



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

March 16, 2018

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 2017 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 \$166,652 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 \$43,416 Interest Calculation Cost amount.

The net State interest liability payment to the Federal government must be processed for settlement no later than March 30, 2018. 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 March 2, 2018 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 17, 2017 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 - 2017 Annual Report
State of North Carolina - Bureau of the Fiscal Service Certification of Net Payment Due**

State Fiscal Year 07/01/2016 through 06/30/2017

I. Summary of Liabilities and Approved Interest Calculation Costs

State Interest Liability Due	\$210,068
Federal Interest Liability Due	\$0
Approved Interest Calculation Costs	\$43,416
Net State Payment Due	\$166,652

II. Trust Fund Reporting

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

Total State Interest Liability	\$1,160
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$1,160

17.225 S Unemployment Insurance -- State Benefit Account

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

20.205 Highway Planning and Construction

Total State Interest Liability	\$20
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$20

96.001 Social Security -- Disability Insurance

Total State Interest Liability	\$7,102
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$7,102

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 2017 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 M. Bailey

 Mary Bailey

Director
 Cash Management Improvement Act Division
 Bureau of the Fiscal Service

3/16/2018

 Date Signed