

**Cash Management Improvement Act Agreement**  
**between**  
**The State of Idaho**  
**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 Idaho (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 Idaho shall be the Governor designee, the State Financial Officer of the Division of Financial Management, Executive Office of the Governor, 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 7/1/2005 and shall remain in effect until terminated.

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 unilaterally 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 Single Audit Report for fiscal year ending 6/30/2004.

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 \$6,000,000.

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

- 10.551 Food Stamps
- 10.553 School Breakfast Program
- 10.555 National School Lunch Program for Children
- 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
- 10.561 State Administrative Matching Grants for Food Stamp Program
- 12.401 National Guard Military Operations and Maintenance (O&M) Projects
- 14.228 Community Development Block Grants/State's Program
- 17.207 Employment Service
- 17.225 F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
- 17.225 S Unemployment Insurance -- State Benefit Account
- 17.260 WIA Dislocated Workers
- 20.205 Highway Planning and Construction
- 66.458 Capitalization Grants for State Revolving Funds
- 66.468 Capitalization Grants for Drinking Water Revolving Fund
- 84.010 Title I Grants to Local Educational Agencies
- 84.027 Special Education -- Grants to States
- 84.048 Vocational Education -- Basic Grants to States
- 84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States

84.367 Improving Teacher Quality State Grants  
93.283 Centers for Disease Control and Prevention\_ Investigations and Technical Assistance  
93.558 Temporary Assistance for Needy Families  
93.563 Child Support Enforcement  
93.568 Low-Income Home Energy Assistance  
93.575 Child Care and Development Block Grant  
93.596 Child Care Mandatory and Matching Funds for the Child Care and Development Fund  
93.658 Foster Care -- Title IV-E  
93.667 Social Services Block Grant  
93.767 Child Health Insurance Program  
93.778 Medical Assistance Program  
93.959 Block Grants for Prevention and Treatment of Substance Abuse  
96.001 Social Security -- Disability Insurance  
97.004 State Domestic Preparedness Equipment Support 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:

10.665 Schools and Roads -- Grants to States --- Exclusion: Discontinued  
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:

Department of Commerce  
Department of Environmental Quality  
Department of Health and Welfare  
Department of Labor  
Division of Military  
Division of Professional Technical Education  
Idaho Division of Vocational Rehabilitation  
Idaho Transportation Department  
Superintendent of Public Instruction

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:

JP Morgan 93.558 Temporary Assistance for Needy Families Block Grant  
JP Morgan 10.561 Food Stamp Benefits  
Security State Bank 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

## 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.

### 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.

### Pre-Issuance

The State shall request funds such that they are deposited in a State account not more than three days prior to the day the State makes a disbursement. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the amount the State expects to disburse. This funding technique is not interest neutral.

### Post-Issuance

The State shall request funds such that they are deposited in a State account after the State issues checks, but before the checks clear. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the amount of the disbursement. This funding technique is not interest neutral.

#### Composite Clearance

The State shall request funds such that they are deposited on the dollar-weighted average number of days required for funds to be paid out for a series of disbursements, in accordance with the clearance pattern specified in Exhibit II. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the sum of the payments issued in the series of disbursements. This funding technique is interest neutral.

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.

#### Capitalization Grants for State Revolving Funds

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

6.2.4 The following are terms under which State unique funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3 of this Agreement.

#### Actual Allocation (Educational Agreement)

The State shall request funds for each fiscal month such that they are to be received on the second average day of clearance for payroll following the end of the month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the actual allocation of costs for the prior quarter. This funding technique is interest neutral.

#### Estimated Clearance (Truncated)

The State shall request funds such that they are credited by ACH in a State account in accordance with the first nine drawdowns shown on the clearance pattern specified in Exhibit II-EC. The State shall request all outstanding funds such that they are deposited by ACH on the dollar-weighted average day of clearance for funds outstanding after the ninth drawdown, in accordance with the clearance patterns specified in Exhibit II-EC. 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.

#### TANF Assistance - ZBA

Implementation for EBT will impact cash management for the TANF grant.

Procedures for clients who maintain a bank account: The last banking day of the month JP Morgan will transfer authorized benefits to client accounts using ACH electronic funds transfer (EFT) and advise Health and Welfare of the sum involved. The first banking day of the following month cash will be posted to client accounts and Health and Welfare will Fed wire cash to JP Morgan to cover the benefits transferred. A draw of the federal share of these benefits will occur on a weekly basis from the treasury.

On a daily basis JP Morgan transfers authorized retro-active and partial month benefit payments to client accounts using ACH electronic funds transfer (EFT) and advises Health and Welfare of the sum involved. On a daily basis Health and Welfare will Fed wire cash to JP Morgan to cover the benefits transferred to those accounts. A draw of the federal share of these benefits will occur on a weekly basis from the treasury. This is an interest neutral process.

Procedures for clients without a bank account: The first day of the month JP Morgan will load benefits in client EBT accounts. JP Morgan will advise Health & Welfare each banking day the amount of benefits accessed by clients. Health and Welfare will Fed wire to JP Morgan the value of funds accessed the same day as notice is provided by JP Morgan. A draw of the federal share of the accessed funds will occur on a weekly basis from the treasury. This is an interest neutral process. This funding technique is interest neutral.

#### Weekly Billing - ITD

The State shall request funds once a week at the same time funds are requested for composity clearance pattern. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the amount of actual costs recorded since the last request for funds as the components become billable. This funding technique is interest neutral.

#### Payment Schedule (TANF)

The State shall request funds such that they are deposited by ACH on the average day of clearance for payroll. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be for the exact

amount of that disbursement. This funding technique is interest neutral.

#### Composite Clearance - WIC

Security State Bank, the State's fiscal agent for WIC, redeems WIC program checks Monday through Friday. The State shall request funds Tuesday for receipt on Wednesday, which is the mid-point of this series of payments. The request for funds shall be made in accordance with appropriate Federal agency cut-off time specified in Exhibit I.

The amount of the request shall be estimated weekly expenditures. After each week's total expenditure amount is available, the next request shall be adjusted to reflect the difference between the estimated and the actual expenditures for the prior week. During the one week a month when a rebate is expected, the amount of the request shall be the dollar amount redeemed during the prior week, as adjusted, less the estimated amount of the rebate. The following week, the amount of the request shall be adjusted to reflect the difference between the estimated and actual rebate. This funding technique is interest neutral.

#### Drawdowns on Payroll Cycle

The State shall request funds such that they are deposited by ACH on the average day of clearance for payroll. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be estimated by annual administrative costs divided by the number of payrolls in a year. After each monthly financial report is available the next request shall be adjusted to reflect the difference between the estimated and actual administrative costs paid out the prior month. This funding technique is interest neutral.

#### Payment Schedule (Payroll Cycle)

The State shall request funds such that they are deposited by ACH on the average day of clearance for payroll. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall equal the quarterly administrative cost grant award divided by the number of payrolls in the quarter. This funding technique is interest neutral.

#### Composite Clearance - Low Income Energy Assistance

The State shall request funds such that they are credited on the dollar-weighted average number of days required for funds to be paid out for a series of disbursements, in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the sum of the payments issued the previous Monday. The mid-point of the series of disbursements is Tuesday. The State shall request funds for receipt on the average number of days for clearance for the program after the Tuesday midpoint. This funding technique is interest neutral.

#### Average Clearance with Payroll

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 and Payroll Clearance Pattern Methodology specified in Section 7.1. The request for funds shall be made in accordance with 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.

#### Composite Clearance - (Health & Welfare)

The State shall request funds such that they are credited on the dollar-weighted average number of days required for funds to be paid out for a series of disbursements, in accordance with the clearance pattern specified in Exhibit II. The request of funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be the sum of the payments in the series of disbursements made Friday through Thursday as identified on the Federal Draw Report (HWJR7500). The mid-point of the series of disbursements is as identified on the Specific Funding Source using this draw pattern (see section 6.3.2 programs). The State shall request funds for receipt on the average number of days of clearance for each program identified in the above referenced Section. This funding technique is interest neutral.

#### Actual Allocation (Health and Welfare Agreement)

The State shall request funds such that they are deposited monthly by ACH on the first average day of clearance for payroll after the cost allocation is performed for the prior month. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall equal the indirect costs allocated for the prior month in accordance with the State Department of Health and Welfare's approved indirect cost agreement. This funding technique is interest neutral.

#### Drawdowns on a Payroll Cycle (Military Division)

The State shall request administrative funds excluding payroll for deposit on the average day of clearance for payroll. The request for funds shall be made in accordance with the Federal Department of Defense cut-off time specified in Exhibit I. The amount of the request for the first draw against the Cooperative Agreement shall be total administrative costs divided by the number of payrolls in a year. After each monthly reconciliation, the subsequent request shall be adjusted to reflect the difference between the estimated and actual administrative costs paid out the prior month. This funding technique is interest neutral.

#### Actual Allocation (Statewide Plan)

The State shall request funds such that they are deposited by ACH monthly on the last average day of clearance for payroll during the month. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be 1/12 of the indirect costs allocation in accordance with the Statewide cost allocation plan. This funding technique is interest neutral.

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#### Payment Schedule (Monthly)

The State shall request funds such that they are deposited by ACH in a State account on the 11th business day of the month. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be based on the prior month's actual cumulative federal expense in the financial report. These expenditures are divided by the number of months of activity through the end of this financial report. This average amount is then multiplied by the number of months that costs are being estimated for. After each monthly financial report is available, the next request shall be adjusted to reflect the difference between the estimated and the actual expenditures for the prior month. This funding technique is interest neutral.

#### Pre-Issuance (Estimated) - Labor

The Department of Labor shall request funds from the Automated Standard Application for Payments (ASAP) not later than 2:00 p.m. Eastern Time 3 business days prior to the issuance of payments. Funds shall be credited to the State's account at the start of the next business day.

The State shall request an amount equal to: a) the estimated dollar amount of payments to be issued in 3 business days, and b) an adjustment for payments issued the prior business day.

a) The estimated dollar amount shall be equal to the actual dollar amount of payments one-week earlier. For example, the estimated amount for Wednesday of week 3 (of the State's fiscal year) shall be equal to the actual amount in Wednesday of week 2.

b) On a daily basis, an adjustment is required to reconcile the difference between the estimated amount requested and the actual amount issued. This adjustment is performed for the prior business day, which is as soon as possible after the actual amount is known. If the estimated amount is less than the actual amount, the State adds the difference to its request for funds. If the estimated amount is greater than the actual amount, the State subtracts the difference from its request for funds.

The State's liability for interest on funds withdrawn from its account in the Unemployment Trust Fund shall consist of the actual interest earnings attributable to such funds less the related banking costs attributable to such funds.

This funding technique is not interest neutral.

#### Actual Allocation (Labor Agreement)

The State shall request funds such that they are deposited by-weekly by ACH on the average day of clearance for payroll. The request for funds shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall equal the indirect costs allocated for the by-weekly period in accordance with the indirect cost agreement approved by the U.S. Department of Labor. 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 Welfare

% of Funds Agency Receives: 100

Component: Benefits

Technique: Actual Clearance, ZBA - Same Day Payment

Clearance Pattern: 0 Days

##### 10.553 School Breakfast Program

Recipient: Superintendent of Public Instruction

% of Funds Agency Receives: 100

Component: School Districts, Non-profit Organizations

Technique: Average Clearance with Payroll

Clearance Pattern: 5 Days

##### 10.555 National School Lunch Program for Children

Recipient: Superintendent of Public Instruction

% of Funds Agency Receives: 100

Component: School Districts, Non-profit Organizations

Technique: Average Clearance with Payroll

Clearance Pattern: 5 Days

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 18  
Component: Payroll  
Technique: Average Clearance with Payroll  
Clearance Pattern: 0 Days

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 65  
Component: Benefits  
Technique: Composite Clearance - WIC  
Clearance Pattern: N/A

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 11  
Component: Non-Payroll Direct Administrative Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: N/A

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 6  
Component: Indirect Costs  
Technique: Actual Allocation (Health and Welfare Agreement)  
Clearance Pattern: N/A

10.561 State Administrative Matching Grants for Food Stamp Program  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Administration  
Technique: Actual Clearance, ZBA - Same Day Payment  
Clearance Pattern: 0 Days

12.401 National Guard Military Operations and Maintenance (O&M) Projects  
Recipient: Division of Military  
% of Funds Agency Receives: 60  
Component: Payroll  
Technique: Average Clearance with Payroll  
Clearance Pattern: 0 Days

Recipient: Division of Military  
% of Funds Agency Receives: 40  
Component: Operating Costs  
Technique: Drawdowns on a Payroll Cycle (Military Division)  
Clearance Pattern: N/A

14.228 Community Development Block Grants/State's Program  
Recipient: Department of Commerce  
% of Funds Agency Receives: 80  
Component: Vendor Payments, Subgrants  
Technique: Average Clearance  
Clearance Pattern: 7 Days

Recipient: Department of Commerce  
% of Funds Agency Receives: 20  
Component: Payroll  
Technique: Average Clearance with Payroll  
Clearance Pattern: 0 Days

17.207 Employment Service  
Recipient: Department of Labor  
% of Funds Agency Receives: 20  
Component: Indirect Costs  
Technique: Actual Allocation (Labor Agreement)  
Clearance Pattern: N/A

Recipient: Department of Labor  
% of Funds Agency Receives: 75  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 0 Days

Recipient: Department of Labor  
% of Funds Agency Receives: 5  
Component: Non-payroll Administrative Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs  
Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Federal Benefits  
Technique: Average Clearance  
Clearance Pattern: 5 Days

Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Non-Payroll Administrative Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: N/A

Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Indirect Costs  
Technique: Actual Allocation (Labor Agreement)  
Clearance Pattern: N/A

Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 0 Days

17.225S Unemployment Insurance -- State Benefit Account  
Recipient: Department of Labor  
% of Funds Agency Receives: 100  
Component: State Benefits  
Technique: Pre-Issuance (Estimated) - Labor  
Clearance Pattern: N/A

17.260 WIA Dislocated Workers  
Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 0 Days

Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Benefits, Subgrants  
Technique: Average Clearance  
Clearance Pattern: 4 Days

Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Non-payroll Administrative Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: N/A

Recipient: Department of Labor  
% of Funds Agency Receives: 25  
Component: Indirect Costs  
Technique: Actual Allocation (Labor Agreement)

Clearance Pattern: N/A

20.205 Highway Planning and Construction

Recipient: Idaho Transportation Department  
% of Funds Agency Receives: 20  
Component: Internal Services, Equipment Rental, Adjustments  
Technique: Weekly Billing - ITD  
Clearance Pattern: N/A

Recipient: Idaho Transportation Department  
% of Funds Agency Receives: 20  
Component: Federal Land Billings - For projects before July 1, 1997  
Technique: Weekly Billing - ITD  
Clearance Pattern: N/A

Recipient: Idaho Transportation Department  
% of Funds Agency Receives: 20  
Component: Construction, Consultant Costs  
Technique: Average Clearance  
Clearance Pattern: 6 Days

Recipient: Idaho Transportation Department  
% of Funds Agency Receives: 20  
Component: Payroll Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: 0 Days

Recipient: Idaho Transportation Department  
% of Funds Agency Receives: 20  
Component: Federal Land Billings - For Projects after July 1, 1997  
Technique: Average Clearance  
Clearance Pattern: 6 Days

66.458 Capitalization Grants for State Revolving Funds  
Recipient: Department of Environmental Quality  
% of Funds Agency Receives: 100  
Component: Revolving Funds  
Technique: Capitalization Grants for State Revolving Funds  
Clearance Pattern: N/A

66.468 Capitalization Grants for Drinking Water Revolving Fund  
Recipient: Department of Environmental Quality  
% of Funds Agency Receives: 100  
Component: Revolving Funds  
Technique: Capitalization Grants for State Revolving Funds  
Clearance Pattern: N/A

84.010 Title I Grants to Local Educational Agencies  
Recipient: Superintendent of Public Instruction  
% of Funds Agency Receives: 100  
Component: School Districts  
Technique: Average Clearance  
Clearance Pattern: 5 Days

84.027 Special Education -- Grants to States  
Recipient: Superintendent of Public Instruction  
% of Funds Agency Receives: 25  
Component: School Districts  
Technique: Average Clearance  
Clearance Pattern: 5 Days

Recipient: Superintendent of Public Instruction  
% of Funds Agency Receives: 25

Component: Non-Payroll Direct Administrative Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: N/A

Recipient: Superintendent of Public Instruction  
% of Funds Agency Receives: 25  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 0 Days

Recipient: Superintendent of Public Instruction  
% of Funds Agency Receives: 25  
Component: Indirect Costs  
Technique: Actual Allocation (Educational Agreement)  
Clearance Pattern: N/A

84.048 Vocational Education -- Basic Grants to States  
Recipient: Division of Professional Technical Education  
% of Funds Agency Receives: 1  
Component: Non-payroll Administrative Costs  
Technique: Average Clearance  
Clearance Pattern: 7 Days

Recipient: Division of Professional Technical Education  
% of Funds Agency Receives: 6  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 7 Days

Recipient: Division of Professional Technical Education  
% of Funds Agency Receives: 93  
Component: Trustee Payments  
Technique: Average Clearance  
Clearance Pattern: 7 Days

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States  
Recipient: Idaho Division of Vocational Rehabilitation  
% of Funds Agency Receives: 33  
Component: Indirect Costs  
Technique: Actual Allocation (Statewide Plan)  
Clearance Pattern: N/A

Recipient: Idaho Division of Vocational Rehabilitation  
% of Funds Agency Receives: 33  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 0 Days

Recipient: Idaho Division of Vocational Rehabilitation  
% of Funds Agency Receives: 34  
Component: Vendor Payments, Benefits  
Technique: Average Clearance  
Clearance Pattern: 8 Days

84.367 Improving Teacher Quality State Grants  
Recipient: Superintendent of Public Instruction  
% of Funds Agency Receives: 100  
Component: School Districts  
Technique: Average Clearance  
Clearance Pattern: 5 Days

93.283 Centers for Disease Control and Prevention\_Investigations and Technical Assistance  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Total Costs

Technique: Composite Clearance - (Health & Welfare)  
Clearance Pattern: 6 Days

93.558 Temporary Assistance for Needy Families  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 10  
Component: Administrative Costs  
Technique: Payment Schedule (TANF)  
Clearance Pattern: N/A

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 90  
Component: Benefits (EBT)  
Technique: TANF Assistance - ZBA  
Clearance Pattern: 0 Days

93.563 Child Support Enforcement  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Administration  
Technique: Payment Schedule (Payroll Cycle)  
Clearance Pattern: N/A

93.568 Low-Income Home Energy Assistance  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 70  
Component: Benefits  
Technique: Composite Clearance - Low Income Energy Assistance  
Clearance Pattern: 5 Days

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 10  
Component: Non-Payroll Administrative Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: N/A

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 14  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 0 Days

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 8  
Component: Indirect Costs  
Technique: Actual Allocation (Health and Welfare Agreement)  
Clearance Pattern: N/A

93.575 Child Care and Development Block Grant  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Total Costs  
Technique: Composite Clearance - (Health & Welfare)  
Clearance Pattern: 7 Days

93.596 Child Care Mandatory and Matching Funds for the Child Care and Development Fund  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Total Costs  
Technique: Composite Clearance - (Health & Welfare)  
Clearance Pattern: 7 Days

93.658 Foster Care -- Title IV-E  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Administration, Benefits, System Development & Maintenance, Training  
Technique: Payment Schedule (Monthly)  
Clearance Pattern: N/A

93.667 Social Services Block Grant  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Administration and Benefits  
Technique: Payment Schedule (Monthly)  
Clearance Pattern: N/A

93.767 State Children's Insurance Program  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 6  
Component: Administrative  
Technique: Payment Schedule (Payroll Cycle)  
Clearance Pattern: N/A

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 94  
Component: Benefits  
Technique: Estimated Clearance (Truncated)  
Clearance Pattern: 13 Days

93.778 Medical Assistance Program  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 93  
Component: Benefits  
Technique: Estimated Clearance (Truncated)  
Clearance Pattern: 13 Days

Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 7  
Component: Administrative Costs  
Technique: Payment Schedule (Payroll Cycle)  
Clearance Pattern: N/A

93.959 Block Grants for Prevention and Treatment of Substance Abuse  
Recipient: Department of Health and Welfare  
% of Funds Agency Receives: 100  
Component: Total Costs  
Technique: Composite Clearance  
Clearance Pattern: 7 Days

96.001 Social Security -- Disability Insurance  
Recipient: Department of Labor  
% of Funds Agency Receives: 3  
Component: Non-payroll Administrative Costs  
Technique: Drawdowns on Payroll Cycle  
Clearance Pattern: N/A

Recipient: Department of Labor  
% of Funds Agency Receives: 26  
Component: Vendor Payments  
Technique: Average Clearance  
Clearance Pattern: 5 Days

Recipient: Department of Labor  
% of Funds Agency Receives: 20  
Component: Indirect Costs

Technique: Actual Allocation (Labor Agreement)  
Clearance Pattern: N/A

Recipient: Department of Labor  
% of Funds Agency Receives: 51  
Component: Payroll  
Technique: Average Clearance  
Clearance Pattern: 0 Days

97.004 State Domestic Preparedness Equipment Support Program  
Recipient: Division of Military  
% of Funds Agency Receives: 80  
Component: Equipment support to Counties  
Technique: Pre-Issuance  
Clearance Pattern: 0 Days

Recipient: Division of Military  
% of Funds Agency Receives: 20  
Component: Training and Administrative  
Technique: Pre-Issuance  
Clearance Pattern: 0 Days

### 6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

None.

## 7.0 CLEARANCE PATTERNS

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

Basis for Development/Sources of Data Program Specific

Program: 10.555 National School Lunch  
14.228 Community Development Block  
17.255 Workforce Investment Act  
20.205 Highway Planning & Construction  
66.458 Capitalization Grants for State Revolving Funds  
84.010 Educationally Deprived Children (Chapter 1)  
84.027 Handicapped State Grants  
84.126 Rehabilitation Services Basic Grants to States

The information necessary to create clearance patterns for these programs was extracted from the State Controller's Office STARS accounting system. The Controller's Office developed a program from the warrant control, warrant detail and grant files that allows the Division of Financial Management (DFM) to initiated jobs when needed on an individual agency basis.

The data elements included in Clearpat are agency code, transaction T.D., warrant number, amount, CFDA # (when available), warrant issue date, warrant status date, warrant redemption date, fund/detail, document number/suffix, grant/phase, revenue subobject/detail, expenditure subobject/detail, vendor number, vendor name.

DFM initiates the job to extract data by agency for a three-month time period and downloads the information into its pc database program. The program excludes all nonfederal funds, payroll transactions, and receipts. The program includes fields for agency name, warrant number, amount, CFDA #, warrant issue date, warrant redemption date, warrant status date, document number, and number of days for warrant clearance.

The Department of Labor does not identify transactions by CDFA number, therefore, their clearance patterns are developed excluding all non payroll and Unemployment Insurance Benefits transactions for the agency.

Program: 93.568 Low Income Home Energy Assistance  
93.778 Medical Assistance Program

The State Department of Health and Welfare (H&W) uses an internal accounting system (FISCAL) to record accounting data to the federal grant files and the State Controller's Office (STARS) system to issue warrants.

The H&W accounting system records the expenditures by grant and allows for identification of warrant numbers for associated payments. There is a software program in the FISCAL system that H&W uses when they need to determine or verify clearance patterns.

Once H&W has the redeemed warrant report from the FISCAL system, a clearance pattern is created on a FISCAL spreadsheet that includes the warrant issue date, warrant redemption date, number of work days for warrant clearance and the amount. Clearance patterns are based on three months of data.

Program: 17.225 Unemployment Insurance

The information necessary to create clearance patterns for these programs was extracted from the Department of Labor's Unemployment Insurance Benefit Payment System. The Data Processing Bureau developed a program to extract data from the VU1B.ESV.ESP960FI file.

The data elements extracted are check number, dollar amount, date of issue and date cleared bank. The program calculates the number of days from issuance to clearance. Clearance patterns are based on three months of data.

Payroll Clearance Pattern Methodology The average date of clearance for payroll is 1-calendar days. Funds shall be drawn on Thursday to be received and available on Friday, payday.

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

The Division of Financial Management, Executive Office of the Governor; Department of Health and Welfare; Department of Labor.

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

State Controller's Office STARS accounting system; State Department of Health and Welfare's internal accounting system (FISCAL); State Department of Labor's Unemployment Insurance Benefit Payment 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:

no exceptions

The State shall also adjust each clearance pattern to reflect:

No adjustments are made to the clearance patterns

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

7.9 An authorized State official shall certify that each clearance pattern developed by the State accurately corresponds to the clearance activity of the programs to which it is applied. This certification shall be provided to 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  
Average Clearance  
Composite Clearance  
Actual Allocation (Health and Welfare Agreement)

Drawdowns on a Payroll Cycle (Military Division)  
Actual Allocation (Statewide Plan)  
Payment Schedule (Monthly)  
Actual Allocation (Labor Agreement)  
Actual Allocation (Educational Agreement)  
Estimated Clearance (Truncated)  
TANF Assistance - ZBA  
Weekly Billing - ITD  
Payment Schedule (TANF)  
Composite Clearance - WIC  
Drawdowns on Payroll Cycle  
Payment Schedule (Payroll Cycle)  
Composite Clearance - Low Income Energy Assistance  
Average Clearance with Payroll  
Composite Clearance - (Health & Welfare)

8.1.2 The State shall maintain information on disbursements and receipts of funds to verify the implementation of any funding technique and document interest liabilities.

For each disbursement, the State shall be able to identify:

- (1) amount of the issuance
- (2) date of issuance
- (3) date Federal funds are received and credited to a State account
- (4) amount of Federal funds received
- (5) date funds were requested

## 8.2 Federal Interest Liabilities

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

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

Actual Activity:

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

## 8.3 The Unemployment Trust Fund

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

Federal and State Funds are Not Interest Neutral:

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

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

At the end of the States fiscal year, the State shall calculate the percentage of its total unemployment compensation expenditures for (1) funds withdrawn from the State account in the UTF, or the State %, and (2) funds withdrawn from the Federal Employees Compensation Account (FECA) and the Extended Unemployment Compensation Account (EUCA) and any other accounts of Federal funds in the UTF, or the Federal %.

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

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

## 8.4 Refund Liabilities

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

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

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

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

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:

8.6.3 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

Data is collected for actual dates of receipts compared to requested for dates.

8.6.5 Standards Applied

Statistical Sampling (Pre-Issuance):

To measure the time Federal funds are held in a State account prior to being disbursed, the State shall use statistical sampling. The sample shall be randomly selected, and shall be of sufficient size to ensure, at a minimum, a 95% confidence interval no wider than  $\pm 0.3$  dollar-weighted days about the estimated mean.

For each check in the sample population, the State shall:

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

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

8.6.6 Calculation Procedure

Average Daily Balance:

$I = ADB \times R$ , 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

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:

There shall be programming costs for clearance pattern data retrieval from Idaho Department of Transportation, State Controller's Office, Division of Financial Management, Department of Health and Welfare. These agencies are documenting their costs and they are not final at this time. Ongoing costs for maintaining and monitoring these clearance patterns shall be tracked and billed to the U.S. Treasury. The State shall also track costs to calculate interest. Since at this time this process is basically manual it shall include salaries.

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

David Fulkerson  
State Financial Officer  
Division of Financial Management  
State of Idaho

Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_

Date Submitted 6/27/2005

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 Idaho**

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	ACH	2:00 pm, EST	Two Days
	Fedwire	2:00 pm, EST	Two Days
Labor-UTF	ACH/Fedwire	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	5:45 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	Three Days/Same Day
Veterans Administration	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
Dept of Homeland Security, (ODP)	ACH/Fedwire	2:00 pm, EST/2:00 pm, EST	Two Days/Two Days
Dept of Homeland Security, (FEMA)	Fedwire	2:00 pm, EST	Same Day

**Exhibit II - The State of Idaho**  
**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 Welfare	100	Benefits	Actual Clearance, ZBA - Same Day Payment	0 Days	
10.553	School Breakfast Program	Superintendent of Public Instruction	100	School Districts, Non-profit Organizations	Average Clearance with Payroll	5 Days	
10.555	National School Lunch Program for Children	Superintendent of Public Instruction	100	School Districts, Non-profit Organizations	Average Clearance with Payroll	5 Days	
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and	18	Department of Health and Welfare	Payroll	Average Clearance with Payroll	0 Days
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and	65	Department of Health and Welfare	Benefits	Composite Clearance - WIC	N/A
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and	11	Department of Health and Welfare	Non-Payroll Direct Administrative Costs	Drawdowns on Payroll Cycle	N/A
10.557	Special Nutrition Women, Children	Supplemental Program for Infants, and	6	Department of Health and Welfare	Indirect Costs	Actual Allocation (Health and Welfare Agreement)	N/A
10.561	State Administrative Matching Grants for Food Stamp Program	Department of Health and Welfare	100	Administration	Actual Clearance, ZBA - Same Day Payment	0 Days	
12.401	National Guard Operations and Maintenance Projects	Military and (O&M)	60	Division of Military	Payroll	Average Clearance with Payroll	0 Days
12.401	National Guard Operations and Maintenance Projects	Military and (O&M)	40	Division of Military	Operating Costs	Drawdowns on a Payroll Cycle (Military Division)	N/A
14.228	Community Block Development Program	Grants/State's	80	Department of Commerce	Vendor Payments, Subgrants	Average Clearance	7 Days
14.228	Community Block Development Program	Grants/State's	20	Department of Commerce	Payroll	Average Clearance with Payroll	0 Days
17.207	Employment Service	Department of Labor	20	Indirect Costs	Actual Allocation (Labor Agreement)	N/A	
17.207	Employment Service	Department of Labor	75	Payroll	Average Clearance	0 Days	

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
17.207	Employment Service	Department of Labor	5	Non-payroll Administrative Costs	Drawdowns on Payroll Cycle	N/A
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	25	Federal Benefits	Average Clearance	5 Days
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	25	Non-Payroll Administrative Costs	Drawdowns on Payroll Cycle	N/A
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	25	Indirect Costs	Actual Allocation (Labor Agreement)	N/A
17.225	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	25	Payroll	Average Clearance	0 Days
17.225	Unemployment Insurance -- State Benefit Account	Department of Labor	100	State Benefits	Pre-Issuance (Estimated) Labor	N/A
17.260	WIA Dislocated Workers	Department of Labor	25	Payroll	Average Clearance	0 Days
17.260	WIA Dislocated Workers	Department of Labor	25	Benefits, Subgrants	Average Clearance	4 Days
17.260	WIA Dislocated Workers	Department of Labor	25	Non-payroll Administrative Costs	Drawdowns on Payroll Cycle	N/A
17.260	WIA Dislocated Workers	Department of Labor	25	Indirect Costs	Actual Allocation (Labor Agreement)	N/A
20.205	Highway Planning and Construction	Idaho Department of Transportation	20	Internal Services, Equipment Rental, Adjustments	Weekly Billing - ITD	N/A
20.205	Highway Planning and Construction	Idaho Department of Transportation	20	Federal Land Billings - For projects before July 1, 1997	Weekly Billing - ITD	N/A
20.205	Highway Planning and Construction	Idaho Department of Transportation	20	Construction, Consultant Costs	Average Clearance	6 Days
20.205	Highway Planning and Construction	Idaho Department of Transportation	20	Payroll Costs	Drawdowns on Payroll Cycle	0 Days
20.205	Highway Planning and Construction	Idaho Department of Transportation	20	Federal Land Billings - For Projects after July 1, 1997	Average Clearance	6 Days
66.458	Capitalization Grants for State Revolving Funds	Department of Environmental Quality	of 100	Revolving Funds	Capitalization Grants for State Revolving Funds	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
66.468	Capitalization Grants for Drinking Water Revolving Fund	Department of Environmental Quality	100	Revolving Funds	Capitalization Grants for State Revolving Funds	N/A
84.010	Title I Grants to Local Educational Agencies	Superintendent of Public Instruction	100	School Districts	Average Clearance	5 Days
84.027	Special Education -- Grants to States	Superintendent of Public Instruction	25	School Districts	Average Clearance	5 Days
84.027	Special Education -- Grants to States	Superintendent of Public Instruction	25	Non-Payroll Direct Administrative Costs	Drawdowns on Payroll Cycle	N/A
84.027	Special Education -- Grants to States	Superintendent of Public Instruction	25	Payroll	Average Clearance	0 Days
84.027	Special Education -- Grants to States	Superintendent of Public Instruction	25	Indirect Costs	Actual Allocation (Educational Agreement)	N/A
84.048	Vocational Education Basic Grants to States	Division of Professional Technical Education	1	Non-payroll Administrative Costs	Average Clearance	7 Days
84.048	Vocational Education Basic Grants to States	Division of Professional Technical Education	6	Payroll	Average Clearance	7 Days
84.048	Vocational Education Basic Grants to States	Division of Professional Technical Education	93	Trustee Payments	Average Clearance	7 Days
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Idaho Division of Vocational Rehabilitation	33	Indirect Costs	Actual Allocation (Statewide Plan)	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Idaho Division of Vocational Rehabilitation	33	Payroll	Average Clearance	0 Days
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Idaho Division of Vocational Rehabilitation	34	Vendor Payments, Benefits	Average Clearance	8 Days
84.367	Improving Teacher Quality State Grants	Superintendent of Public Instruction	100	School Districts	Average Clearance	5 Days
93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	Department of Health and Welfare	100	Total Costs	Composite Clearance (Health & Welfare)	6 Days
93.558	Temporary Assistance for Needy Families	Department of Health and Welfare	10	Administrative Costs	Payment Schedule (TANF)	N/A
93.558	Temporary Assistance for Needy Families	Department of Health and Welfare	90	Benefits (EBT)	TANF Assistance - ZBA	0 Days
93.563	Child Support Enforcement	Department of Health and Welfare	100	Administration	Payment Schedule (Payroll Cycle)	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
93.568	Low-Income Home Energy Assistance	Department of Health and Welfare	70	Benefits	Composite Clearance - Low Income Energy Assistance	5 Days
93.568	Low-Income Home Energy Assistance	Department of Health and Welfare	10	Non-Payroll Administrative Costs	Drawdowns on Payroll Cycle	N/A
93.568	Low-Income Home Energy Assistance	Department of Health and Welfare	14	Payroll	Average Clearance	0 Days
93.568	Low-Income Home Energy Assistance	Department of Health and Welfare	8	Indirect Costs	Actual Allocation and (Health and Welfare Agreement)	N/A
93.575	Child Care and Development Block Grant	Department of Health and Welfare	100	Total Costs	Composite Clearance (Health & Welfare)	7 Days
93.596	Child Care Mandatory and Matching Funds for the Child Care and Development Fund	Department of Health and Welfare	100	Total Costs	Composite Clearance (Health & Welfare)	7 Days
93.658	Foster Care -- Title IV-E	Department of Health and Welfare	100	Administration, Benefits, System Development & Maintenance, Training	Payment Schedule (Monthly)	N/A
93.667	Social Services Block Grant	Department of Health and Welfare	100	Administration and Benefits	Payment Schedule (Monthly)	N/A
93.767	State Children's Insurance Program	Department of Health and Welfare	6	Administrative	Payment Schedule (Payroll Cycle)	N/A
93.767	State Children's Insurance Program	Department of Health and Welfare	94	Benefits	Estimated Clearance (Truncated)	13 Days
93.778	Medical Program Assistance	Department of Health and Welfare	93	Benefits	Estimated Clearance (Truncated)	13 Days
93.778	Medical Program Assistance	Department of Health and Welfare	7	Administrative Costs	Payment Schedule (Payroll Cycle)	N/A
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Department of Health and Welfare	100	Total Costs	Composite Clearance	7 Days
96.001	Social Security -- Disability Insurance	Department of Labor	3	Non-payroll Administrative Costs	Drawdowns on Payroll Cycle	N/A
96.001	Social Security -- Disability Insurance	Department of Labor	26	Vendor Payments	Average Clearance	5 Days

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
96.001	Social Security -- Disability Insurance	Department of Labor	20	Indirect Costs	Actual Allocation (Labor Agreement)	N/A
96.001	Social Security -- Disability Insurance	Department of Labor	51	Payroll	Average Clearance	0 Days
97.004	State Preparedness Support Program	Domestic Equipment Division of Military	80	Equipment support Counties	to Pre-Issuance	0 Days
97.004	State Preparedness Support Program	Domestic Equipment Division of Military	20	Training and Administrative	Pre-Issuance	0 Days

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

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

**Date:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Certifying Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_