Sales Tax Refund Processing-CCIP

Refunds for expenditures from Public School Building Bond Funds, School Technology Fund (PRC 015) and Federal Funds must be submitted to DPI. You will do these as <u>current year refunds</u>, in the year that they are received, even if the refund is for prior year expenditures.

Paper 202 and check–mail to Financial Services, 6336 Mail Service Center, Raleigh NC 27699.

NOTE: Record the receipt of the NC Dept of Revenue check to Fund 2 – Local. Pay the refunds to State and Federal from Fund 2 – Local.

I. The Public-School Building Bond Fund refunds must be done <u>MANUALLY</u> with a paper FPD202 form and a check. You will select just one (1) project to receive the refund. Use the contra-expenditure code (8100-XXX-472) for the credit entry. You will code the check to the appropriate Local code.

II. The School Technology Funds (PRC 015) refund can be posted through the Comprehensive Continuous Improvement Plan (CCIP). Use the contra-expenditure code (8100-015-472) for the credit entry. You will debit the appropriate Local code. <u>NOTE: The remainder of the state portion of the refund is yours to use as part of your Local General Operating Fund.</u>

III. For Federal Funds, if the Federal program receiving the refund has closed, the refund is process differently from the refunds for the active Federal Programs.

1. If the program has closed in the prior or current fiscal year, then the refunds must be done <u>MANUALLY</u> with a paper FPD202 form and a check. The LEA will <u>NOT</u> get to use the funds.

   Use of the contra expenditure code (8100-XXX-472) for the credit entry, where XXX is the appropriate PRC. You will code the check to the appropriate Local code.

2. If the refund is a currently active Federal PRC, and the LEA has a current year allotment, there is a two-step process.
   a) A current year refund is processed through the CCIP system using the contra-expenditure code (8100-XXX-472) for the credit entry, where XXX is the appropriate PRC, and debit the appropriate Local code. Even though the Sales Tax being refunded is from a prior year, the refund is processed as a current year refund. ***You have until the end of the current fiscal year to spend the refund credit.***
   b) A budget amendment needs to be processed through the CCIP System to adjust the budget for the expenditure of the Sales Tax Refund credit.

      The CCIP System has been updated to allow for negative budget amounts. Therefore, in order to properly record and expend your Federal Sales Tax refund, you must process a budget amendment to record a negative budget amount for the Sales Tax Refund code, and a positive budget amount for the appropriate expense code. The Sales Tax Refund code is 8100-XXX-472, where XXX is the appropriate PRC. This amendment will increase the budgeted expense amount without increasing your overall budget.

3. If the refund is for a currently active Federal PRC, but the LEA does NOT have a current year allotment there is only one step.
   a) A refund must be done manually with a paper FPD202 form and check. Do not process thru the CCIP system.