

2023 Interest Proration

July 26, 2023

SDCL 4-5-30

The state investment officer, utilizing the facilities of the state budgetary accounting system, shall pool cash accounts within the funds enumerated in § 4-5-23. **The Appropriations Committee of the Legislature, upon recommendations from the commissioner of finance and management, shall certify those funds which are to participate in the interest income of the pooled investments.** The state investment officer shall credit the gain or interest due as a result of investments made pursuant to § 4-5-29 on a pro rata basis to the participating funds in the same ratio as the average daily cash balance of each fund bears to the total average cash balance of all funds.

If requested by the state investment officer during each fiscal year, the state treasurer shall...

Participating vs. Non-Participating

- “P” – Participating: The earnings attributable to the cash center are returned to the cash center
- “NP” – Non-Participating: The earnings attributable to the cash center are deposited in the State General Fund

Interest Proration Example

FUND	Fund Name	Participating Status	Average Daily Cash Balance	Percent of Total	Interest Allocation	Interest Cash Distribution	
1000	General Fund	P	\$900	90.0%	\$90	\$92	Interest Revenue
2XXX	Special Revenue - Federal Fund A	NP	50	5.0%	5		
2YYY	Special Revenue - Federal Fund B	NP	(30)	(3.0%)	(3)		
3XXX	Special Revenue - Other Fund C	P	100	10.0%	10	10	Interest Revenue
3YYY	Special Revenue - Other Fund D	P	(20)	(2.0%)	(2)	(2)	Interest Expense
Total			\$1,000	100%	\$100	\$100	

Participating vs. Non-Participating Determination

General guidelines used by the Bureau of Finance and Management to designate participating funds. State law and federal grant guidance take precedence:

- 1) State General Fund
- 2) Other Funds that are:
 - a) Generated by dedicated revenue;
 - b) Restricted to a closed system to which additional state appropriations (general funds) are not available; and,
 - c) Not received as payment or appropriations from one entity to another for the cost of specific services or products.
- 3) Federal Funds that are matched with or are used in conjunction with participating funds other than the State General Fund.
- 4) Clearing account funds that are ultimately deposited in a participating fund other than the State General Fund.
- 5) Trust funds that are holding assets upon which interest is paid when the assets are claimed or returned.

New Cash Centers in FY 2023 - Participating

Company	Cash Center	P/NP	Cash Center Description	Agency
3075	030000080240	P	RSRF	DANR
3079	0800000662	P	OPIOD SETTLEMENT FUNDS	DSS
3149	173100063802	P	EAGLES DONATIONS	DVA
6518	010540054911	P	STA-2023 SB35 TRANSFER	STA

New Cash Centers in FY 2023 – Non-Participating

Company	Cash Center	P/NP	Cash Center Description	Agency
2000	Multiple	NP	COVID-19 STIMULUS FUNDS	Multiple
3050	0300000021	NP	PESTICIDE PERFORMANCE GRANT	DANR
3050	030000026171	NP	PPG PESTICIDE	DANR
3050	030000026179	NP	PPG	DANR
3050	030000051340	NP	DAIRY	DANR
3050	030000051360	NP	DAIRY	DANR
3050	0300000788	NP	OP CERT-DO NOT USE	DANR
3056	1432000	NP	STATE FIRE SUPPRESSION FUND	DPS
3075	030000074425	NP	MINE RECLAMATION LIQUID GOLD	DANR
3138	1200000881CF	NP	JAG - COMMUNITY FOUNDATION	DOE
3144	143200025489	NP	DSR4664 HMGP JUNE 2022 SEVERE STORMS	DPS
3144	143200025491	NP	DSR4689 HMGP DEC 2022 WINTER STORMS	DPS
3144	143200025389	NP	DSR4664 PA JUNE 2022 SEVERE STORMS	DPS
3144	143200025390	NP	EMAC - KENTUCKY FLOODING	DPS
3144	143200025391	NP	WINTER 2022 STORMS	DPS
3144	143200025392	NP	DSR4718 PA APRIL 2023 FLOODING	DPS
3144	143200025488	NP	DR4656 HMGP MAY 2022 SEVERE STORMS	DPS

Change to Participation Status in FY2023

Company	Cash Center	P/NP	Cash Center Description	Agency
3050	0312000021	NP	CLOSED OUT PPG GRANT	DANR
3050	0300000001	NP	OTHER INDIRECT COST	DANR
3061	0322	P	CONSERVATION DISTRICT SPEC REVENUE FUND	DANR
3079	0800000748	NP	JANSSEN PHARMACEUTICALS SETTLEMENT	DSS