Cash Management Improvement Act Agreement
between
The State of Mississippi
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 Mississippi (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 Mississippi shall be the State Fiscal Officer 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 07/01/2024 and shall remain in effect until 06/30/2025.

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

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

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

4.0 PROGRAMS COVERED

4.1 The State's threshold and its major Federal assistance programs shall be determined based on the State's most recent Schedule of Expenditures of Federal Awards (SEFA) 2023. for fiscal year ending 06/30/2023.

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 $60,000,000.

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

CFDA	Program Name
10.542	Pandemic EBT Food Benefits
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
12.401	National Guard Military Operations and Maintenance (O&M) Projects
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
84.425	Education Stabilization Fund
93.575	Child Care and Development 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:

CFDA	Program Name	Exclusion Reason
21.027	Coronavirus State and Local Fiscal Recovery Funds	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 Education
Department of Health
Department of Human Services
Department of Transportation
Division of Medicaid
Mississippi Department of Employment Security
Mississippi Emergency Management Agency
Mississippi Military Department

Office of the Governor

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:

Fiscal Agent	CFDA	Program Name
Consultee Conduent State	10.542	Pandemic EBT Food Benefits
Consultee Conduent State	10.551	Supplemental Nutrition Assistance Program
Consultee Conduent State	93.767	Children's Health Insurance Program
Consultee Conduent State Headquarters	93.778	Medical 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.

Funding Technique Name	Description
Actual Clearance, ZBA - Same Day Payment	The State shall request funds the same day it pays out funds, in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. A Federal agency will deposit funds in a State account the same day as requested. The amount of the request shall be for the amount of funds that clear the State's account that day. This funding technique is interest neutral.
Average Clearance	The State shall request funds such that they are deposited by ACH on the dollar-weighted average day of clearance for the disbursement, in accordance with the clearance pattern specified in Exhibit II. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the

	request shall be for the exact amount of that disbursement. This funding technique is interest neutral.
Payment Schedule - Weekly	The State shall request funds such that they are deposited in a State account on the median business day of the week. 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 a prorated share of the lesser of (1) the annual grant divided by 52, or (2) the total amount of Federal funds expected to be paid out for program purposes during the year divided by 52. 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 currently 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 currently 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.

Funding Technique Name	Description
Daily Draws	The State shall request daily to fund current non-payroll administrative costs. The amount of the request shall be an estimate of that day's non-payroll administrative expenditures, as derived from an approved cost allocation plan. The State shall adjust the estimated draws to the actual expenditures each quarter. The Request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.
Monthly Draws	The State shall request funds on the pay day of each month or as soon thereafter as reconciliation has been made to fund costs incurred during the prior month. The amount of the request shall be determined by applying the indirect cost rate to the direct cost base of the prior month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. This funding technique is interest neutral.
Reimbursable Funding	The State shall request funds from the Department of Defense/National Guard Bureau (DOD/NGB) each month, as soon thereafter as reconciliation has been made to costs incurred for the previous month. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in Exhibit I. The amount of the request shall be for the amount of the EFT/warrant disbursement. 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.

10.542 Pandemic EBT Food Benefits
Recipient: Department of Human Services
% of Funds Agency Receives: 100
Component: Payments to Beneficiaries (EBT)
Technique: Actual Clearance, ZBA - Same Day Payment

Average Day of Clearance: N/A

10.551 Supplemental Nutrition Assistance Program
Recipient: Department of Human Services
% of Funds Agency Receives: 100
Component: Payments to Beneficiaries (EBT)
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

10.553 School Breakfast Program
Recipient: Department of Education
% of Funds Agency Receives: 100
Component: Basic Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 50
Component: Basic Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 25
Component: Payroll Costs (Warrants)
Technique: Average Clearance
Average Day of Clearance: 2 Days

10.555 National School Lunch Program
Recipient: Department of Education
% of Funds Agency Receives: 25
Component: Payroll Costs (Direct Deposit)
Technique: Actual Clearance, ZBA - Same Day Payment
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: 90
Component: Payment to Beneficiaries
Technique: Actual Clearance, ZBA - Same Day Payment
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: 10
Component: Administrative Cost
Technique: Average Clearance
Average Day of Clearance: 2 Days

12.401 National Guard Military Operations and Maintenance (O&M) Projects
Recipient: Mississippi Military Department
% of Funds Agency Receives: 100
Component: Operations and Maintenance
Technique: Reimbursable Funding

Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Mississippi Department of Employment Security
% of Funds Agency Receives: 60
Component: Benefits Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Mississippi Department of Employment Security
% of Funds Agency Receives: 39
Component: Administrative Costs (nonpayroll)
Technique: Payment Schedule - Weekly
Average Day of Clearance: N/A

17.225F Unemployment Insurance -- Federal Benefit Account and Administrative Costs
Recipient: Mississippi Department of Employment Security
% of Funds Agency Receives: 1
Component: Benefits Costs
Technique: Average Clearance
Average Day of Clearance: 2 Days

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Mississippi Department of Employment Security
% of Funds Agency Receives: 90
Component: Benefit Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

17.225S Unemployment Insurance -- State Benefit Account
Recipient: Mississippi Department of Employment Security
% of Funds Agency Receives: 10
Component: Benefit Costs
Technique: Average Clearance
Average Day of Clearance: 2 Days

20.205 Highway Planning and Construction
Recipient: Department of Transportation
% of Funds Agency Receives: 100
Component: Program Costs
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 20
Component: Indirect Costs
Technique: Monthly Draws
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 20
Component: Payroll (Warrants)
Technique: Average Clearance

Average Day of Clearance: 2 Days

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 20
Component: Payroll (Direct Deposit)
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.010 Title I Grants to Local Educational Agencies
Recipient: Department of Education
% of Funds Agency Receives: 40
Component: Payments to Beneficiaries
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 10
Component: Discretionary (Not paid to LEAs)
Technique: Payment Schedule - Weekly
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 10
Component: Direct Administrative
Technique: Payment Schedule - Weekly
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 10
Component: Payroll (Warrants)
Technique: Average Clearance
Average Day of Clearance: 2 Days

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 10
Component: Payroll (Direct Deposit)
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 10
Component: Indirect Costs
Technique: Monthly Draws
Average Day of Clearance: N/A

84.027 Special Education -- Grants to States
Recipient: Department of Education
% of Funds Agency Receives: 50
Component: Payments to LEAs and other recipients
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 19.68

Component: Indirect Cost
Technique: Monthly Draws
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 19.68
Component: Payroll (Warrants)
Technique: Average Clearance
Average Day of Clearance: 2 Days

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 19.68
Component: Payroll (Direct Deposit)
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Department of Education
% of Funds Agency Receives: 39.36
Component: Payments to Beneficiaries
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Office of the Governor
% of Funds Agency Receives: 1.58
Component: Payments to non-public schools, public universities and other recipients public universities and other recipients
Technique: Monthly Draws
Average Day of Clearance: N/A

84.425 Education Stabilization Fund
Recipient: Office of the Governor
% of Funds Agency Receives: .02
Component: Direct Administrative
Technique: Monthly Draws
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 3
Component: Payroll (Direct Deposits)
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 3
Component: Administrative Costs
Technique: Daily Draws
Average Day of Clearance: N/A

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 39
Component: Program Costs
Technique: Average Clearance
Average Day of Clearance: 2 Days

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 1
Component: Payroll (Warrants)
Technique: Average Clearance
Average Day of Clearance: 3 Days

93.575 Child Care and Development Block Grant
Recipient: Department of Human Services
% of Funds Agency Receives: 54
Component: Payments to Beneficiaries (Warrants)
Technique: Average Clearance
Average Day of Clearance: 3 Days

93.767 Children's Health Insurance Program
Recipient: Division of Medicaid
% of Funds Agency Receives: 83.83
Component: Payments to Providers-Federal
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

93.767 Children's Health Insurance Program
Recipient: Division of Medicaid
% of Funds Agency Receives: 16.17
Component: Payments to Providers-State
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Division of Medicaid
% of Funds Agency Receives: 76.9
Component: Payments to Providers
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

93.778 Medical Assistance Program
Recipient: Division of Medicaid
% of Funds Agency Receives: 23.1
Component: Payment to Providers
Technique: Actual Clearance, ZBA - Same Day Payment
Average Day of Clearance: N/A

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: Mississippi Emergency Management Agency
% of Funds Agency Receives: 4
Component: Management Cost
Technique: Average Clearance
Average Day of Clearance: 2 Days

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: Mississippi Emergency Management Agency
% of Funds Agency Receives: 1
Component: Administrative Cost
Technique: Average Clearance
Average Day of Clearance: 2 Days

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Recipient: Mississippi Emergency Management Agency

% of Funds Agency Receives: 95
Component: Program Costs
Technique: Average Clearance
Average Day of Clearance: 2 Days

6.3.3 Materiality Exemptions

Agencies exempt from coverage on the basis of materiality:

No exempt agencies.

7.0 CLEARANCE PATTERNS

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

each program listed in Section 6.3.

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

the individual State Agencies and confirmed by Laura Law; individuals:

Department of Education - Sheila Franklin-Buie

Division of Medicaid - Gia Allen

Department of Human Services - Richard Ferrell

Mississippi Department of Employment Security - Tyler Berch

Department of Transportation - Tangela Beddingfield

Mississippi Emergency Management Agency - Crystal Thompson

Mississippi Military Department - George Pender

MS Department of Health - Kristi Webb

Office of the Governor - Reginald Welch

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

data calculated and maintained by Mississippi Accountability System for Government Information and Collaboration (MAGIC)

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:

Not applicable

The State shall also adjust each clearance pattern to reflect:

Actual activity

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
Average Clearance
Daily Draws
Monthly Draws
Payment Schedule - Weekly
Reimbursable Funding

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

8.2 Federal Interest Liabilities

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

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

Actual Activity:
For all transactions where the State pays out its own funds for program purposes prior to receiving Federal funds, the State shall track each payment from the date it is paid out of a State account to the date Federal funds are subsequently credited to a State account to cover that outlay. The Federal interest liability on each payment shall be based on the difference in whole days between the two events. With Federal-State matching programs, interest shall be calculated on the Federal percentage of the disbursement. With regard to funds expended on behalf of program 12.401, National Guard Military Operations and Maintenance (O&M) Projects, the federal interest liability may accrue beginning the 16th day following the delivery of the request for reimbursement to the duly appointed Cooperative Agreement Program Manager.

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:

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:

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

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

8.6.2.2 Source of Data

The Mississippi Accountability System for Government Information and Collabortion (MAGIC)

- with any pertinent added information from the State Agencies and Belinda Williams-Russell.

8.6.2.3 Standards Applied

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

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

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

8.6.2.4 Calculation Procedure

I = ADB x R, where

I = State's total interest liability

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

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

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) Time and expenses incurred to develop clearance patterns

-2) Costs directly related to calculation of interest

-3) Costs associated with preparation of the annual report

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

11.0 NON-COMPLIANCE

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

12.0 AUTHORIZED SIGNATURES

Liz Welch
State Fiscal Officer Executive Director, Department of Finance and Administration

Signature: DocuSigned by: Liz Welch 569C9FD467DF492... Date Signed: 8/13/2024

Date Submitted 8/13/2024

D. Michael Linder
Assistant Commissioner
Revenue Collections Management
Bureau of the Fiscal Service
U.S. Department of the Treasury

Signature: DocuSigned by: D. Michael Linder 0DA4F4D15A0C4BD... Date Signed: 8/13/2024

Exhibit I - Funds Request and Receipt Times Schedule

State of Mississippi

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	2 days
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	5:00 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	1:00 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 Mississippi
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
10.542	Pandemic EBT Food Benefits	Department of Human Services	100.0	Payments to Beneficiaries (EBT)	Actual Clearance, ZBA - Same Day Payment	N/A
10.551	Supplemental Nutrition Assistance Program	Department of Human Services	100.0	Payments to Beneficiaries (EBT)	Actual Clearance, ZBA - Same Day Payment	N/A
10.553	School Breakfast Program	Department of Education	100.0	Basic Program Costs	Actual Clearance, ZBA - Same Day Payment	N/A
10.555	National School Lunch Program	Department of Education	50.0	Basic Program Costs	Actual Clearance, ZBA - Same Day Payment	N/A
	National School Lunch Program	Department of Education	25.0	Payroll Costs (Warrants)	Average Clearance	2 Days
	National School Lunch Program	Department of Education	25.0	Payroll Costs (Direct Deposit)	Actual Clearance, ZBA - Same Day Payment	N/A
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	90.0	Payment to Beneficiaries	Actual Clearance, ZBA - Same Day Payment	N/A
	Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Health	10.0	Administrative Cost	Average Clearance	2 Days
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Mississippi Military Department	100.0	Operations and Maintenance	Reimbursable Funding	N/A
17.225 F	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Mississippi Department of Employment Security	60.0	Benefits Costs	Actual Clearance, ZBA - Same Day Payment	N/A
	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	Mississippi Department of Employment Security	39.0	Administrative Costs (nonpayroll)	Payment Schedule - Weekly	N/A
	Unemployment Insurance --	Mississippi Department of	1.0	Benefits Costs	Average Clearance	2 Days

	Federal Benefit Account and Administrative Costs	Employment Security				
17.225 S	Unemployment Insurance -- State Benefit Account	Mississippi Department of Employment Security	90.0	Benefit Costs	Actual Clearance, ZBA - Same Day Payment	N/A
	Unemployment Insurance -- State Benefit Account	Mississippi Department of Employment Security	10.0	Benefit Costs	Average Clearance	2 Days
20.205	Highway Planning and Construction	Department of Transportation	100.0	Program Costs	Actual Clearance, ZBA - Same Day Payment	N/A
84.010	Title I Grants to Local Educational Agencies	Department of Education	20.0	Indirect Costs	Monthly Draws	N/A
	Title I Grants to Local Educational Agencies	Department of Education	20.0	Payroll (Warrants)	Average Clearance	2 Days
	Title I Grants to Local Educational Agencies	Department of Education	20.0	Payroll (Direct Deposit)	Actual Clearance, ZBA - Same Day Payment	N/A
	Title I Grants to Local Educational Agencies	Department of Education	40.0	Payments to Beneficiaries	Actual Clearance, ZBA - Same Day Payment	N/A
84.027	Special Education -- Grants to States	Department of Education	10.0	Discretionary (Not paid to LEAs)	Payment Schedule - Weekly	N/A
	Special Education -- Grants to States	Department of Education	10.0	Direct Administrative	Payment Schedule - Weekly	N/A
	Special Education -- Grants to States	Department of Education	10.0	Payroll (Warrants)	Average Clearance	2 Days
	Special Education -- Grants to States	Department of Education	10.0	Payroll (Direct Deposit)	Actual Clearance, ZBA - Same Day Payment	N/A
	Special Education -- Grants to States	Department of Education	10.0	Indirect Costs	Monthly Draws	N/A
	Special Education -- Grants to States	Department of Education	50.0	Payments to LEAs and other recipients	Actual Clearance, ZBA - Same Day Payment	N/A
84.425	Education Stabilization Fund	Department of Education	19.68	Indirect Cost	Monthly Draws	N/A
	Education Stabilization Fund	Department of Education	19.68	Payroll (Warrants)	Average Clearance	2 Days
	Education Stabilization Fund	Department of Education	19.68	Payroll (Direct Deposit)	Actual Clearance, ZBA - Same Day Payment	N/A
	Education Stabilization Fund	Department of Education	39.36	Payments to Beneficiaries	Actual Clearance, ZBA - Same Day Payment	N/A
	Education Stabilization Fund	Office of the Governor	1.58	Payments to non-public schools, public universities and other recipients public universities and other recipients	Monthly Draws	N/A

	Education Stabilization Fund	Office of the Governor	0.02	Direct Administrative	Monthly Draws	N/A
93.575	Child Care and Development Block Grant	Department of Human Services	3.0	Payroll (Direct Deposits)	Actual Clearance, ZBA - Same Day Payment	N/A
	Child Care and Development Block Grant	Department of Human Services	3.0	Administrative Costs	Daily Draws	N/A
	Child Care and Development Block Grant	Department of Human Services	39.0	Program Costs	Average Clearance	2 Days
	Child Care and Development Block Grant	Department of Human Services	1.0	Payroll (Warrants)	Average Clearance	3 Days
	Child Care and Development Block Grant	Department of Human Services	54.0	Payments to Beneficiaries (Warrants)	Average Clearance	3 Days
93.767	Children's Health Insurance Program	Division of Medicaid	83.83	Payments to Providers-Federal	Actual Clearance, ZBA - Same Day Payment	N/A
	Children's Health Insurance Program	Division of Medicaid	16.17	Payments to Providers-State	Actual Clearance, ZBA - Same Day Payment	N/A
93.778	Medical Assistance Program	Division of Medicaid	76.9	Payments to Providers	Actual Clearance, ZBA - Same Day Payment	N/A
	Medical Assistance Program	Division of Medicaid	23.1	Payment to Providers	Actual Clearance, ZBA - Same Day Payment	N/A
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Mississippi Emergency Management Agency	4.0	Management Cost	Average Clearance	2 Days
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Mississippi Emergency Management Agency	1.0	Administrative Cost	Average Clearance	2 Days
	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Mississippi Emergency Management Agency	95.0	Program Costs	Average Clearance	2 Days

`

Certification

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: 8/13/2024

Printed Name: Liz Welch

Certifying Signature: DocuSigned by: Liz Welch 569C9FD467DF492...

Title: Executive Director, DFA