Cash Management Improvement Act Agreement
between
The State of Ohio
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 Ohio (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 Ohio shall be the the Director, Office of Budget and Management in all matters concerning this Agreement.

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

2.0 AUTHORITY

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

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

3.0 DURATION, AMENDING, TERMINATING, AND MISCELLANEOUS PROVISIONS

3.1 This Agreement shall take effect on 07/01/2015 and shall remain in effect until 06/30/2016.

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

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

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

4.0 PROGRAMS COVERED

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

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

4.2 The State's threshold for major Federal assistance programs is $75,781,259.

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

10.551 Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
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
84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
84.367 Improving Teacher Quality State Grants
93.558 Temporary Assistance for Needy Families
93.563 Child Support Enforcement
93.568 Low-Income Home Energy Assistance
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658 Foster Care -- Title IV-E
93.659 Adoption Assistance
93.667 Social Services Block Grant
93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse

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:

66.458 Capitalization Grants for Clean Water State Revolving Funds --- Exclusion:Non-State
66.468 Capitalization Grants for Drinking Water Revolving Fund --- Exclusion:Non-State
84.395 State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act --- Exclusion:Discontinued

4.5 This further clarifies section 4.4. The programs that are excluded from coverage under the agreement because of their "Non-State" status are administered by an organization that has separate legal standings from the State of Ohio.

The Ohio Water Development Authority, which administers CFDA 66.458 and CFDA 66.468, is legally and fiscally independent from the State Executive, the State Treasurer or the State Comptroller as defined by the Generally Accepted Accounting Principles.

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 Development
Department of Education
Department of Health
Department of Job & Family Services
Department of Medicaid
Department of Mental Health and Addiction Services
Department of Transportation
Opportunities for Ohioans with Disabilities Agency

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:

U.S. Bank 17.225S Unemployment Insurance -- State Benefit Account
US Bank 17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Xerox 10.551 Supplemental Nutrition Assistance Program

6.0 FUNDING TECHNIQUES

6.1 General Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

d. Approval Process

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

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

6.2 Description of Funding Techniques

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

Actual Clearance, ZBA - ACH

The State shall request funds such that they are deposited by ACH in a State account on the settlement date of payments issued by the State.The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I.The amount of the request shall be for the amount of funds that clear the State's account on the settlement date. This funding technique is interest neutral.

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.

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.

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.

Modified Pre-Issuance

The State of Ohio's accounting system requires funding to be available prior to initiating a disbursement. In addition, disbursements take two business days to produce a payment. Given this fact pattern, Ohio state agencies are typically unable to meet the three business day requirement and a five business day requirement is necessary for agency compliance with this agreement. The State shall request funds such that they are deposited in a State account not more than five business 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.

Reimbursable

The State shall request funds such that they are deposited on a weekly, monthly, or quarterly basis. 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 equal to the amount of the reimbursement requested by each respective state agency for allowable administrative and program costs. The State of Ohio voluntarily waives its right to claim federal interest liability. This funding technique is not interest neutral.

6.3 Application of Funding Techniques to Programs

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

6.3.2 Programs

Below are programs listed in Section 4.2 and Section 4.3.

10.551 Supplemental Nutrition Assistance Program
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 99.08
Component: Payments to Beneficiaries - Merchant Payments - ACH
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: Department of Job & Family Services
% of Funds Agency Receives: 0.92
Component: SSI Cash Out Benefits
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

10.553 School Breakfast Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

10.555 National School Lunch Program

Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-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: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

10.558 Child and Adult Care Food Program
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 1.00
Component: Unemployment Insurance - Federal Benefit Payments
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: Department of Job & Family Services
% of Funds Agency Receives: 99.00
Component: Administrative Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 100.00
Component: Benefits Costs

Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Composite Clearance
Average Day of Clearance: 0 Days

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
Recipient: Opportunities for Ohioans with Disabilities Agency
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

84.367 Improving Teacher Quality State Grants
Recipient: Department of Education
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

93.558 Temporary Assistance for Needy Families
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 98.77
Component: All JFS Costs
Technique: Modified Pre-Issuance

Average Day of Clearance: N/A

Recipient: Department of Job & Family Services
% of Funds Agency Receives: 1.23
Component: Other State Agency Reimbursements for Program and Administrative Costs
Technique: Reimbursable
Average Day of Clearance: N/A

93.563 Child Support Enforcement
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

93.568 Low-Income Home Energy Assistance
Recipient: Department of Development
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

93.658 Foster Care -- Title IV-E
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

93.659 Adoption Assistance
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 30.57
Component: Benefits (paid from the State's General Revenue Fund)
Technique: Estimated Clearance
Average Day of Clearance: N/A

Recipient: Department of Job & Family Services

% of Funds Agency Receives: 69.43
Component: Administrative Costs and Benefits (paid from the State's Federal Special Revenue Fund)
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

93.667 Social Services Block Grant
Recipient: Department of Job & Family Services
% of Funds Agency Receives: 85.46
Component: All JFS Costs
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

Recipient: Department of Job & Family Services
% of Funds Agency Receives: 14.54
Component: Other State Agency Reimbursements for Program and Administrative Costs
Technique: Reimbursable
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: Department of Medicaid
% of Funds Agency Receives: 80.00
Component: Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by EFT)
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: Department of Medicaid
% of Funds Agency Receives: 5.00
Component: Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by Warrant)
Technique: Estimated Clearance
Average Day of Clearance: N/A

Recipient: Department of Medicaid
% of Funds Agency Receives: 15.00
Component: State Agency Reimbursements for Program and Administrative Costs
Technique: Reimbursable
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Department of Medicaid
% of Funds Agency Receives: 65.00
Component: Administrative Costs, Provider Payments and County Advances (paid from the State's General Revenue Fund by EFT)
Technique: Actual Clearance, ZBA - ACH
Average Day of Clearance: 0 Days

Recipient: Department of Medicaid

% of Funds Agency Receives: 1.00
Component: Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by Warrant)
Technique: Estimated Clearance
Average Day of Clearance: N/A

Recipient: Department of Medicaid
% of Funds Agency Receives: 27.00
Component: Hospital Care Assurance, Supplemental Inpatient Payments, Administrative Costs, Provider Payments including Medicaid Expansion (paid from the State's Federal Special Revenue Fund)
Technique: Modified Pre-Issuance
Average Day of Clearance: N/A

Recipient: Department of Medicaid
% of Funds Agency Receives: 7.00
Component: State Agency Reimbursements for Program and Adminsitrative Costs
Technique: Reimbursable
Average Day of Clearance: N/A

93.959 Block Grants for Prevention and Treatment of Substance Abuse
Recipient: Department of Mental Health and Addiction Services
% of Funds Agency Receives: 100.00
Component: All Costs
Technique: Modified Pre-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:

10.551 Supplemental Nutrition Assistance Program
10.553 School Breakfast Program
10.555 National School Lunch Program for Children
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
10.558 Child and Adult Care Food Program
10.561 State Administrative Matching Grants for Food Stamp Program
17.225 F Unemployment Insurance -- Federal Benefit Payments
20.205 Highway Planning and Construction
84.010 Title I Grants to Local Educational Agencies
84.027 Special Education -- Grants to States
84.126 Rehabilitation Services -- Vocational Rehabilitation Grants to States
84.367 Improving Teacher Quality State Grants
93.558 Temporary Assistance for Needy Families

93.563 Child Support Enforcement
93.568 Low-Income Home Energy Assistance
93.596 Child Care Mandatory and Matching Funds for the Child Care and Development Fund
93.658 Foster Care -- Title IV-E
93.659 Adoption Assistance
93.667 Social Services Block Grant
93.767 State Children's Health Insurance Program
93.778 Medical Assistance Program
93.959 Block Grants for Prevention of Substance Abuse

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

Office of Budget and Management.

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

the disbursement data from the Ohio Administrative Knowledge System.

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

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

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

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

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

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

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

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

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

N/A

The State shall also adjust each clearance pattern to reflect:

two additional days due to the State's internal processing time.

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

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

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

8.0 INTEREST CALCULATION METHODOLOGY

8.1 General Terms

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

Actual Clearance, ZBA - ACH
Composite Clearance
Estimated Clearance

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

8.2 Federal Interest Liabilities

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

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

Average Clearance:
For all transactions where the State pays out its own funds for program purposes prior to receiving Federal funds, the Federal interest liability shall be based on the difference in whole days between the average date of clearance for a disbursement, as specified in Exhibit II, and the date the related Federal funds are credited to a State account. 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 State's 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 State's 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 State's 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 State's 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:

8.6.2.1 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.

8.6.2.2 Source of Data

Clearance Patterns:
The time period from issuance of funds to the date funds are debited from the State's account shall be determined by the appropriate clearance pattern specified in Exhibit II.

8.6.2.3 Standards Applied

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

8.6.2.4 Calculation Procedure

Average Daily Balance + Clearance Pattern:
$I = \{ADB \times R\} + \{P \times r \times T\}$, 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

P = Total annual expenditures of Federal funds for program or component cash flow of program

r = R/365 days

T = Dollar-weighted average day of clearance, as determined by the appropriate clearance pattern in Exhibit II

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:

Annual Report Preparation and Clearance Pattern Study.

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

Timothy S. Keen
Director
Office of Budget and Management

Signature: (b) (6) Date Signed: 6-29-15

Date Submitted 06/29/2015

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

Signature: Corvelli A. McDaniel Date Signed: 7/16/15

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

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 Ohio

LIST OF STATE CLEARANCE TIMES

(Rounded Dollar-Weighted Average Day of Clearance)

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

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
10.551	Supplemental Nutrition Assistance Program	Department of Job & Family Services	99.08	Payments to Beneficiaries - Merchant Payments - ACH	Actual Clearance, ZBA - ACH	0 Days
10.551	Supplemental Nutrition Assistance Program	Department of Job & Family Services	0.92	SSI Cash Out Benefits	Modified Pre-Issuance	N/A
10.553	School Breakfast Program	Department of Education	100.00	All Costs	Modified Pre-Issuance	N/A
10.555	National School Lunch Program	Department of Education	100.00	All Costs	Modified Pre-Issuance	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	100.00	All Costs	Modified Pre-Issuance	N/A
10.558	Child and Adult Care Food Program	Department of Education	100.00	All Costs	Modified Pre-Issuance	N/A
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Department of Job & Family Services	100.00	All Costs	Modified Pre-Issuance	N/A
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Job & Family Services	1.00	Unemployment Insurance - Federal Benefit Payments	Actual Clearance, ZBA - ACH	0 Days
17.225F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Department of Job & Family Services	99.00	Administrative Costs	Modified Pre-Issuance	N/A
17.225S	Unemployment Insurance -- State Benefit Account	Department of Job & Family Services	100.00	Benefits Costs	Actual Clearance, ZBA - ACH	0 Days
20.205	Highway Planning and Construction	Department of Transportation	100.00	All Costs	Composite Clearance	0 Days
84.010	Title I Grants to Local Educational Agencies	Department of Education	100.00	All Costs	Modified Pre-Issuance	N/A
84.027	Special Education -- Grants to States	Department of Education	100.00	All Costs	Modified Pre-Issuance	N/A
84.126	Rehabilitation Services -- Vocational Rehabilitation Grants to States	Opportunities for Ohioans with Disabilities Agency	100.00	All Costs	Modified Pre-Issuance	N/A
84.367	Improving Teacher Quality State Grants	Department of Education	100.00	All Costs	Modified Pre-Issuance	N/A
93.558	Temporary Assistance for Needy Families	Department of Job & Family Services	1.23	Other State Agency Reimbursements for Program and Administrative Costs	Reimbursable	N/A
93.558	Temporary Assistance for Needy Families	Department of Job & Family Services	98.77	All JFS Costs	Modified Pre-Issuance	N/A
93.563	Child Support Enforcement	Department of Job & Family Services	100.00	All Costs	Modified Pre-Issuance	N/A

CFDA	Program Name	Recipient	%	Component	Technique	Rounded days
93.568	Low-Income Home Energy Assistance	Department of Development	100.00	All Costs	Modified Pre-Issuance	N/A
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Department of Job & Family Services	100.00	All Costs	Modified Pre-Issuance	N/A
93.658	Foster Care -- Title IV-E	Department of Job & Family Services	100.00	All Costs	Modified Pre-Issuance	N/A
93.659	Adoption Assistance	Department of Job & Family Services	30.57	Benefits (paid from the State's General Revenue Fund)	Estimated Clearance	N/A
93.659	Adoption Assistance	Department of Job & Family Services	69.43	Administrative Costs and Benefits (paid from the State's Federal Special Revenue Fund)	Modified Pre-Issuance	N/A
93.667	Social Services Block Grant	Department of Job & Family Services	14.54	Other State Agency Reimbursements for Program and Administrative Costs	Reimbursable	N/A
93.667	Social Services Block Grant	Department of Job & Family Services	85.46	All JFS Costs	Modified Pre-Issuance	N/A
93.767	Children's Health Insurance Program	Department of Medicaid	80.00	Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by EFT)	Actual Clearance, ZBA - ACH	0 Days
93.767	Children's Health Insurance Program	Department of Medicaid	15.00	State Agency Reimbursements for Program and Administrative Costs	Reimbursable	N/A
93.767	Children's Health Insurance Program	Department of Medicaid	5.00	Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by Warrant)	Estimated Clearance	N/A
93.778	Medical Assistance Program	Department of Medicaid	65.00	Administrative Costs, Provider Payments and County Advances (paid from the State's General Revenue Fund by EFT)	Actual Clearance, ZBA - ACH	0 Days
93.778	Medical Assistance Program	Department of Medicaid	7.00	State Agency Reimbursements for Program and Adminsitrative Costs	Reimbursable	N/A
93.778	Medical Assistance Program	Department of Medicaid	1.00	Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by Warrant)	Estimated Clearance	N/A
93.778	Medical Assistance Program	Department of Medicaid	27.00	Hospital Care Assurance, Supplemental Inpatient Payments, Administrative Costs, Provider Payments including Medicaid Expansion (paid from the State's Federal Special Revenue Fund)	Modified Pre-Issuance	N/A
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Department of Mental Health and Addiction Services	100.00	All Costs	Modified Pre-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: 6/29/15

Printed Name: Timothy S. Keen

Certifying Signature: (b) (6) [redacted]

Title: Director

Cash Management Improvement Act - 2016 Treasury State Agreement
State of Ohio - Exhibit II Estimated Clearance

Effective 07/01/2015 until 06/30/2016

93.659 Adoption Assistance

Benefits (paid from the State's General Revenue Fund)

Day	% Cleared
Day 1	0.00
Day 2	0.10
Day 3	0.40
Day 4	7.00
Day 5	15.90
Day 6	15.80
Day 7	10.80
Day 8	7.80
Day 9	0.50
Day 10	3.80
Day 11	8.80
Day 12	6.50
Day 13	4.30
Day 14	2.10
Day 15	16.20
Day 16	0.00
Day 17	0.00
Day 18	0.00
Day 19	0.00
Day 20	0.00
Day 21	0.00
Day 22	0.00
Day 23	0.00
Day 24	0.00
Day 25	0.00
Day 26	0.00
Day 27	0.00
Day 28	0.00
Day 29	0.00
Day 30	0.00
Day 31	0.00
Total	100.00

93.767 Children's Health Insurance Program

Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by Warrant)

Day	% Cleared
Day 1	0.00
Day 2	0.10
Day 3	0.40

Day	% Cleared
Day 4	7.00
Day 5	15.90
Day 6	15.80
Day 7	10.80
Day 8	7.80
Day 9	0.50
Day 10	3.80
Day 11	8.80
Day 12	6.50
Day 13	4.30
Day 14	2.10
Day 15	16.20
Day 16	0.00
Day 17	0.00
Day 18	0.00
Day 19	0.00
Day 20	0.00
Day 21	0.00
Day 22	0.00
Day 23	0.00
Day 24	0.00
Day 25	0.00
Day 26	0.00
Day 27	0.00
Day 28	0.00
Day 29	0.00
Day 30	0.00
Day 31	0.00
Total	100.00

93.778 Medical Assistance Program

Administrative Costs and Provider Payments (paid from the State's General Revenue Fund by Warrant)

Day	% Cleared
Day 1	0.00
Day 2	0.10
Day 3	0.40
Day 4	7.00
Day 5	15.90
Day 6	15.80
Day 7	10.80
Day 8	7.80
Day 9	0.50
Day 10	3.80
Day 11	8.80
Day 12	6.50
Day 13	4.30
Day 14	2.10
Day 15	16.20
Day 16	0.00
Day 17	0.00

Day	% Cleared
Day 18	0.00
Day 19	0.00
Day 20	0.00
Day 21	0.00
Day 22	0.00
Day 23	0.00
Day 24	0.00
Day 25	0.00
Day 26	0.00
Day 27	0.00
Day 28	0.00
Day 29	0.00
Day 30	0.00
Day 31	0.00
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.

(b) (6) [redacted]

Signature

6/29/15

Date Signed

Timothy S. Keen

Printed Name

Director

Printed Title