

# Accounting Procedures

## Public-Private Education Facilities and Infrastructure Act of 2002

- Review Fee:** Agencies must charge a fee of .5% of the estimated present value cost of the proposal to cover the direct costs (salaries, consulting services, travel, paper, printing, copying, and prorata share of special equipment costs) of reviewing (including processing and evaluating) unsolicited proposals. The fee will not exceed \$50,000 or be less than \$5,000.
- If the cost of the review is less than the fee, the agencies will refund the excess fee to the proposer.
  - Following initial review, if the agency decides not to proceed to publication and conceptual phase review of an unsolicited proposal, the fee, less any direct costs of review, shall be refunded to the proposer.
- Fund Establishment:** When an agency receives funds pursuant to this act, the agency should contact the Department of Accounts (DOA) to establish fund 0275 entitled “Public-Private Education Act Fund” for their agency on the Commonwealth Accounting and Reporting System (CARS).
- Receipts:** All money received by State agencies as proposal fees should be deposited into the State Treasury and recorded in CARS in fund 0275, revenue source code 09016 entitled “PPEA Proposal Review Fee.”
- Refunds:** If it is determined under the terms of the Act that fees received are to be refunded to the proposing entity, the transaction should be recorded as a revenue refund if the disbursement is executed in the same fiscal year that the funds were received and recorded in. If the refund occurs in any fiscal years following the year funds were received, the disbursement must be recorded as an expenditure. The disbursing agency will need to receive an appropriation from the Department of Planning and Budget (DPB) prior to disbursing as an expenditure<sup>1</sup>.

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<sup>1</sup> If a refund is disbursed to the original paying entity in any fiscal year subsequent to the year the original proceeds were received and recorded as revenue, an expenditure must be recorded in fund 0275 because the original revenue recorded to reflect the receipt of the funds has closed to Fund Balance and the revenue no longer exists on the general ledger.

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#### Other Fund

Reimbursements: To reimburse other funds from PPEA fund fee revenues for expenditures incurred for proposal review within the same fiscal year that the expenditures were recorded, an expenditure should be recorded to fund 0275 and an expenditure refund should be recorded in the fund the agency has determined to reimburse. This may be done on an ATV (if the transaction is contained to one agency) or on IAT (if the transaction is between state agencies). The agency must receive an appropriation from DPB in fund 0275 prior to recording expenditures.

If the reimbursement is to be executed in fiscal years subsequent to the recording of the original expenditures, an expenditure should be recorded in fund 0275, and revenue should be recorded in the fund the agency has determined to reimburse. Revenue source code 09084 "Refund of Prior Year Expenditures" should be utilized in the receiving fund. This may be done on an ATV (if the transaction is contained to one agency) or in IAT (if the transaction is between state agencies)<sup>2</sup>. See note 2.

#### Expenditure

Disbursements: To disburse funds from fund 0275 for purposes other than refunding the proceeds to the original paying entity, the agency must receive an appropriation from DPB. The agency should record the disbursement as an expenditure utilizing normal vendor payment procedures.

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<sup>2</sup> When reimbursing a fund from PPEA for expenditures that were recorded in a previous fiscal year, a revenue must be recorded in the fund being reimbursed because the original expenditures being reimbursed have closed to Fund Balance and the expenditures no longer exist on the general ledger.