

GOVERNMENT OF THE DISTRICT OF COLUMBIA



OFFICE OF THE INSPECTOR GENERAL

717 14TH STREET, N.W., 5TH FL.
WASHINGTON, D.C. 20005
(202) 727-2540

February 3, 1999

Ms. Birdie M. McKay, Director
Program Compliance Division
Department of the Treasury
Financial Management Services
401 14th Street, NE, Suite 511
Washington, DC 20227

Subject: Cash Management Improvement Act – FY 97 and FY 98 Interest Liability Claims

Dear Ms. McKay:

Attached is a summary of the U.S. Department of Treasury's interest liability for approximately \$4.1 million owed to the District of Columbia under the Cash Management Improvement Act (CMIA). We are sending this correspondence to you on behalf of the Government of the District of Columbia. This interest liability was calculated on the basis of the lapse days between the date the District expended its funds to pay for qualifying CMIA expenditures and the date the District was reimbursed for these expenditures by the U.S. Department of the Treasury. The CMIA requires that the interest calculations be computed by the governmental entity claiming the interest costs. The FY 97 and FY 98 submission supercedes the previous submission by the District.

The District personnel for each of the applicable agencies calculated the interest liability. The OIG reviewed the interest liability amounts reported for the 38 programs identified in the CMIA Agreement between the District of Columbia and the Secretary of the Treasury. This review consisted of reconciling the revenues and expenditures from the grant spread sheets to the GP 430 – Summary of Revenue actuals and expenditures for FY 1997 and 1998 which included year-end adjustments for FY 1997. Additionally, we reconciled the actual check dates to the FOCUS via inquiry and the draws to the FMS Document History. If a problem existed with the reconciliation, the OIG requested that the agencies go back and correct the problem.

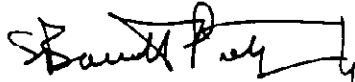
The Attachment summarizes the interest liability calculated by each program and by fiscal year. Documentation to support these amounts consists of copies of the District's Summary of Actual Revenues and Expenditures by Funding Source and spreadsheets depicting cash draws by the District, and interest calculations on itemized expenditures.

Ms. Birdie McKay
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In our opinion, the amounts reported for interest liability due are free of material misstatement and accurately represent the interest liability due to the District of Columbia Government.

Should you have any questions or need additional information, please contact me at the number above, or John N. Balakos, Assistant Inspector General for Audits. at (202) 727-9749.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Barrett Prettyman, Jr.", written over a rectangular box.

E. Barrett Prettyman, Jr.
Inspector General

Enclosure

CASH MANAGEMENT IMPROVEMENT ACT
INTEREST CALCULATIONS
1997-1998

Count	Program	1997	1998	Total Interest Liability Due
1	National School Lunch Program	95,405.82	135,315.18	230,721.00
2	Special Supplemental Food Program - WIC	38,347.98	119,308.34	157,656.32
3	Child and Adult Food Care Program	20,621.66	24,524.50	45,146.16
4	Food Stamp Program	122,961.14	78,261.06	201,222.20
5	Section 8 New Construction	-	-	-
6	Community Block Development Grant	68,440.04	324,173.71	392,613.75
7	HOME	22,404.73	118,076.79	140,481.52
8	Comprehensive Improvement Assistance Program	-	-	-
9	Section 8 New Construction	-	-	-
10	Section 8 New Construction	-	-	-
11	Section 8 New Construction	-	-	-
12	Law Assist Enforcement - COPS MORE	13,318.20	39,934.17	53,252.37
13	Law Assist Enforcement - Police Training	-	-	-
14	Employment Service	13,797.00	20,931.75	34,728.75
15	Unemployment Insurance	13,529.00	28,130.00	41,659.00
16	Job Training Partnership Act	7,669.15	63,195.00	70,864.15
17	Highway Planning and Construction Program	-	-	-
18	Const Grants for Wastewater Treatment	-	-	-
19	Title I for Local Educational Agencies	34,018.79	143,318.94	177,337.73
20	Special Education P.L. 94-142	6,936.54	40,527.77	47,464.31
21	Impact Aid-Maintenance and Operations	-	-	-
22	Basic Support - Rehabilitation Services	201,824.33	(138,924.81)	62,899.52
23	HIV prevention Project	51,442.67	37,224.14	88,666.81
24	Family Support Payments to States - AFDC	301,836.71	247,224.85	549,061.56
25	Job Opportunities and Basic Skills Training Program	14,363.40		
26	Child Support Enforcement	308,249.20	149,303.15	457,552.35
27	Low Income Home Energy Assist Program	22,356.45	97,328.25	119,684.70
28	Community Services Block Grant	53,433.24	68,266.39	121,699.63
29	Head Start	20,540.95	32,213.78	52,754.73
30	Foster Care Programs	-	-	-
31	Social Services Block Grant	138,305.86	21,763.31	160,069.17
32	Medical Assistance Program (Medicaid)	268,645.71	96,317.81	364,963.52
33	HIV Emergency Relief	2,391.20	4,624.16	7,015.36
34	Healthy Start Initiative	70,606.93	16,128.81	86,735.74
35	Substance Abuse and Preventive Treatment Services	64,510.30	52,225.36	116,735.66
36	Maternal and Child Health Block Grant	55,196.85	164,601.99	219,798.84
37	Social Security - Disability Insurance	59,906.49	29,907.06	89,813.55
38	Supplemental Social Security Income	(27,691.00)	(7,917.37)	(35,608.37)
	Direct Costs Incurred:	27,678.00	50,000.00	77,678.00
	Total Amount Due:	\$ 2,091,047.34	\$ 2,055,984.09	\$ 4,132,668.03

CAS... MANAGEMENT IMPROVEMENT...
INTEREST CALCULATIONS
1997-1998

¹ Interest rate of .0518 was used for FY 98 calculations, and .0513 for FY 97.

² Interest liability was not calculated on the programs identified in the CMIA Agreement as exempt.

³ (No.'s 5, 8, 9, 10, 11, 18, and 30.)