



DEPARTMENT OF THE TREASURY
BUREAU OF THE FISCAL SERVICE
WASHINGTON, DC 20227

March 12, 2020

Linda Combs
State Controller
State of North Carolina
3512 Bush Street
Raleigh, NC 27699-1410

Dear Ms. Combs:

This letter is to advise you that the Bureau of Fiscal Service (Fiscal Service) has reviewed your Annual Report for Fiscal Year 2019 which was provided under the provisions of the Cash Management Improvement Act (CMIA) of 1990 (P.L. 102-453).

Under 31 CFR 205.28 of the Department of the Treasury, Fiscal Service Regulations, Fiscal Service is required to determine CMIA Federal/State net interest liabilities, evaluate Interest Calculation Cost claims, and exchange net interest no later than March 31st of each year. Based on the information provided in your Annual Report, **your State has a net State interest liability of \$922,804 due to the Federal government.** Enclosed with this letter is a statement of the net interest liability calculation (*see the Fiscal Service Certification of Net Payment Due*) that includes the approved \$46,838 Interest Calculation Cost amount.

The net State interest liability payment to the Federal government must be processed for settlement no later than March 31, 2020. The State's net interest liability should be paid using either the Automated Clearing House (ACH) Network or Fedwire (see our payment instructions provided to you in our February 27, 2020 letter). Fiscal Service will do the accounting transactions to make net adjustments for all trust fund programs.

In the event that you disagree with our determinations, please contact us immediately so that we can address your disagreement. If this informal review is not satisfactory, you may dispute our determination under the provisions of 31 CFR 205.31. In order to support an appeal, it is essential that you provide the documentation that we requested in our November 14, 2019 letter.

Thank you for your cooperation in this important partnership to ensure efficiency, effectiveness and equity in the cash management of Federal grant payments. If you have any questions, please do not hesitate to contact Wallace Artis at (202) 874-6555, or me at (202) 874-7055.

Sincerely,

Mary N. Bailey
Director, CMIA Division
Revenue Collections Management

Enclosure

**Cash Management Improvement Act - 2019 Annual Report
State of North Carolina - Bureau of the Fiscal Service Certification of Net Payment Due**

State Fiscal Year 07/01/2018 through 06/30/2019

I. Summary of Liabilities and Approved Interest Calculation Costs

State Interest Liability Due	\$969,642
Federal Interest Liability Due	\$0
Approved Interest Calculation Costs	\$46,838
Net State Payment Due	\$922,804

II. Trust Fund Reporting

17.225 F Unemployment Insurance -- Federal Benefit Account and Administrative Costs

Total State Interest Liability	\$14,633
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$14,633

17.225 S Unemployment Insurance -- State Benefit Account

Total State Interest Liability	\$4,021
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$4,021

20.205 Highway Planning and Construction

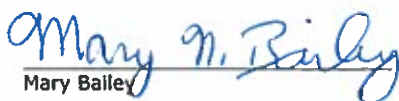
Total State Interest Liability	\$96
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$96

96.001 Social Security -- Disability Insurance

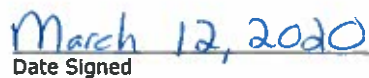
Total State Interest Liability	\$27,667
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$27,667

III. Certification

"This Certification has been prepared by the United States Department of the Treasury, Bureau of the Fiscal Service, based on the State of North Carolina's 2019 Annual Report. These calculations have been made in accordance with the implementing regulations of the Cash Management Improvement Act of 1990 (31 CFR Part 205)."


Mary Bailey

Director
Cash Management Improvement Act Division
Bureau of the Fiscal Service


Date Signed