



Commonwealth of Pennsylvania  
GOVERNOR'S OFFICE

# MANAGEMENT DIRECTIVE

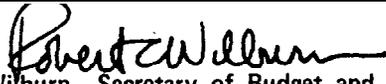
310.11

Number

Subject:

Payment and Financial Reporting Requirements for Non-Preferred Appropriations

By Direction of:

  
Robert C. Wilburn, Secretary of Budget and Administration

Date:

January 19, 1982

Institutions receiving non-preferred appropriations and their administering State agencies are to follow this directive when paying and accounting for such appropriations.

1. **PURPOSE.** To establish policy relating to payment of and accounting for non-preferred appropriations.

2. **SCOPE.**

a. This directive applies to State agencies that administer non-preferred appropriations to institutions and organizations, herein after referred to as Grantees, receiving State appropriations. The agencies currently affected include the Department of Education, the Department of Public Welfare, the Department of Health, and the Historical and Museum Commission.

b. Specifically excluded from the provisions of this directive are payments of appropriations administered by the Department of Education to State-related educational institutions: the Pennsylvania State University, the University of Pittsburgh, Temple University at Philadelphia, and the College of Lincoln University.

3. **DEFINITION.** Non-preferred appropriation. An appropriation made by the General Assembly to private education, charitable, or benevolent institutions and organizations not under absolute control of the Commonwealth.

4. **POLICY.**

a. Payment of non-preferred appropriations shall be construed as a grant to be expended for the purpose of the appropriation without regard to subsequent dates of actual disbursement by the Grantee.

b. Payments of non-preferred appropriations, with the exception of appropriations administered by the Department of Education for Doctor of Osteopathy and Doctor of Medicine Programs, shall be made in equal quarterly installments on the basis of a General Invoice, Form STD-152, prepared by the Comptroller of the administering State agency. On a July 1- June 30 fiscal year basis, such payments are to be made at approximately mid-month of September, December, March, and June. Payments shall be made without regard to actual receipts and expenses shown on quarterly financial reports.

c. Payments of appropriations administered by the Department of Education for Doctor of Osteopathy and Doctor of Medicine Programs shall be based on full-time student enrollment. They shall require the quarterly submission of an invoice by the Grantee. The invoice shall stipulate the average number of full-time students enrolled during the quarter and the cost per student. The cost per student shall not exceed the maximum allowable by the appropriation act.

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(Financial Management, OBA, 443-2870) Page 1 of 3

(1) Payments may be made on the basis of an estimated invoice submitted thirty days prior to the quarter ending date for payment during the months of September, December, March, and June.

(2) Total quarterly payments shall not exceed twenty-five percent of the amount appropriated as of September 30, fifty percent as of December 31, seventy-five percent as of March 31, and one-hundred percent as of June 30.

d. Grantees receiving non-preferred appropriations shall be required to submit quarterly reports of all revenues received and expenses paid for the programs which the State appropriation supports. These reports are to be prepared on a quarter and fiscal year-to-date basis and be submitted, as a prerequisite for continuation of payments, to the Comptroller for the administering State agency within thirty calendar days after the end of each calendar quarter.

e. All accounting records supporting quarterly reports shall be available for examination at all times during business hours by the Commonwealth through its duly authorized officers, agencies, or employees.

**5. RESPONSIBILITIES.**

a. The heads of administering State agencies shall notify and advise Grantees of appropriation payment policies and reporting requirements. Agency Heads shall prescribe the form and manner of reporting by the Grantee or the need for other information that may be required to carry out the provisions of the appropriation acts. A recommended quarterly report format is attached.

b. Comptrollers shall, upon receipt and review, submit copies of all quarterly financial reports received to the State Treasurer, the Auditor General, and the Agency Head.

**6. PROCEDURES.**

a. Procedure 1: Payments on non-preferred appropriations.

Action By	Step	Action
Comptroller/ Grantee.	1.	Takes one of the following actions:
Comptroller.	a.	Prepares a General Invoice, STD-152, for the quarterly payment of non-preferred appropriations due Grantees for purposes and programs other than that identified in Step 1 b.
Grantee (applicable to Dept. of Education only)	b.	Prepares and submits to the Comptroller of the administering State agency, thirty days prior to the quarter ending date, an invoice based on estimated costs and full-time students enrolled in Doctor of Osteopathy and Doctor of Medicine Programs.
Comptroller.	2.	Reviews and approves invoices prepared in Steps 1a and 1 b on Voucher Transmittal, for payment.
	3.	Submits Voucher Transmittal and invoices to Agency Head for approval.
Agency Head.	4.	Approves Voucher Transmittal and returns to Comptroller for further payment processing.
Comptroller.	5.	Submits agency approved Voucher Transmittal to Treasury for payment.
	6.	Transmits Treasury Checks, upon receipt, to Grantees.

**b. Procedure 2: Reporting procedures for Grantees.**

<b>Action By</b>	<b>Step</b>	<b>Action</b>
Grantee.	1.	Prepares and submits to Comptroller of administering State agency, within thirty days after each calendar quarter, a quarterly report, Statement of Receipts and Expenses. (See Enclosure 1 for sample format and preparation instructions.)
Comptroller.	2.	Reviews Grantee's quarterly report and transmits copies to the State Treasurer, Auditor General, and Agency Head.

**NON-PREFERRED APPROPRIATIONS QUARTERLY REPORT**

**Statement of Receipts and Expenses**

For the purpose of \_\_\_\_\_ per Act of 19, \_\_\_\_ No. \_\_\_\_\_

Reporting Period \_\_\_\_\_

Institution \_\_\_\_\_

Agency \_\_\_\_\_

CERTIFICATION: I, the undersigned, certify that the following account is full, true, and correct; that the materials, services, and expenses were actually and necessarily incurred for the purpose stated above; that the prices charged are fair and reasonable; that the expenditures have been actually paid; and that the Institution is not founded on covenants which discriminate on account of race, creed, color, sex, or age nor are the affairs of the Institution conducted in such fashion as to discriminate and further that the affiant understands that any and all payments made in this Institution are made in reliance by the Commonwealth upon statements herein made.

\_\_\_\_\_  
Signature Title Date

	<b>Last Quarter</b>	<b>Fiscal Year To Date</b>
<b>PART A - SUMMARY.</b>		
1. Available Balance, Beginning	_____	_____
2. Total Receipts (Part B)	_____	_____
3. Total Expenses (Part C)	_____	_____
4. Excess Receipts Over Expenses	_____	_____
5. Excess Expenses Over Receipts	_____	_____
6. Available Balance, Ending (Line 1 plus Line 4 or minus Line 5)	=====	=====
<b>PART B - RECEIPTS.</b>		
General Revenue	_____	_____
State Appropriation	_____	_____
Other Grants	_____	_____
Contributions	_____	_____
Investment Income	_____	_____
Other (list)	_____	_____
TOTAL RECEIPTS (Enter In Part A, Line 2)	=====	=====
<b>PART C - EXPENSES.</b>		
Employees' Salaries/Wages	_____	_____
Employee Benefits	_____	_____
Furniture, Fixtures, Equipment	_____	_____
Interest Expense	_____	_____
Other (list)	_____	_____
TOTAL EXPENSES (Enter in Part A, Line 3)	=====	=====

## Instructions for Preparing Statement of Receipts and Expenses

1. Appropriations are made for one year commencing July 1 of each year. Reports must therefore be made for calendar quarters ending September 30, December 31, March 31, and June 30.
2. The report, prepared in original and three copies, must be filed with the Comptroller of the administering State agency not later than thirty days after the end of the quarter.
3. Reports must be prepared on the basis of actual cash received and expenses paid during the period being reported.
4. Receipts must include all moneys received for, belonging to, or paid to the institution for the purpose of the appropriation. It should not include moneys received from the sale of real estate or of stocks, bonds, or other securities or the proceeds of loans, nor gifts or bequests of other property.
5. Expenses must include only the actual costs of operating and maintaining the institution or carrying out of the purpose of the appropriation during the period being reported. They must be evidenced by itemized receipts or vouchers duly entered in the accounting revenues of the recipient institution. Expenses should not include loan repayments.
6. Available Balance, beginning-ending, includes cash on hand and available for the purpose of the appropriation.
7. Follow the receipts and expense classifications insofar as stated on the sample format. Other receipts and expenses may be listed as provided by the institution's Chart of Accounts.