

# Minnesota Management & Budget Statewide Procedure

Minnesota Management & Budget, Treasury Division (Debt Mgmt)  
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## City & County Credit Enhancement Default Payment Procedure

### Objective

To provide instructions for making City & County Credit Enhancement Program payments in accordance with Minnesota Statute 446A.086 (<https://www.revisor.mn.gov/statutes/?id=446A.086>).

### General Procedures

Step	Action	Responsible Party	Timeline
1.	<p>Receive a notification from the paying agent to make a payment on behalf of a county or city. The paying agent will inform Public Facilities Authority (PFA) if:</p> <ul style="list-style-type: none"> <li>• it becomes aware of a default, or a potential default in the payment of principal or interest on that issue or,</li> <li>• there are insufficient funds to make the payment on deposit with the paying agent on the day three business days before the date a payment is due on that issue.</li> </ul> <p>If the PFA has not received advance notice of a potential default from the county, PFA will verify with the county that there is an actual payment default before making a request to the Minnesota Management &amp; Budget (MMB).</p>	PFA	N/A
2.	<p>Submit a City &amp; County Credit Enhancement Default Payments form (FI-00585) and a Paying Agent Notification of Potential Default form to MMB – Agency Assistance Unit, Appropriation Coordinator. Fax the form to (651) 296-8685 no more than one hour after notification from the paying agent. Confirm receipt of fax. In case the Appropriation Coordinator cannot be reached, contact the Agency Assistance Supervisor. If neither staff can be reached, contact the MMB Treasury Division.</p>	PFA	No more than one hour after notification from the paying agent.
3.	<p>Establish an open appropriation account within one hour after receipt of the forms and use the Department of Employment and Economic Development (DEED) coding information provided.</p>	MMB – Agency Assistance	One hour after receipt
4.	<p>Verify that there is a valid vendor number that can be used for the payment. If there is no vendor number in the Statewide Integrated Financial Tools (SWIFT) one will be established.</p>	MMB – Agency Assistance	N/A

Step	Action	Responsible Party	Timeline
5.	Establish an allotment, an expense budget, and process a payment to the paying agent within one hour after the appropriation account that was established. Flag the payment as a “pull warrant” so the funds can be wire transferred to the paying agent.	PFA	One hour
6.	Submit a copy of the City & County Credit Enhancement Default Payments form (FI-00585) and a copy of the Paying Agent Notification of Potential Default form, along with a Warrant Special Handling Request form (FI-00526) to the MMB – Systems Compliance Unit. Email the forms to <a href="mailto:syscomp.mmb@state.mn.us">syscomp.mmb@state.mn.us</a> immediately after the payment has been processed and confirm receipt by email or calling (651) 201-8191. This notification process will ensure that the wire transfer is received by the paying agent before noon on the day following the first notification of an actual payment default.	PFA	Immediately after payment has been processed
7.	Pull warrant and prepare wire transfer paperwork so Treasurer’s Office can wire money to bond issuer.	MMB-System Compliance	Immediately

## Forms

FI-00585-01 City & County Credit Enhancement Default Payments  
 FI-00526-02 Warrant Special Handling

## Related Policies and Procedures

1201-01 City & County and School District Credit Enhancement Default Payment Policy  
 1201-01.2 School District Credit Enhancement Default Payment Procedure