative Agreement is not a grant in the context of what is normally considered a Federal Grant for CMIA purposes. The Department of Defense requirement for the preparation of a Standard Form (SF) 1034, a certified statement itemizing the amount of funds expended during the preceding month and the corresponding accounting classification to be charged, makes this agreement unique as far as CMIA is concerned. Due to this uniqueness, it is not possible to use normal CMIA payment and funding techniques to insure that it is completely interest neutral. In recognition of this, the MCA allows NGB to provide advance payment to the State. The MCA requires that the State submit its request for advance payment to the United States Property & Fiscal Officer (USPFO) approximately 30 days prior to the beginning of the period for which any advance payment cash requirement exists. The advance payment request will be based on a Budget and/or Financial Plan required to be submitted under this MCA each fiscal year and approved by USPFO, as a representative of NGB. The funds request made by USPFO, on behalf of the State, will be made in accordance with cut-off times in Exhibit I. Approximately 15 days after the end of each month the State shall prepare a SF1034 and along with appropriate actual expenditure documentation for the period for which advance payments have been received, submit to the USPFO for approval. The documents shall be reconciled with the advance payments previously made and shall be applied to the liquidation of those advance payments outstanding. Any differences that occur the first 11 months of the Federal fiscal year shall be accounted for in the next months advance payment. At the end of the fiscal year, any payments due to the State in excess of the outstanding and unliquidated advance payments shall be paid to the State. If upon completion of this agreement, there remains any outstanding and unliquidated advance payment(s), the State shall immediately pay the Federal Government, upon demand, the amount unliquidated. To mitigate negative balances on the books of the State Treasury, State money, when available, will be loaned to the State funds supporting the MCA. This funding technique is not interest neutral.

Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)

Fund draws for administrative expenses (excluding contract and payroll expenditures) are processed on a bi-weekly schedule to coincide with the scheduled time period in which funds are required in the State Treasury to process regular employee payroll vouchers. The Department of Health and Human Services (DHHS) determines the amount drawn from each Letter of Credit by taking the total administrative grant award to be spent in the current quarter (less the amounts of the grant estimated to allot for contract and payroll expenditures) divided by the number of payrolls that will process in the current quarter. This equals the estimated total amount to draw bi-weekly to fund administrative expenses during the previous two-week period. This method is used each quarter and draws are adjusted the next quarter to reflect any increase/decrease that may occur in administrative expenses during the course of operations. This funding technique is interest neutral.

Pro Rated Draw on Payday (93.558)

Fund draws for administrative expenses (excluding contract and payroll expenditures) are processed on a bi-weekly schedule to coincide with the scheduled time period in which funds are required in the State Treasury to process regular employee payroll vouchers. The Department of Workforce Services determines the amount drawn from each Letter of Credit by taking the total administrative grant award to be spent in the current quarter (less the amounts of the grant estimated to allot for contract and payroll expenditures) divided by the number of payrolls that will process in the current quarter. This equals the estimated total amount to draw bi-weekly to fund administrative expenses during the previous two-week period. This method is used each quarter and draws are adjusted the next quarter to reflect any increase/decrease that may occur in administrative expenses during the course of operations. This funding technique is interest neutral.

Negotiated Rate (indirect costs) and Actual Costs

The State shall request funds for all indirect administrative costs such that they are deposited on a payday biweekly. The amount is computed by multiplying total salary and fringe based on actual withholdings and deposited on payday biweekly. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

EBT Debit Cards (CFDA 93.558)

The monthly recurring payments for the TANF program are authorized on the 1st of each month. Draw requests will be made such that Federal reimbursements are received by the State based on the daily and monthly reports produced by the Arkansas Client Eligibility System (ACES). The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

Average Clearance - Highway (CFDA 20.205)

The Arkansas State Highway and Transportation Department has a Direct Deposit system for payment of Construction Contractor payments. This system is available to contractors on a voluntary basis (approximately 90% are currently utilizing the system). Clearance patterns will be revised as needed when the Direct Deposit of contractor payments affect the average clearance. Request of federal funds by electronic wire transfer are made weekly, based on weekly expenditures, and correspond with the established clearance patterns. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

Monthly Billing - Highway (CFDA 20.205)

The State will request funds from the U.S. Department of Transportation for monthly payroll and administrative costs on the second billing subsequent to the close of the month in which State issued payment. The billing will be submitted on the normal weekly billing with the Vendor/Contractor costs. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.

Pro Rated Draw on Payday (CFDA 93.658)

Fund draws for administrative expenses (excluding Statewide Automated Child Welfare Information System codes RF & RG, contract costs associated with Appropriation 896/PWP2500 and training contracts AT & AX) are processed on a bi-weekly schedule to coincide with the scheduled time period in which funds are required in the State Treasury to process regular employee payroll vouchers. The Department of Health and Human Services (DHHS) determines the amount drawn from each Letter of Credit by averaging these costs for the prior fiscal year to get an average cost bi-weekly. The average amount to draw bi-weekly is drawn daily during the period based on the daily clearance pattern for payroll. DHHS draws down the amount calculated by this method to fund administrative expenses during the previous two-week period. This method is used each quarter and draws are adjusted the next quarter to reflect any increase/decrease that may occur in administrative expenses during the course of operations. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. 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 Food Stamps

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 100
Component: Direct Program Expenditures
Technique: Actual Clearance, ZBA - Same Day Payment
Clearance Pattern: 0 Days

10.555 National School Lunch Program

Recipient: Department of Education
% of Funds Agency Receives: 82
Component: Direct Program Expenditures
Technique: Actual Clearance, ZBA - ACH
Clearance Pattern: 0 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 18
Component: Direct Program Expenditures
Technique: Actual Clearance, ZBA - ACH
Clearance Pattern: 0 Days

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 4
Component: Administrative Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Clearance Pattern: 0 Days

Recipient: Department of Health and Human Services

% of Funds Agency Receives: 81
Component: Direct Program Expenditures
Technique: Actual Clearance, ZBA - Same Day Payment
Clearance Pattern: 0 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 1
Component: Contract Expenditures
Technique: Actual Clearance, ZBA - Same Day Payment
Clearance Pattern: 0 Days

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 14
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

12.401 National Guard Military Operations and Maintenance (O&M) Projects
Recipient: State Military Department
% of Funds Agency Receives: 55
Component: Operations and Maintenance
Technique: Advance Funding Based on An Estimate - O & M (CFDA 12.401)
Clearance Pattern: N/A

Recipient: State Military Department
% of Funds Agency Receives: 45
Component: Payroll
Technique: Advance Funding based on actual - Payroll (CFDA 12.401)
Clearance Pattern: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Department of Workforce Services
% of Funds Agency Receives: 90
Component: Direct Program Expenditures
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Workforce Services
% of Funds Agency Receives: 7
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Workforce Services
% of Funds Agency Receives: 3
Component: Administration Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Clearance Pattern: 0 Days

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Department of Workforce Services
% of Funds Agency Receives: 100
Component: Direct Program Expenditures
Technique: Estimated Clearance
Clearance Pattern: N/A

20.205 Highway Planning and Construction
Recipient: State Highway and Transportation Department
% of Funds Agency Receives: 65
Component: Vendor/Control Payments
Technique: Average Clearance - Highway (CFDA 20.205)
Clearance Pattern: 2 Days

Recipient: State Highway and Transportation Department
% of Funds Agency Receives: 15

Component: Administrative Costs
Technique: Monthly Billing - Highway (CFDA 20.205)
Clearance Pattern: 0 Days

Recipient: State Highway and Transportation Department
% of Funds Agency Receives: 20
Component: Payroll
Technique: Monthly Billing - Highway (CFDA 20.205)
Clearance Pattern: 0 Days

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 1
Component: Administrative Costs
Technique: Actual Costs - Direct Administrative
Clearance Pattern: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 91
Component: Direct Program Expenditures
Technique: Actual Clearance, ZBA - ACH
Clearance Pattern: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 8
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 1
Component: Administrative Costs
Technique: Actual Costs - Direct Administrative
Clearance Pattern: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 98
Component: Direct Program Expenditures
Technique: Actual Clearance, ZBA - ACH
Clearance Pattern: 0 Days

Recipient: Department of Education
% of Funds Agency Receives: 1
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: Arkansas Rehabilitation Services
% of Funds Agency Receives: 26
Component: Client Purchased Services
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 3
Component: Direct Program Expenditures
Technique: Actual Costs - Department of Health & Human services
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 5
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 3
Component: Administrative Costs (Allocated Costs)
Technique: Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)
Clearance Pattern: N/A

Recipient: Arkansas Rehabilitation Services
% of Funds Agency Receives: 3
Component: Direct Program Expenditures(Grants)
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Arkansas Rehabilitation Services
% of Funds Agency Receives: 42
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Arkansas Rehabilitation Services
% of Funds Agency Receives: 18
Component: Direct administrative and operational costs
Technique: Estimated Clearance
Clearance Pattern: N/A

93.558 Temporary Assistance for Needy Families
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 3
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Workforce Services
% of Funds Agency Receives: 37
Component: Administrative Costs
Technique: Pro Rated Draw on Payday (93.558)
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 18
Component: Administrative Costs (Allocated Costs)
Technique: Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 24
Component: Direct Program Expenditures
Technique: EBT Debit Cards (CFDA 93.558)
Clearance Pattern: 0 Days

Recipient: Department of Workforce Services
% of Funds Agency Receives: 1
Component: Direct Program Expenditures
Technique: EBT Debit Cards (CFDA 93.558)
Clearance Pattern: 0 Days

Recipient: Department of Workforce Services
% of Funds Agency Receives: 10
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 7
Component: Administrative Costs
Technique: Actual Costs - Direct Administrative
Clearance Pattern: N/A

93.575 Child Care and Development Block Grant
Recipient: Department of Health and Human Services

% of Funds Agency Receives: 77
Component: Direct Program Expenditures
Technique: Actual Costs - Department of Health & Human services
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 11
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 12
Component: Administrative Costs
Technique: Pro Rated Draw on Payday (CFDA 93.575)
Clearance Pattern: N/A

93.658 Foster Care -- Title IV-E
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 8
Component: Administrative Costs
Technique: Pro Rated Draw on Payday (CFDA 93.658)
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 28
Component: Direct Administrative Costs
Technique: Actual Costs - Direct Administrative
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 31
Component: Direct Program Expenditures
Technique: Actual Costs - Department of Health & Human services
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 33
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

93.767 State Children's Insurance Program
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 90
Component: Direct Program Expenditures
Technique: Actual Costs - Department of Health & Human services
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 10
Component: Administrative Costs
Technique: Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)
Clearance Pattern: N/A

93.778 Medical Assistance Program
Recipient: Department of Health and Human Services
% of Funds Agency Receives: 3
Component: Administrative Costs
Technique: Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 94
Component: Direct Program Expenditures(EDS Provider Payments)
Technique: Estimated Clearance
Clearance Pattern: N/A

Recipient: Department of Health and Human Services
% of Funds Agency Receives: 3
Component: Payroll
Technique: Estimated Clearance
Clearance Pattern: N/A

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

No exempt agencies.

7.0 CLEARANCE PATTERNS

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

all programs listed in Sections 4.2, 4.3 and 4.4 (except any interest exempted program) of this Agreement.

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

State Highway and Transportation Department
Department of Education
Arkansas Rehabilitation Services
Department of Health and Human Services
Department of Workforce Services

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

the Treasurer of the State of Arkansas' Treasury Management System.

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

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

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

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

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

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

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

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

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

N.A.

The State shall also adjust each clearance pattern to reflect:

N.A.

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

7.9 An authorized State official shall certify that each clearance pattern developed by the State accurately corresponds to the clearance activity of the programs to which it is applied. This certification shall be provided to FMS 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

8.1.1 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 - Same Day Payment
Actual Clearance, ZBA - ACH
Estimated Clearance
Negotiated Rate (indirect costs) and Actual Costs
EBT Debit Cards (CFDA 93.558)
Average Clearance - Highway (CFDA 20.205)
Monthly Billing - Highway (CFDA 20.205)
Pro Rated Draw on Payday (CFDA 93.658)
Actual Costs - Department of Health & Human services
Actual Costs - Direct Administrative
Pro Rated Draw on Payday (CFDA 93.575)
Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)
Pro Rated Draw on Payday (93.558)

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:

Average Daily Balance:

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 rate to a program's average 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:

Federal and State Funds are Interest Neutral:

There are no interest earnings on funds withdrawn from the State account, as the State has implemented estimated clearance, an interest-neutral funding technique, for such transfers. For transfers of funds from the State and Federal accounts in the UTF that do not follow the technique specified in section 6.2 and result in a positive balance of funds in a State account, the States liability for interest on funds withdrawn from its account in the UTF shall consist of the actual interest earnings of the benefit payment account on the pro-rata share less the related banking costs attributed to such funds.

For Federal funds withdrawn from the UTF and result in a positive balance in a State account, the State shall multiply the amount of Federal funds withdrawn by the daily rate equal to the average equivalent yields of 13-week Treasury bill auctioned during the State's fiscal year. The result is multiplied times the number of days ahead of the average day of clearance the Federal funds were deposited in a State account. This amount shall constitute the State's interest liability to be remitted back to the Federal government.

8.3.2 CFDA 17.225F -- DIRECT PROGRAM EXPENDITURES - The State will request through U.S. Department of the Treasury Unemployment Trust Fund(UTF) Accounting System by 12:00 noon Eastern time, for same day transfer of funds, as specified in Exhibit I.

8.4 Refund Liabilities

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

8.4.2 For each refund, the State shall maintain information identifying:

- (1) date a refund is credited to a State account
- (2) date of the subsequent deposit of Federal funds against which the refund is offset

(3) amount of the refund

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

Refunds Deposited to Interest Neutral Programs:

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

8.5 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

Average Daily Balance:

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

8.6.3 Measuring Time Funds Are Held

Deposit to Clearance:

To determine the total time Federal funds are held, the State shall measure the time between the date Federal funds are received and credit to a State's account and the date those funds are debited from the State's account.

8.6.4 Source of Data

Bank or Agency:

The time period from Deposit to Clearance shall be determined from information captured by each State Entity or Commercial Bank and shall be determined from information captured in the State Entity's accounting system in conjunction with data provided by the Treasurer of the State of Arkansas' Treasury Management System and Commercial Banks. Each State Entity is responsible for its own programs.

8.6.5 Standards Applied

Census (Average Daily Balance):

The average daily cash balance of Federal Funds in the program's account reflects the actual activity of each draw from the date of deposit to the date of issuance or clearance, whichever is pertinent.

8.6.6 Calculation Procedure

Average Daily Balance:

$I = ADB \times R$, where

I = Total State Interest Liability

ADB = Average Daily Balance of pertinent Federal Funds 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

9.0 Reverse Flow Programs

State Exempt - Non-Participation

The State is not required to cover any reverse flow programs under the terms of this Agreement because the State does not participate in the program.

10.0 INTEREST CALCULATION COSTS

10.1 As set forth in 31 CFR 205.27, interest calculation costs are defined as those costs necessary for the actual calculation of interest, including the cost of developing and maintaining clearance patterns in support of the interest calculations. Interest calculation costs do not include expenses for normal disbursing services, such as processing of checks or maintaining records for accounting and reconciliation of cash balances, or expenses for upgrading or modernizing accounting systems. Interest calculation costs in excess of \$50,000 in any year are not eligible for reimbursement, unless the State provides justification with the annual report.

10.2 The State expects to incur the following types of interest calculation costs:

Data Processing charges necessary for the development and maintenance of clearance patterns and those costs necessary to perform actual 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

Paul Louthian CPA, Administrator
Office of Accounting
Department of Finance and Administration

Signature: _____ Date Signed: _____

Date Submitted 6/28/2006

Gary E. Grippo
Assistant Commissioner
Federal Finance
Financial Management Service
U.S. Department of the Treasury

Signature: _____ Date Signed: _____

**Exhibit I - Funds Request and Receipt Times Schedule
The State of Arkansas**

Federal Agency	Payment Type	Request Cut-Off Time	Receipt Window
Agriculture - FS	ACH	3:00 pm, EST	Next Day
Agriculture - FNS	ACH	11:59 pm, EST	Next Day
	Fedwire	5:45 pm, EST	Same Day
Commerce - NOAA	ACH	2:00 pm, EST	Next Day
Education	ACH	3:00 pm, EST	Next Day
	Fedwire	2:00 pm, EST	Same Day
Energy	ACH	4:00 pm, EST	Next Day
	Fedwire	3:00 pm, EST	Same Day
EPA	ACH	2:00 pm, EST	Two Days
	Fedwire	2:00 pm, EST	Same Day
HHS	ACH	6:30 pm, EST	Next Day
	Fedwire	3:00 pm, EST	Same Day
HUD	ACH	6:00 pm, EST	Two Days
	Fedwire	3:00 pm, EST	Same Day
Interior - FWS	ACH	6:30 pm, EST	Next Day
Interior - OSM	ACH	3:00 pm, EST	Next Day
	Fedwire	1:00 pm, EST	Same Day
Justice - OJP	ASAP	2:00 pm, EST	Same Day
	ACH	2:00 pm, EST	Two Days
Labor - UTF	ACH/Fedwire	3:00 pm, EST/3:00 pm, EST	Next Day/Same Day
Labor - Non-UTF	ACH	3:00 pm, EST	Next Day
National Science Foundation (NSF)	ACH	8:00 pm, EST	Next Day
	Fedwire	3:00 pm, EST	Same Day
Social Security Administration	ACH	11:59 pm, EST	Next Day
	Fedwire	5:45 pm, EST	Same Day
Transportation (FTA)	ACH	12:00 Noon, EST	Next Day
Transportation (FAA)	ACH	2:00 pm, EST	Next Day
Transportation (FHWA)	ACH/Fedwire	12:00 Noon, EST/12:00 Noon, EST	Three Days/Same Day
Veterans Affairs	ACH	12:00 Noon, EST	Three Days
Army National Guard	ACH	12:00 Noon, EST	15 Days
Air National Guard	ACH	12:00 Noon, EST	15 Days
Homeland Security - ODP	ASAP/ACH	2:00 pm, EST/2:00 pm, EST	Same Day/Two Days
Homeland Security - FEMA	ACH/Fedwire	6:30 pm, EST/3:00 pm, EST	Next Day/Same Day

Exhibit II - The State of Arkansas
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	Food Stamps			Department of Health and Human Services	100	Direct Program Expenditures	Actual Clearance, ZBA - Same Day Payment	0 Days
10.555	National Program	School Lunch		Department of Education	82	Direct Program Expenditures	Actual Clearance, ZBA - ACH	0 Days
10.555	National Program	School Lunch		Department of Health and Human Services	18	Direct Program Expenditures	Actual Clearance, ZBA - ACH	0 Days
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and		Department of Health and Human Services	4	Administrative Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and		Department of Health and Human Services	81	Direct Program Expenditures	Actual Clearance, ZBA - Same Day Payment	0 Days
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and		Department of Health and Human Services	1	Contract Expenditures	Actual Clearance, ZBA - Same Day Payment	0 Days
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and		Department of Health and Human Services	14	Payroll	Estimated Clearance	N/A
12.401	National Operations and Maintenance Projects	Guard Military and (O&M)		State Military Department	55	Operations and Maintenance	Advance Funding Based on An Estimate - O & M (CFDA 12.401)	N/A
12.401	National Operations and Maintenance Projects	Guard Military and (O&M)		State Military Department	45	Payroll	Advance Funding based on actual - Payroll (CFDA 12.401)	N/A
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs			Department of Workforce Services	90	Direct Program Expenditures	Estimated Clearance	N/A
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs			Department of Workforce Services	7	Payroll	Estimated Clearance	N/A
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs			Department of Workforce Services	3	Administration Costs	Actual Clearance, ZBA - Same Day Payment	0 Days
17.225	Unemployment Insurance -- State Benefit Account			Department of Workforce Services	100	Direct Program Expenditures	Estimated Clearance	N/A
20.205	Highway Planning and Construction			State Highway and Transportation Department	65	Vendor/Control Payments	Average Clearance - Highway (CFDA 20.205)	2 Days

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
20.205	Highway Planning and Construction	State Highway and Transportation Department	15	Administrative Costs	Monthly Billing - Highway (CFDA 20.205)	0 Days
20.205	Highway Planning and Construction	State Highway and Transportation Department	20	Payroll	Monthly Billing - Highway (CFDA 20.205)	0 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	1	Administrative Costs	Actual Costs - Direct Administrative	0 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	91	Direct Program Expenditures	Actual Clearance, ZBA - ACH	0 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	8	Payroll	Estimated Clearance	N/A
84.027	Special Education -- Grants to States	Department of Education	1	Administrative Costs	Actual Costs - Direct Administrative	0 Days
84.027	Special Education -- Grants to States	Department of Education	98	Direct Program Expenditures	Actual Clearance, ZBA - ACH	0 Days
84.027	Special Education -- Grants to States	Department of Education	1	Payroll	Estimated Clearance	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Arkansas Rehabilitation Services	26	Client Purchased Services	Estimated Clearance	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Department of Health and Human Services	3	Direct Program Expenditures	Actual Costs - Department of Health & Human services	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Department of Health and Human Services	5	Payroll	Estimated Clearance	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Department of Health and Human Services	3	Administrative Costs (Allocated Costs)	Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Arkansas Rehabilitation Services	3	Direct Program Expenditures (Grants)	Estimated Clearance	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Arkansas Rehabilitation Services	42	Payroll	Estimated Clearance	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Arkansas Rehabilitation Services	18	Direct administrative and operational costs	Estimated Clearance	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
93.558	Temporary Assistance for Needy Families	Department of Health and Human Services	3	Payroll	Estimated Clearance	N/A
93.558	Temporary Assistance for Needy Families	Department of Workforce Services	37	Administrative Costs	Pro Rated Draw on Payday (93.558)	N/A
93.558	Temporary Assistance for Needy Families	Department of Health and Human Services	18	Administrative Costs (Allocated Costs)	Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)	N/A
93.558	Temporary Assistance for Needy Families	Department of Health and Human Services	24	Direct Program Expenditures	EBT Debit Cards (CFDA 93.558)	0 Days
93.558	Temporary Assistance for Needy Families	Department of Workforce Services	1	Direct Program Expenditures	EBT Debit Cards (CFDA 93.558)	0 Days
93.558	Temporary Assistance for Needy Families	Department of Workforce Services	10	Payroll	Estimated Clearance	N/A
93.558	Temporary Assistance for Needy Families	Department of Health and Human Services	7	Administrative Costs	Actual Costs - Direct Administrative	N/A
93.575	Child Care and Development Block Grant	Department of Health and Human Services	77	Direct Program Expenditures	Actual Costs - Department of Health & Human services	N/A
93.575	Child Care and Development Block Grant	Department of Health and Human Services	11	Payroll	Estimated Clearance	N/A
93.575	Child Care and Development Block Grant	Department of Health and Human Services	12	Administrative Costs	Pro Rated Draw on Payday (CFDA 93.575)	N/A
93.658	Foster Care -- Title IV-E	Department of Health and Human Services	8	Administrative Costs	Pro Rated Draw on Payday (CFDA 93.658)	N/A
93.658	Foster Care -- Title IV-E	Department of Health and Human Services	28	Direct Administrative Costs	Actual Costs - Direct Administrative	N/A
93.658	Foster Care -- Title IV-E	Department of Health and Human Services	31	Direct Program Expenditures	Actual Costs - Department of Health & Human services	N/A
93.658	Foster Care -- Title IV-E	Department of Health and Human Services	33	Payroll	Estimated Clearance	N/A
93.767	State Children's Insurance Program	Department of Health and Human Services	90	Direct Program Expenditures	Actual Costs - Department of Health & Human services	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
93.767	State Children's Insurance Program	Department of Health and Human Services	10	Administrative Costs	Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)	N/A
93.778	Medical Program	Assistance Department of Health and Human Services	3	Administrative Costs	Pro Rated Draw on Payday (CFDA 93.558, 84.126, 93.767 and 93.778)	N/A
93.778	Medical Program	Assistance Department of Health and Human Services	94	Direct Program Expenditures (EDS Provider Payments)	Estimated Clearance	N/A
93.778	Medical Program	Assistance Department of Health and Human Services	3	Payroll	Estimated Clearance	N/A

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

- 1. Have been prepared in accordance with the standards provided in 31 CFR 205.20;**
- 2. Accurately represent the flow of Federal funds under the Federal assistance programs to which they apply;**
- 3. Reflect seasonal or other periodic variations in the clearance activities; and,**
- 4. Are auditable.**

Date: _____

Printed Name: _____

Certifying Signature: _____

Title: _____