

Cash Management Improvement Act Agreement
between
The State of New York
and
The Secretary of the Treasury,
United States Department of the Treasury

The Secretary of the Treasury, United States Department of the Treasury (hereafter 'Secretary'), and State of New York (hereafter 'State'), in order to implement Section 5 of the Cash Management Improvement Act of 1990, as amended (hereafter 'Act'), agree as follows:

1.0 AGENTS OF THE AGREEMENT

1.1 The Authorized Official(s) for the State of New York shall be the the Chief Budget Examiner heading the Expenditure/Debt Unit of the Division of the Budget in all matters concerning this Agreement.

1.2 The Assistant Commissioner, Revenue Collections Management, Bureau of the Fiscal Service (Fiscal Service), U.S. Department of the Treasury, shall act as the Secretary's representative in all matters concerning this Agreement.

2.0 AUTHORITY

2.1 The authority for this Agreement is the Cash Management Improvement Act of 1990 (Public Law 101-453), as amended by the Cash Management Improvement Act of 1992 (Public Law 102-589), codified at 31 U.S.C. 6501 and 31 U.S.C. 6503.

2.2 The regulations codified at 31 CFR Part 205 shall apply to all matters pertaining to this Agreement, and are incorporated herein by reference. In the event of any inconsistency between this Agreement and 31 CFR Part 205, the regulations shall govern.

3.0 DURATION, AMENDING, TERMINATING, AND MISCELLANEOUS PROVISIONS

3.1 This Agreement shall take effect on 04/01/2016 and shall remain in effect until 03/31/2017.

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

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

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

4.0 PROGRAMS COVERED

4.1 The State's threshold and its major Federal assistance programs shall be determined based on the threshold calculation methodology contained in 31 CFR Part 205.5 and relevant expenditure data contained in the State's Single Audit for fiscal year ending 03/31/2015.

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 \$166,762,000.

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

- 10.551 Supplemental Nutrition Assistance Program
- 10.555 National School Lunch Program
- 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
- 10.558 Child and Adult Care Food Program
- 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
- 17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
- 17.225S Unemployment Insurance -- State Benefit Account
- 20.205 Highway Planning and Construction
- 84.010 Title I Grants to Local Educational Agencies
- 84.027 Special Education -- Grants to States
- 93.525 State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges
- 93.558 Temporary Assistance for Needy Families
- 93.563 Child Support Enforcement
- 93.568 Low-Income Home Energy Assistance
- 93.575 Child Care and Development Block Grant
- 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
- 93.658 Foster Care -- Title IV-E
- 93.667 Social Services Block Grant
- 93.767 Children's Health Insurance Program
- 93.778 Medical Assistance Program
- 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

There are currently no programs listed for Section 4.3.

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

- 14.195 Section 8 Housing --- Exclusion:Non-State
- 14.871 Section 8 Housing Choice Vouchers --- Exclusion:Non-State
- 84.032 Federal Family Education Loans --- Exclusion:Non-State
- 84.063 Federal Pell Grant Program --- Exclusion:Non-State
- 84.268 Federal Direct Student Loan --- Exclusion:Non-State
- 97.067 Homeland Security Grant Program --- Exclusion:Federal Statute - Full Exemption

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 Health
Department of Labor
Department of Transportation
Division of Homeland Security and Emergency Services
Office of Children and Family Services
Office of Temporary & Disability Assistance
State Education 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 the Section 4.0 of this Agreement:

Computer Sciences Corporation 93.778 Medical Assistance Program
Xerox State and Local Solutions Inc. 10.551 Supplemental Nutrition Assistance Program

6.0 FUNDING TECHNIQUES

6.1 General Terms

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

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

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

6.1.4 Estimates and Reconciliation of Estimates:

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

6.1.5 Supplemental Funding:

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

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

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

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

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

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

a. Timing of the Request

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

b. Justification for the Request

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

c. Form Submittal

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

d. Approval Process

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

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

6.2 Description of Funding Techniques

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

Actual Clearance, ZBA - 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.

Estimated Clearance

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

Post-Issuance

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

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

There are no funding techniques listed in Section 6.2.2

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

There are no funding techniques listed in Section 6.2.3

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

Post-Issuance Pursuant to Federal Highway Administration (FHWA) Regulations

The State shall submit the Federal bill to the FHWA at least once a week. On the day the bill is submitted, (a) the State will also request funds totaling the amount of that bill, and (b) the funds will be transferred by FHWA for deposit in the State account. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The funds transfer will reimburse expenditures recorded in the State's Statewide Financial System which were (a) related to that specific bill, and (b) posted by the State during the usually one- to six-day period immediately prior to

the date of that bill. This funding technique is not interest neutral.

Reimbursement

Employee Fringe Benefits: The State shall request Federal funds for this purpose intermittently, based upon application of a rate developed pursuant to the terms of Federal grant programs. The requests shall be made in accordance with the appropriate Federal Agency cutoff time specified in Exhibit I. The rate is developed in accordance with Federal regulations promulgated in OMB Circular A-87 and audited by the US Department of Health and Human Services, Division of Cost Allocation. As described in Section 8.8 of this Agreement, no interest liability will be incurred on employee fringe benefits. This funding technique is interest neutral.

Indirect Costs: The State draws Federal funds for this purpose intermittently, pursuant to the terms of Federal grant programs. The requests shall be made in accordance with the appropriate Federal Agency cutoff time specified in Exhibit I. State agencies bill the Federal government for indirect costs consistent with individual Federal program requirements pursuant to program-specific indirect cost recovery plans that are approved by the Federal agency responsible for program oversight. As described in Section 8.8 of this Agreement, no interest liability will be incurred on indirect costs. This funding technique is interest neutral.

6.3 Application of Funding Techniques to Programs

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

6.3.2 Programs

Below are programs listed in Section 4.2 and Section 4.3.

10.551 Supplemental Nutrition Assistance Program

Recipient: Office of Temporary & Disability Assistance

% of Funds Agency Receives: 100.00

Component: Non-Payroll

Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: 0 Days

10.555 National School Lunch Program

Recipient: State Education Department

% of Funds Agency Receives: 100.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

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

Recipient: Department of Health

% of Funds Agency Receives: 97.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Department of Health
% of Funds Agency Receives: 2.00
Component: Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: Department of Health
% of Funds Agency Receives: 1.00
Component: Fringe Benefits and Indirect Costs
Technique: Reimbursement
Average Day of Clearance: N/A

10.558 Child and Adult Care Food Program
Recipient: Department of Health
% of Funds Agency Receives: 98.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: Department of Health
% of Funds Agency Receives: 1.00
Component: Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: Department of Health
% of Funds Agency Receives: 1.00
Component: Fringe Benefits and Indirect Costs
Technique: Reimbursement
Average Day of Clearance: N/A

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: Office of Temporary & Disability Assistance
% of Funds Agency Receives: 100.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Department of Labor
% of Funds Agency Receives: 94.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: Department of Labor

% of Funds Agency Receives: 4.00

Component: Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Department of Labor

% of Funds Agency Receives: 2.00

Component: Fringe Benefits and Indirect Costs

Technique: Reimbursement

Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account

Recipient: Department of Labor

% of Funds Agency Receives: 100.00

Component: Non-Payroll

Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: N/A

20.205 Highway Planning and Construction

Recipient: Department of Transportation

% of Funds Agency Receives: 100.00

Component: All Costs

Technique: Post-Issuance Pursuant to Federal Highway Administration (FHWA) Regulations

Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies

Recipient: State Education Department

% of Funds Agency Receives: 99.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: State Education Department

% of Funds Agency Receives: 1.00

Component: Fringe Benefit and Indirect Costs

Technique: Reimbursement

Average Day of Clearance: N/A

84.027 Special Education -- Grants to States

Recipient: State Education Department

% of Funds Agency Receives: 95.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: State Education Department

% of Funds Agency Receives: 3.00

Component: Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: State Education Department

% of Funds Agency Receives: 2.00

Component: Fringe Benefits and Indirect Costs

Technique: Reimbursement

Average Day of Clearance: N/A

93.525 State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges

Recipient: Department of Health

% of Funds Agency Receives: 93.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Department of Health

% of Funds Agency Receives: 4.00

Component: Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Department of Health

% of Funds Agency Receives: 3.00

Component: Fringe Benefits and Indirect Costs

Technique: Reimbursement

Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families

Recipient: Office of Temporary & Disability Assistance

% of Funds Agency Receives: 100.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

93.563 Child Support Enforcement

Recipient: Office of Temporary & Disability Assistance

% of Funds Agency Receives: 97.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Office of Temporary & Disability Assistance

% of Funds Agency Receives: 2.00

Component: Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Office of Temporary & Disability Assistance

% of Funds Agency Receives: 1.00

Component: Fringe Benefits and Indirect Costs

Technique: Reimbursement

Average Day of Clearance: N/A

93.568 Low-Income Home Energy Assistance

Recipient: Office of Temporary & Disability Assistance

% of Funds Agency Receives: 100.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant

Recipient: Office of Children and Family Services

% of Funds Agency Receives: 94.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Office of Children and Family Services

% of Funds Agency Receives: 4.00

Component: Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

Recipient: Office of Children and Family Services

% of Funds Agency Receives: 2.00

Component: Fringe Benefits and Indirect Costs

Technique: Reimbursement

Average Day of Clearance: N/A

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Recipient: Office of Children and Family Services

% of Funds Agency Receives: 100.00

Component: Non-Payroll

Technique: Post-Issuance

Average Day of Clearance: N/A

93.658 Foster Care -- Title IV-E

Recipient: Office of Children and Family Services
% of Funds Agency Receives: 100.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

93.667 Social Services Block Grant

Recipient: Office of Children and Family Services
% of Funds Agency Receives: 100.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program

Recipient: Department of Health
% of Funds Agency Receives: 100.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

93.778 Medical Assistance Program

Recipient: Department of Health
% of Funds Agency Receives: 88.00
Component: Non-Payroll
Technique: Estimated Clearance
Average Day of Clearance: N/A

Recipient: Department of Health
% of Funds Agency Receives: 12.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Recipient: Division of Homeland Security and Emergency Services
% of Funds Agency Receives: 99.00
Component: Non-Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

Recipient: Division of Homeland Security and Emergency Services
% of Funds Agency Receives: 1.00
Component: Payroll
Technique: Post-Issuance
Average Day of Clearance: N/A

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

None

7.0 CLEARANCE PATTERNS

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

Payments made from the State's non-payroll and payroll accounts and for the Medical Assistance Program (CFDA 93.778).

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

Medical Assistance Program Clearance Pattern

The New York State Department of Health calculates the Medical Assistance clearance pattern based upon check presentment data compiled by the State's contractor bank.

Functional Clearance Patterns

New York State develops functional clearance patterns based on 1) New York's Statewide Financial System records of State employee payroll checks and checks written to non-employees, and 2) from check presentment files maintained by the State's contractor bank.

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

See 7.4.1.

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.

7.4.1 Medical Assistance Program Clearance Pattern:

The State's Medical Assistance funding cycle comprises two separate disbursements. The two-disbursement cycle yields a two-part clearance pattern, each part depicting clearance activity of 100 percent of checks and electronic payments issued and cleared for that disbursement. In other words, the clearance pattern which illustrates clearance activity for a single cycle appears to total 200 percent of checks and electronic payments.

The following description of the development of the Medical Assistance two-part clearance pattern relates to a detailed spreadsheet, prepared and updated as necessary by the Department of Health, which graphically depicts the two-part clearance pattern currently used to time the Medical Assistance drawdown. The spreadsheet will be provided to the Fiscal Service upon request.

Exhibit II-EC of this Agreement reflects a variation of the State's two-part clearance pattern. One column of data from the spreadsheet reflects a recalculation of percentages whereby the two-part clearance pattern appears to total 100 rather than 200 percent of check and electronic payment clearance activity. This Exhibit approximates the State's two-

disbursement funding cycle, although the data has been rounded to two decimal places, while the clearance pattern used to time the State's drawdown is actually carried out to four decimal places. The State will continue to use its more precise clearance pattern in calculating the amount of Medical Assistance funding to draw down each day.

The State shall use the following method to develop a programmatic clearance pattern for the Medical Assistance Program (CFDA 93.778):

The State's contractor bank(s) which maintains the State's Medicaid Management Information System (MMIS) Fiscal Agent Account will provide the State each quarter with an encashed checks and electronic payments analysis reflecting clearance activity for the most recent four-quarter period. The data to be analyzed will constitute all checks and electronic payments dated and cashed during that four-quarter period, or almost 100 percent of the dollar value of checks and electronic payments issued against the MMIS account.

With the implementation of electronic payments in the State's Medical Assistance program, clearance time for program payments may be significantly reduced. This reduction may occur rapidly over a short period of time as providers enroll to receive electronic payments (in lieu of checks). In order to accurately determine and document this expected change in clearance time, the State reserves the right to change from using the most recent 12 months of clearance activity data to using the most recent three months of clearance activity data, as permitted under 31 CFR 205.20(d).

The encashed checks and electronic payments analysis will track check clearance activity over 31 calendar days. For each calendar day after check and electronic payments issuance, the analysis indicates: 1) the total number of checks and electronic payments paid, 2) the total dollar amount of checks and electronic payments paid, and 3) the percent of the total dollar amount. Exhibit II-EC comprises a summary of the State's encashed checks and electronic payments analysis depicted in the clearance pattern spreadsheet.

Since checks for nearly all of the State's weekly Medicaid payment cycles are printed with a Monday check date, it will be assumed that Day 00 (check issue date) of the encashed checks analysis is a Monday. Each subsequent day in the encashed checks analysis, it will be assumed, corresponds to the next day of the week (Day 01 is Tuesday, Day 02 is Wednesday, etc.). Exhibit II-EC and the clearance pattern spreadsheet illustrate how the days of the week correspond to the reported check activity.

For electronic payments, payment files are sent to the Medicaid contractor bank on Wednesday with an effective transfer date of Thursday. In these instances, in order to maintain the integrity of the payment analysis, electronic payments will be reflected in the analysis for Day 03 for distressed facility payments and Day 17 for regular facility payments.

The calendar day encashed checks analysis must be converted to a business day clearance pattern for scheduling drawdowns. However, data for six days correspond to either a Saturday or Sunday encashment. Consequently, to arrive at the business day clearance pattern, the State shall add a Saturday entry to the previous Friday's total and a Sunday entry to the subsequent Monday's total.

The encashed checks analysis extends over 31 calendar days for two reasons: 1) There is a two-week payment lag for Medicaid checks; consequently most checks written on Day 00 are released on, and begin to clear the MMIS account on, Day 16 (the regular facility check release date); and 2) A small percentage of checks with a check date of 00 are released on Day 02 to certain distressed facilities (the distressed facility check release date).

As a result, two distinct clearance patterns emerge: Clearance Pattern A -- Distressed Facility Checks, and Clearance

Pattern B -- Regular Facility Checks. Since regular facility checks are not released until Day 16, Clearance Pattern A reflects checks issued only to distressed facilities. Almost 100 percent of those checks clear between Day 02 and Day 14. Clearance Pattern B reflects checks issued to regular facilities. Almost 100 percent of those checks clear between Day 16 and Day 31. The clearance pattern spreadsheet depicts these two clearance patterns.

Therefore, the State shall apply two separate but contiguous clearance patterns in scheduling drawdowns under the weekly Medicaid payment cycle. Funds for all checks and electronic payments released to distressed facilities will be drawn according to the fixed percentages of Clearance Pattern A. Funds for all checks and electronic payments released to regular facilities will be drawn according to Clearance Pattern B.

The resultant drawdown schedule will be as follows:

- For distressed facilities, the drawdown schedule will begin on Wednesday of Week 1 and conclude on Wednesday of Week 2, when outstanding funds for the distressed facility portion of the cycle will be drawn in total.
- For regular facilities, the drawdown schedule will begin on Wednesday of Week 3 and conclude on Thursday of Week 5, when outstanding funds for the regular facility portion of the cycle will be drawn in total.

Material changes in the clearance pattern associated with the Medical Assistance Program (CFDA 93.778):

If the average dollar-weighted date of clearance of a new programmatic clearance pattern changes by more than .5 days from the average dollar-weighted date of clearance of the clearance pattern currently used to time the drawdown of program funding, or if a new programmatic clearance pattern otherwise undergoes changes that may affect clearance activity and this results in the need for a change in the timing of the drawdown of program funding, pursuant to 31 CFR 205.22 the State will inform Fiscal Service within 30 days of the change.

Functional Clearance Patterns:

The State shall use the following method to develop the clearance patterns for the functional payments and for the payroll bank account as noted in Section 7.1.

At least at the end of every second State fiscal year, the State shall calculate dollar-weighted average clearance patterns based on the actual clearance time for each check issued and cleared during at least six consecutive months of the State fiscal year.

The State shall provide its contractor bank(s) with a file of check numbers where federal funds have been used for payment. The State's contractor bank(s) maintains a file identifying the check number, amount, issue date, and clearance date of each check, and will compare issue dates to clearance dates to determine the clearance time, or days outstanding, of each check.

The State's contractor bank(s) will produce check clearance pattern reports. The reports will group checks into 10 dollar ranges, from checks of \$1-\$100 to checks over \$5 million, and will identify for each dollar range: 1) total number of checks, 2) average days outstanding, in tenths of a day, and 3) average check amount. The bank shall calculate the dollar-weighted day of clearance for each dollar range by first multiplying the average days outstanding by the total dollars in each range to determine dollar-days. The bank shall then sum the dollar-days for the 10 ranges and divide that sum by total dollars for all ranges to arrive at a dollar-weighted clearance pattern for all checks issued and cleared. As the State

expands direct deposit payments to municipalities and other payees, the related functional clearance pattern(s) and related components of the annual interest calculation will be modified accordingly.

Since payroll checks are issued from a separate account, the State's contractor bank(s) can produce a payroll check clearance report without receiving a file from the State. The dollar-weighted payroll clearance pattern will be adjusted for payrolls processed through direct deposit.

The State will provide and certify functional clearance patterns as part of each applicable Annual Report.

Clearance Pattern Maintenance

The State shall redevelop the Medicaid clearance pattern, the non-payroll pattern, and the payroll clearance pattern every second year at a minimum, and under the conditions described in 31 CFR 205.22 using the methods described in this section of the Agreement.

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:

Not applicable.

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

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

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

8.0 INTEREST CALCULATION METHODOLOGY

8.1 General Terms

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

Actual Clearance, ZBA - Same Day Payment

Estimated Clearance

Reimbursement

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:

Each State agency shall track and document all transactions in which the agency identifies that the State pays out its own funds for program purposes prior to receiving Federal funds.

Each agency shall maintain a report for each program identifying:

- 1) The amount of the disbursement for which the State paid out its own funds (as recorded on a voucher);
- 2) The date of the issuance for the disbursement;
- 3) The dollar-weighted average date of clearance of the disbursement (as measured by the clearance patterns set forth in Section 7.0 of this Agreement);
- 4) The date Federal funds are requested (to be provided by the Office of the State Comptroller);
- 5) The date Federal funds are deposited in a State account (to be provided by the Office of the State Comptroller);
- 6) The Federal percentage of the disbursement, if a Federal-State matching program; and
- 7) The basis for the Federal interest liability (late appropriation, late grant, quarterly shortfall, deferral, prior year's claim,

etc.).

The Federal interest liability on a transaction will be based on the difference in whole days between the average date of clearance for the disbursement and the date the related Federal funds are deposited in a State account. With Federal-State matching programs, interest will be calculated on the Federal portion 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:

At the end of each State fiscal year, based on statements provided by the State's contractor bank, the State shall determine the actual interest earnings and the related banking costs of its State Benefit Payment Account for the State fiscal year. If actual interest earnings exceed the banking costs attributable to such funds, the State will remit the difference to the Federal government as a State interest liability. If actual interest earnings are less than the related banking costs, the State will owe no State liability.

8.4 Refund Liabilities

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

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

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

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

With the exception of the Special Supplemental Nutrition Program for Women, Infants and Children (CFDA 10.557), Unemployment Insurance (CFDA 17.225), Highway Planning and Construction (CFDA 20.205) and Medical Assistance (CFDA 93.778) programs, the State shall use the following method to calculate interest on refunds for which the Federal share, as identified in the Statewide Financial System, reflects a gross transaction threshold of \$50,000 or above.

Interest will be calculated on each refund credited to a Federal fund, as recorded in the Statewide Financial System, for which the Federal share reflects a gross transaction threshold of \$50,000 or above. The Federal share of refunds by Federal program will be identified through review of a report produced by the Office of the State Comptroller. This is a unique report run through a select transaction analysis from the Statewide Financial System. The report identifies all Federal refunds by Federal program and shall be summarized by program for only those refunds that reflect the gross transaction threshold of \$50,000 or above.

For each program, the State interest liability will be calculated by multiplying the total amount of refunds of Federal funds by the average length of time required for a refund to be offset against a subsequent deposit of Federal funds. Interest on the Federal portion of the refund from the day it is offset against a deposit of Federal funds to the day it is paid out for program purposes will be captured under the State's method for calculating interest under Post-Issuance Funding, set forth in Section 8.6 of this Agreement, whereby interest will be calculated based on totals disbursed, including refunds.

The average time required for the Federal percentage of refunds to be offset against a subsequent deposit of Federal funds comprises two periods: 1) the estimated average number of days a State agency holds cash refunds before depositing them in the appropriate Federal fund (see next paragraph), and 2) the estimated average number of days the State holds the refunds in the Federal fund before offsetting them against a deposit of Federal funds.

Pursuant to State statute, the Office of the State Comptroller has instructed State agencies to return all refunds to the appropriate Federal fund at least semi-monthly. State agencies which do not remit the original refund check to the State Treasury will have to account for the time that they hold the refund, when interest is calculated on refunds for their Federal programs subject to the Act. State agencies which remit original refund checks to the State Treasury do not hold refunds and therefore will not have to account for this when interest is calculated on refunds for their Federal programs subject to the Act.

For each program, the State shall estimate the average number of days that refunds are held in a Federal fund before being offset by 1) calculating the average number of days between drawdowns by dividing 365 by the total number of drawdowns during the fiscal year, and 2) dividing the average number of days between drawdowns by 2, on the assumption that refunds are deposited in the Federal fund at the midpoint of the average drawdown cycle.

The State shall use the following formula to calculate interest on the Federal percentage of refunds which reflect a gross transaction threshold of \$50,000 or above.

$$I = R \times (I/365) \times \{AD + [(365/D)/2]\}$$

"I" represents the State interest liability for the Federal percentage of refunds.

"R" represents the sum of the Federal share of all refunds.

"I" represents the rate equal to the average of the bond equivalent rates of the 13-week Treasury Bills auctioned during the State's fiscal year.

"AD" represents the agency delay (7.5 calendar days) in submitting refunds to the appropriate Federal fund, as described above.

"D" represents the total number of drawdowns during the State Fiscal Year, as described above.

Refunds: Average Daily Balance Interest Calculation Method

Refunds and rebates for the Medical Assistance Program (CFDA 93.778) will be tracked by program.

Since refunds and rebates for the Medical Assistance program are initially deposited into a segregated Comptroller booking account, the State's interest liability for the Federal percentage of such refunds will be based on two factors: 1) the average daily balance of the Comptroller booking account, and 2) the average number of days required for the refunds/rebates to be offset against a deposit of Federal funds after the refunds/rebates are transferred out of the booking account. For Medical Assistance program refunds deposited into a New York State bank account other than the State's General Checking Account, the State's interest liability for the Federal percentage of such refunds will be calculated on the average daily available balance in the account.

Refunds: Unemployment Insurance Program (CFDA 17.225):

Refunds for the Unemployment Insurance Program are deposited into the New York State Department of Labor Clearing Account, then transferred to the State's account in the Unemployment Trust Fund the same day. This transfer is interest-neutral and not subject to interest calculations under the Act.

Refunds: Highway Planning and Construction (CFDA 20.205)

Contract Overpayments: Refunds as a result of contract overpayments will normally result in no interest liability as credit is given to the Federal Highway Administration on a current bill before the State receives a check for an overpayment.

Rental of State-Owned Property or Sale of Property: Checks received for Rentals of State-Owned Property or Sale of Property acquired with Federal Highway Funds are considered to be program income and are not subject to the interest provisions of the Act.

Refunds: Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)

For each day's deposit, the Department of Health shall track and document refunds, and shall maintain a record identifying: 1) the date funds are credited to a State account, 2) the amount of the refund, 3) the Federal portion of the refund, and 4) a) the date of the subsequent deposit of Federal funds against which the refund is offset, b) the date the refund is credited to a Federal Government account, or c) the date the refund is paid out for program purposes.

The State's interest liability will be based on the difference in whole days between the date the refund is credited to a State account and the date the Federal portion of the refund is credited to a Federal Government account or paid out for program purposes.

8.5 Exemptions

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

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

8.6 State Interest Liabilities

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

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

8.6.2.1 Measuring Time Funds Are Held

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

8.6.2.2 Source of Data

The Office of the State Comptroller produces an annual report of "Disbursements by Federal Index Number and Major Object." This report is the source document of the State's Schedule of Expenditures of Federal Awards and as such is subject to audit under the Single Audit Act.

The component cash flows listed for each program in the Section 6.3.2 are derived from, and analogous to, selected major objects in the above report. Interest will be calculated by isolating the disbursements for each major object, or component cash flow, of a program.

8.6.2.3 Standards Applied

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

8.6.2.4 Calculation Procedure

The State shall use the following formula to calculate interest on each component cash flow:

$$I = [A \times i \times (CT - PIT)] / 365$$

"I" represents the State interest liability for a major object or component cash flow.

"A" represents the total amount of funds drawn/dispensed under the major object or component cash flow. It will be assumed that the amount of disbursements recorded is consistent with the amount of funds drawn to support those disbursements.

"i" represents the rate equal to the average of the bond equivalent rates of 13-week Treasury Bills auctioned during the State fiscal year.

"CT" represents the clearance time for the major object, or the time from the day checks are written to the day checks clear. This period will be measured by the appropriate clearance pattern as set forth in Section 7.4.1 of this Agreement.

"PIT" represents the post-issuance time for the major object, or the time from the day checks are written to the day funds in support of those checks are deposited in a State account. For each major object under a given program, this period is fixed. For example, for all payroll disbursements, post-issuance time may be one day.

To determine the total State interest liability for a program, the State shall add the interest liabilities of each component cash flow under the program.

Journal voucher transactions, which are internal payments from one State agency to another, are a separate category and will be excluded from the interest calculation since these are interest-neutral.

8.7 Interest Calculation: Highway Planning and Construction Program (CFDA 20.205)

The State shall use the following method to calculate interest liabilities under the Highway Planning and Construction Program:

Based on the expenditures of the State's most recently completed fiscal year, the State shall calculate a dollar-weighted interest factor for application to all New York State Department of Transportation (NYSDOT) claims paid under the Federal-aid Highway Program during that State fiscal year.

Payment Types. The State shall categorize all Federal-aid participating expenditures recorded in the NYSDOT Integrated Accounting System into three payment types: 1) Construction and Consultant Contracts and Regular Vouchers, 2) Payroll, and 3) Reallocated Costs, Indirect Costs, Leave and Fringe Benefits. The State shall calculate the percentage of total Federal-aid expenditures for each payment type (PT%), after excluding Reallocated Costs, Indirect Costs, Leave and Fringe Benefits.

Composite Pre-Disbursement Days. For each payment type, the State shall calculate the average number of days between the date expenditures are recorded in the Statewide Financial System (SFS) and the date checks are issued (pre-disbursement days) by comparing the date of each expenditure transaction with the related check issue date. The State shall dollar-weight the pre-disbursement days by multiplying the pre-disbursement days by the PT% for each payment type. The State shall add the products for each payment type to arrive at the composite pre-disbursement days. (Not applicable to Reallocated Costs, Indirect Costs, Leave and Fringe Benefits.)

Composite Check Clearance Days. The State shall determine the check clearance days for each payment type using the appropriate clearance patterns, developed in accordance with Section 7.4.1 of this Agreement. The State shall dollar-weight the check clearance days for each payment type by multiplying the check clearance days by the PT% for each payment type. The State shall add the products for each payment type to arrive at the composite check clearance days. (Not applicable to Reallocated Costs, Indirect Costs, Leave and Fringe Benefits.)

Composite Expenditure-Deposit Days. The State shall identify for each payment type the average number of days between the date an expenditure is recorded in the SFS and the date the related Federal funds are deposited to the State's bank account (expenditure-deposit days), assuming that the State requests funds based on expenditures recorded daily. The actual scheduling or frequency of billings is subject to change, which will require corresponding changes in expenditure-deposit days used in the interest calculation. The State shall dollar-weight the expenditure-deposit days for each payment type by multiplying the expenditure-deposit days by the PT% for each payment type. The State shall add the products for each payment type to arrive at the composite expenditure-deposit days. (Not applicable to Reallocated Costs, Indirect Costs, Leave and Fringe Benefits.)

Composite Advance-Reimbursement Days. The State shall calculate the composite advance-reimbursement days (CAR days), or the number of days per dollar that the State either advances its own funds or receives Federal funds before paying out funds for program purposes. The composite advance-reimbursement (CAR) days will be calculated by 1) adding the composite pre-disbursement (CPD) days and the composite check clearance (CCC) days, and 2) subtracting from this sum the composite expenditure-deposit (CED) days:

$$\text{CAR days} = (\text{CPD days} + \text{CCC days}) - \text{CED days}$$

Composite Interest Factor. The State shall determine a composite interest factor (CIF) for the program by multiplying the interest rate, as set forth in 31 CFR 205.19(b) by the quotient of CAR days divided by 365:

$$\text{CIF} = (\text{T-Bill Rate}) \times (\text{CAR days}/365)$$

Interest Payable. The State shall calculate the net State interest liability for the program by multiplying the total amount of

Federal aid for the State fiscal year by the composite interest factor:

$$I = (\text{Total Federal aid}) \times \text{CIF}$$

8.8 Interest on Employee Fringe Benefits and Indirect Costs

The State and the Secretary agree that no interest liabilities will be incurred or calculated for employee fringe benefits or indirect costs, with one exception. If the State requests funds in accordance with the funding techniques for employee fringe benefits or indirect costs set forth in Section 6.2.4, and Federal funds are not made available to the State, the Federal Government shall incur an interest liability. The Federal interest liability will accrue from the day the State requested funds in accordance with the agreed upon funding techniques to the day Federal funds are credited to a State account.

9.0 REVERSE FLOW PROGRAMS

The State is not required to cover any reverse flow programs under the terms of this Agreement because the 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:

- 1) Personal service for State staff devoted to those tasks at both central control and program agencies
- 2) Banking services relating to clearance pattern development
- 3) Computer programming time at various State agencies
- 4) Advisory services provided by a firm, such as a certified public accounting firm, to staff from the Office of the State Comptroller, the Division of the Budget, certain state agencies and banks, in conjunction with the development of check clearance patterns, interest calculation methodologies, the annual report, and the interest calculation cost claim required or authorized under the Act and this Agreement

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

Dominic P. Colafati
Chief Budget Examiner
Expenditure/Debt Unit
Division of the Budget
State Of New York

Signature: 

Date Signed: 3/16/2017

Date Submitted 02/28/2017

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

Signature: Corvelli A. McDaniel

Date Signed: 4/24/17

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

Federal Agency	Payment Type	Request Cut-Off Time	Receipt Window
Agriculture-FNS	ACH	11:59 PM	1 day
Agriculture-FNS	Fedwire	5:45 PM	0 day
Agriculture-FS	ACH	3:00 PM	1 day
Air National Guard	ACH	12:00 PM	15 days
Army National Guard	ACH	12:00 PM	15 days
Commerce-NOAA	ACH	2:00 PM	1 day
Dept of Homeland Security (FEMA)	Fedwire	2:00 PM	0 day
Dept of Homeland Security (ODP)	ACH	2:00 PM	2 days
Dept of Homeland Security (ODP)	Fedwire	2:00 PM	2 days
EPA	ACH	2:00 PM	2 days
EPA	Fedwire	2:00 PM	0 day
Education	ACH	3:00 PM	1 day
Education	Fedwire	2:00 PM	0 day
Energy	ACH	4:00 PM	1 day
Energy	Fedwire	3:00 PM	0 day
HHS	ACH	6:30 PM	1 day
HHS	Fedwire	3:00 PM	0 day
HUD	ACH	5:30 PM	2 days
HUD	Fedwire	3:00 PM	0 day
Interior-FWS	ACH	11:59 PM	1 day
Interior-FWS	Fedwire	5:45 PM	0 day
Interior-OSM	ACH	3:00 PM	1 day
Interior-OSM	Fedwire	5:45 PM	0 day
Justice	ACH	11:00 PM	6 days
Justice	Fedwire	2:00 PM	2 days
Labor-Non-UTF	ACH	3:00 PM	1 day
Labor-UTF	ACH	3:00 PM	1 day
Labor-UTF	Fedwire	3:00 PM	0 day
National Science Foundation (NSF)	ACH	8:00 PM	1 day
National Science Foundation (NSF)	Fedwire	5:45 PM	0 day
Social Security Administration	ACH	11:59 PM	1 day
Social Security Administration	Fedwire	5:45 PM	0 day
Transportation (FAA)	ACH	2:00 PM	1 day
Transportation (FHWA)	ACH	12:00 PM	3 days
Transportation (FHWA)	Fedwire	12:00 PM	0 day
Transportation (FTA)	ACH	2:00 PM	1 day
Veterans Administration	ACH	12:00 PM	3 days

Exhibit II - State of New York

LIST OF STATE CLEARANCE TIMES

(Rounded Dollar-Weighted Average Day of Clearance)

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

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
10.551	Supplemental Nutrition Assistance Program	Office of Temporary & Disability Assistance	100.00	Non-Payroll	Actual Clearance, ZBA - Same Day Payment	0 Days
10.555	National School Lunch Program	State Education Department	100.00	Non-Payroll	Post-Issuance	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	97.00	Non-Payroll	Post-Issuance	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	2.00	Payroll	Post-Issuance	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	1.00	Fringe Benefits and Indirect Costs	Reimbursement	N/A
10.558	Child and Adult Care Food Program	Department of Health	98.00	Non-Payroll	Post-Issuance	N/A
10.558	Child and Adult Care Food Program	Department of Health	1.00	Payroll	Post-Issuance	N/A
10.558	Child and Adult Care Food Program	Department of Health	1.00	Fringe Benefits and Indirect Costs	Reimbursement	N/A
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Office of Temporary & Disability Assistance	100.00	Non-Payroll	Post-Issuance	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	94.00	Non-Payroll	Post-Issuance	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	4.00	Payroll	Post-Issuance	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Labor	2.00	Fringe Benefits and Indirect Costs	Reimbursement	N/A
17.225S	Unemployment Insurance -- State Benefit Account	Department of Labor	100.00	Non-Payroll	Actual Clearance, ZBA - Same Day Payment	N/A
20.205	Highway Planning and Construction	Department of Transportation	100.00	All Costs	Post-Issuance Pursuant to Federal Highway Administration (FHWA) Regulations	N/A
84.010	Title I Grants to Local Educational Agencies	State Education Department	99.00	Non-Payroll	Post-Issuance	N/A
84.010	Title I Grants to Local Educational Agencies	State Education Department	1.00	Fringe Benefit and Indirect Costs	Reimbursement	N/A

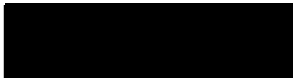
CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
84.027	Special Education -- Grants to States	State Education Department	3.00	Payroll	Post-Issuance	N/A
84.027	Special Education -- Grants to States	State Education Department	95.00	Non-Payroll	Post-Issuance	N/A
84.027	Special Education -- Grants to States	State Education Department	2.00	Fringe Benefits and Indirect Costs	Reimbursement	N/A
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges	Department of Health	4.00	Payroll	Post-Issuance	N/A
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges	Department of Health	93.00	Non-Payroll	Post-Issuance	N/A
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)s Exchanges	Department of Health	3.00	Fringe Benefits and Indirect Costs	Reimbursement	N/A
93.558	Temporary Assistance for Needy Families	Office of Temporary & Disability Assistance	100.00	Non-Payroll	Post-Issuance	N/A
93.563	Child Support Enforcement	Office of Temporary & Disability Assistance	97.00	Non-Payroll	Post-Issuance	N/A
93.563	Child Support Enforcement	Office of Temporary & Disability Assistance	2.00	Payroll	Post-Issuance	N/A
93.563	Child Support Enforcement	Office of Temporary & Disability Assistance	1.00	Fringe Benefits and Indirect Costs	Reimbursement	N/A
93.568	Low-Income Home Energy Assistance	Office of Temporary & Disability Assistance	100.00	Non-Payroll	Post-Issuance	N/A
93.575	Child Care and Development Block Grant	Office of Children and Family Services	4.00	Payroll	Post-Issuance	N/A
93.575	Child Care and Development Block Grant	Office of Children and Family Services	94.00	Non-Payroll	Post-Issuance	N/A
93.575	Child Care and Development Block Grant	Office of Children and Family Services	2.00	Fringe Benefits and Indirect Costs	Reimbursement	N/A
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Office of Children and Family Services	100.00	Non-Payroll	Post-Issuance	N/A
93.658	Foster Care -- Title IV-E	Office of Children and Family Services	100.00	Non-Payroll	Post-Issuance	N/A
93.667	Social Services Block Grant	Office of Children and Family Services	100.00	Non-Payroll	Post-Issuance	N/A
93.767	Children's Health Insurance Program	Department of Health	100.00	Non-Payroll	Post-Issuance	N/A
93.778	Medical Assistance Program	Department of Health	12.00	Non-Payroll	Post-Issuance	N/A
93.778	Medical Assistance Program	Department of Health	88.00	Non-Payroll	Estimated Clearance	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Division of Homeland Security and Emergency Services	1.00	Payroll	Post-Issuance	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Division of Homeland Security and Emergency Services	99.00	Non-Payroll	Post-Issuance	N/A

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

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

Date: 3/16/2017

Printed Name: Dominic Colletti

Certifying Signature: 

Title: Chief Budget Examiner

Cash Management Improvement Act - 2017 Treasury State Agreement

State of New York - Exhibit II Estimated Clearance

Effective 04/01/2016 until 03/31/2017

93.778 Medical Assistance Program

Non-Payroll

Day	% Cleared
Day 1	0.00
Day 2	2.15
Day 3	12.56
Day 4	0.00
Day 5	0.00
Day 6	0.00
Day 7	0.01
Day 8	0.01
Day 9	0.00
Day 10	0.01
Day 11	0.00
Day 12	0.00
Day 13	0.00
Day 14	0.00
Day 15	0.00
Day 16	0.00
Day 17	83.94
Day 18	0.08
Day 19	0.00
Day 20	0.00
Day 21	0.17
Day 22	0.26
Day 23	0.14
Day 24	0.10
Day 25	0.12
Day 26	0.00
Day 27	0.00
Day 28	0.07
Day 29	0.03
Day 30	0.15
Day 31	0.20
Total	100.00

Certification

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

1. Has been prepared in accordance with the standards provided in 31 CFR 205.20;
2. Accurately represents the flow of federal funds under the federal assistance programs to which they apply;

3. Reflects seasonal or other periodic variations in the clearance activities;
4. Is auditable; and,
5. Has been certified as accurate by an authorized State Official

James Dellatto

Signature

James Dellatto

Printed Name

Director MFM

Printed Title

2/17/2017

Date Signed