

Refunds and Repayments: Guidelines on Sending Cash Back to NC DPI

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Background

PSUs receiving Federal and State cash may have a need to periodically return funds back to NC DPI. This document is intended to provide guidance on when a refund or repayment can be made through the PSU Cash Application (PCA) and when a refund must be sent in by manual check.

The systems are going through a modernization phase and these processes will continue to evolve. Changes will be communicated, and this guidance document will be updated as those enhancements are made.

At this time the PSU Cash Application (PCA) system can be used for requesting and in limited instances returns of Federal and State Funds. In most situations, a manual paper check must be submitted, along with an electronic submission of information, [Refunds and Repayments Form](#) associated with the check.

Note: At this time as a general rule, only cash that the PSU has a right to, should be returned through the cash systems. Using the PCA at this time to return cash increases the available cash balance. A manual check will result in funds being returned to NC DPI and the original source of funds. The details behind the various reasons for returning cash are discussed below along with how to return cash.

Refunds that can be returned through the Cash Systems

Cash should be refunded and repaid through the PCA for the following transactions:

Reason for Return	Source of Original Funds	Related to Current Fiscal Year
PSU Reduced current year State Expenditures	State	Enter Amount as a Negative Cash Request in Cash Management System
TD-19 Refund of SPSF Transportation Allotment	State	Enter Amount as a Negative Cash Request in Cash Management System
Reason for Return	Source of Original Funds	Grant Open through Period of Performance
PSU Reduced current Year Federal Expenditures	Federal	Enter Amount as a Negative Cash Request in PSU Cash Application (PCA)
Sales Tax Refund	Federal	Enter Amount as a Negative Cash Request in PSU Cash Application (PCA)

To return funds through the PCA, PSUs should follow the steps listed below:

1. Create negative cash request for the amount of sales tax reimbursement. Note:
 - a. PCA request will be the net amount of expenditures + sales tax reimbursed combined.
 - i. Example: Expected expenditures for the cash request amount to \$100,000.00 for the week, sales tax refunds were received by the PSU in the amount of \$1,000.00 for the same PRC, the PCA cash request should be \$99,000.00.
 - b. Due to current system limitations in the PSU Cash Application (PCA), PSUs can only return up to the amount that they have requested for this fiscal year.
 - i. Example: YTD cash request in PRC181 is \$1,000.00. Sales tax is \$1,100.00. The entry can only be up to (**\$1,000.00**).
 - ii. PSU should wait until adequate funds are drawn.
2. Create a contra account transaction using sales tax account 04720 (*previously object code 472 in COA*) in budget.

Note: The zero-out process will correct cash if the transaction is not entered into the PCA.

When to Return Federal or State Funds to NC DPI with a Manual Check

There are various instances when a manual check is required to be sent back to NC DPI. The table below provides a way to determine when a manual check is required to be sent back. When a manual check is remitted, the PSU does not have access or a right to those funds.

Reason for Return	Source of Original Funds	Related to Prior Fiscal Year	Related to Current Fiscal Year
Prior Year State Overspent (allotments, months allocated vs used, categorical overspend, penalties)	State	Check	n/a
Prior Year Certified Salary Audit Exception	State	Check	n/a
Questioned Costs (i.e. Annual Audit Exception, Fiscal Monitoring Exception)	State	Check	Check**
Sales Tax Refund	State Public School Building Bond Funds, School Technology Fund	Check	Use PCA
TD-19 Tort Insurance or Capital	State	Check	Check
TD-19 Refund of SPSF Transportation Allotment	State	Check	Use PCA

Reason for Return	Source of Original Funds	Grant Open through Period of Performance	Grant is in Liquidation or Closed
Prior Year Federal Overspent (allotments)	Federal	Check	Check
Prior Year Certified Salary Audit Exception	Federal	Check	Check
Sales Tax Refund	Federal	Use PCA	Check
IDEA Maintenance of Effort	Federal	Check	Check
Questioned Costs (i.e. Annual Audit Exception, Fiscal Monitoring Exception)	Federal	Check**	Check

** A Questioned Costs that is identified by an external auditor or agency other than NC DPI, that is confirmed to be an improper payment, is required to be returned back to NC DPI with a check. A request for payment by check is required as 2 CFR 200 guidelines require these funds to be returned to the agency that originally sourced the funds.

A monitoring visit by a section within NC DPI may result in a questioned cost that may not be deemed an improper payment. The monitoring report will indicate whether a check is required and must be paid back to US Department of Education or if a PSU can move the costs and return the funds instead of it being an improper payment. This situation is however based on the circumstances of the situation and determined by NC DPI.

When to submit a Refund Form

Complete the [Refunds and Repayments Form](#) for each manual check that is required to be sent to NC DPI.

The subsequent pages provide guidance on how to complete the form.

Identifier Information

Contact name, phone number and email will be required to submit the form.

Identify the public school unit (PSU) type.

Enter the PSU or entity number and name. The Educational Directory, [EDDIE](#), can be used to identify the correct PSU number.



Refund Form #

Generated on Submit

A unique number will be assigned once the form is submitted.

Date

09/26/2024

REFUNDS and REPAYMENTS FORM

Please refer to the refund guide when deciding when to it is required to send a check back to NC DPI. Please ensure you complete all fields. It is important to provide adequate information for NC DPI to understand the reason for the return of the funds and the original source of funds.

Note there are 6 Refund Types to select from:

- Allotment Overage
- Certified Salary Audit Exception
- IDEA Maintenance of Effort
- Questioned Costs (i.e. Audit Finding)
- Sales Tax Refund
- TD-19 Tort Insurance/ Capital Improvements

Highlighted information is required to be able to submit the form.

Contact Name

James

Email

Smith

Phone Number

0123456789

PSU Type

- Charter School Local Education Agency (LEA)
 Regional School LAB School Non-Units
 NC DPI Representative

PSU or Entity Number

000

PSU or Entity Name

Public School Unit Name

PSU numbers can be found in [EDDIE](#)

Refund or Repayment Type

There are several types of refunds or repayments. This form is designed to be used when a manual check is required to be sent to NC DPI. See instructions for when to repay NC DPI with a manual check included above.

Select the appropriate refund type from the dropdown menu:

Provide check details

Check #	Refund Type
	Prior Year Overspent ▲
	<input type="text"/>
	Prior Year Certified Salary Audit Exceptions
	IDEA Maintenance of Effort
	Questioned Costs
	Sales Tax Refund
	TD-19 Tort Insurance/ Capital Improvement
	TD-19 Refund of SPSF Transportation Allotment

System Note: If a line is added to the 'Check Details' table all cells must be completed. If a subsequent row is added but will not be needed, delete the row.

Provide Check Details

Complete the information required for each check and/or each line in the check that is remitted.

Incomplete or inadequate information will result in the form being returned for clarification and additional information.

Each line should include:

Check number	Identify check number on each line.
Refund Type	Prior Year Overspent Certified Salary Audit Exceptions

	IDEA Maintenance of Effort Questioned Costs Sales Tax Refund TD-19 Tort Insurance/Capital Improvement TD-19 Local Refund of SPSF Transportation Allotment
Grant Year for Original Funds	Identify what grant year the original source of funds relate to.
Fund	Identify what funding source the original funds came from, State or Federal.
PRC	Identify the specific Program Report Code (PRC) that the original funds came from.
Purpose	Identify the original purpose code used to key the original expenditure.
Object Code	Identify the original object code used to key the original expenditure.
Amount	If one check is provided that includes more than one type of refund, details regarding each refund type must be addressed. The total amount of the 'Check Details' section should agree to the manual check.

Note: For IDEA Maintenance of Effort (MOE) repayments, the Grant Year, PRC, Purpose, and Object Code are not required. For MOE, please state "n/a" as shown in the example

For Questioned Costs, the Purpose and Object Code are not required. Please state "n/a" as shown in the example.

Provide check details

Check #	Refund Type	Grant Year for Original Funds	Fund	PRC	Purpose	Object Code	Amount	
1000	Prior Year Overspent	20xx	1	xxx	xxxxx	xxxxx	100.00	
1000	Prior Year Certified Salary Audit Exceptions	20xx	3	xxx	xxxxx	xxxxx	100.00	
1000	IDEA Maintenance of Effort	20xx	3	n/a	n/a	n/a	100.00	
1000	Questioned Costs	20xx	3	xxx	n/a	n/a	100.00	
1000	Sales Tax Refund	20xx	3	xxx	xxxxx	xxxxx	100.00	
1000	TD-19 Tort Insurance/ Capital Improvement	20xx	1	xxx	xxxxx	xxxxx	100.00	
1000	TD-19 Refund of SPSF Transportation Allotment	20xx	1	xxx	xxxxx	xxxxx	100.00	
							700	

If the refund or repayment is related to a request from a division within the NC Department of Public Instruction please let us know which division requested the repayment by selecting from the dropdown menu. If the division requesting funds is not listed please provide the name of the division or office in the blank field provided.

If Repayment, NC DPI Office Requiring Payment

Other NC DPI Office

Certified Salary Exceptions

If you are repaying a prior year’s salary overpayment or prior year’s salary licensure related issue, please include the voucher number, pay period, first and last name of the staff member impacted, last four digits of the social security number and the amount associated with the salary exception.

The form will be returned if you are sending funds related to a salary exception without this information.

Information Required for Certified Salary Exceptions

Voucher	Pay Period	First Name	Last Name	Last 4 Digits of SS#	Amount
5678	4	Robert	Brown	0123	\$150.00
					\$150.00



Supporting Documents

Please attach the original document that your organization received that indicated a refund or repayment was required.

Examples of supporting documents that should be attached:

- Prior Year Overspent – Invoice or memo from NC DPI School Business Services
- Prior Year Certified Salary Audit Exceptions - Invoice or memo from NC DPI School Business Services
- IDEA Maintenance of Effort – Report from NC DPI Office of Exceptional Children or other documentation that substantiates amount due
- Questioned Costs – Single Audit Report or Fiscal Monitoring Report or other documentation that substantiates amount due
- Sales Tax Refund – No supporting documentation is required to be attached
- TD-19 Tort Insurance/Capital Improvement – TD-19 form can be attached as supporting documentation
- TD-19 Local Refund of SPSF Transportation Allotment – TD-19 form can be attached as supporting documentation

Multiple documents can be attached. Missing documents can result in the form being sent back for additional information.

Attach supporting documents that identify amount owed for all refund or payments (i.e. single audit report, monitoring report, MOE letter requesting repayment, TD-19) No support needed for Sales Tax.

Attach Supporting Documents

Choose Files or Drop Here

Additional Explanation

Please use this section of the form to provide as much information as possible to make sure NC DPI understands the reason for the return and the source of the original funds.

NC DPI is responsible for returning funds to the State and US Department of Education. The information provided with a refund is required to ensure the funds are properly returned to the correct source.

Additional explanation to understand the reason for the repayment, if needed

Remitting the Manual Check

Please remit the manual check. Include the form number with the check, if possible.

Please mail check to:
DPI Financial Services
6336 Mail Service Center
Raleigh, NC 27699

This form is being submitted to NC DPI School Business Services. A unique number will be automatically assigned to this form once you hit submit. The unique number should be included on or with the check. A system email will be sent once the form is submitted and again once the check is received and deposited.

Submit