

**DEPARTMENT OF STATE TREASURER
PROCEDURES FOR MAKING SHORT-TERM LOANS
TO AND FROM THE HIGHWAY TRUST FUND AND THE HIGHWAY FUND
AUGUST 1, 2019**

Pursuant to N.C.G.S. § 147-86.15, granting the State Treasurer the authority to make short-term loans to and from the Highway Trust Fund (the "HTF") and the Highway Fund (the "HF"), (collectively referred to as the "Funds"), the following procedures shall be followed:

SECTION 1. DEFINITION OF SHORT-TERM LOAN

Short-term loan shall mean a transfer of cash from one of the Funds to the other, by the Department of Transportation (the "DOT"), consisting of a term of 59 months or less (as implied by N.C.G.S. § 159-148(a)(1)) from the date of the transfer.

SECTION 2. TRANSFER PROCEDURES

A. Notification. No later than five (5) business days prior to the requested cash transfer date of a short-term loan, the DOT shall initiate the transfer process in this manner:

1. Notify Fran Lawrence at (919) 814-3907 or Joan Fontes at (919) 814-3898 at the Department of State Treasurer (the "DST") by telephone of the anticipated transfer.
2. After the initial telephone call, send a written notice requesting the short-term loan to the Chief Financial Officer and the Deputy Director of Financial Operations at the DST. The notice must be received no later than five (5) business days prior to the desired cash transfer date, and shall include the following information:
 - a. The requested amount of the short-term loan,
 - b. The purpose of the short-term loan,
 - c. The anticipated disbursements and anticipated receipts to document the need for the short-term loan including the associated budget codes,
 - d. The anticipated terms and methods (i.e. Cash Management Control System ("CMCS") transfer) of repayment,
 - e. The current cash balances in the HF and HTF,
 - f. The projected cash balances remaining in the HF and HTF after the short-term loan is made, and,
 - g. Balances of outstanding loans after the short-term loan is made.

B. Review and Approval. Within three (3) business days of receipt of proper written notice, the DST shall review and render a decision on the requested short-term loan. Any one of the following DST officials may review and approve a requested short-term loan:

1. The State Treasurer
2. The Director of the State and Local Government Finance Division
3. The Director of State Debt

4. The Director of Fiscal Management
5. The Chief Financial Officer
6. The Chief of Staff

SECTION 3. REPAYMENT PROCEDURES

DOT shall notify DST by e-mail of any repayments as they occur (depending upon repayment frequency, this may have to be discussed further). Specific information on the repayments to include:

- a. Date of loan origination
- b. Associated budget codes
- c. Method of repayment (CMCS transfer)
- d. The balances of outstanding loans after the repayment

SECTION 4. NOTICE

Written notice may consist of e-mail to the designated DST personnel at these addresses:

E-mail addresses of current DST personnel:

Chief Financial Officer, Fran Lawrence: fran.lawrence@nctreasurer.com

Deputy Director of Financial Operations, Joan Fontes: joan.fontes@nctreasurer.com

Physical address:

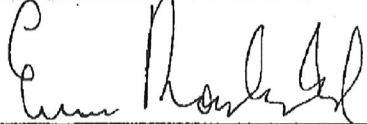
Financial Operations Division
Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

SECTION 5. EFFECTIVE DATE AND DISCLAIMER

These Procedures are effective as of August 1, 2019 and are subject to further review and modification by the State Treasurer and DST Financial Operations Division.

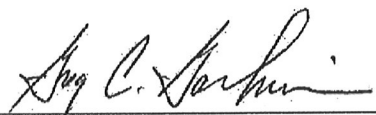
REVIEWED, APPROVED AND ACCEPTED BY:

DEPARTMENT OF TRANSPORTATION



Evan Rodewald, Chief Financial Officer

DEPARTMENT OF STATE TREASURER



Greg C. Gaskins, Director, State and Local
Government Division