

Instructions for Completing PDE-2071, "Application for Reimbursement for School Construction Project"

Listed below are line-by-line instructions for school districts, area vocational technical schools (AVTS), career and technical centers (CTC), and special schools (SS) to complete the PDE-2071. Throughout these instructions, all of the above educational entities are also referred to as local educational agencies (LEA).

INITIAL INSTRUCTIONS: The PDE-2071 is available to be downloaded from this web site. A separate blank form for each **approved issue, note or loan** must be sent to the trustee or paying agent with each individual payment. The trustee or paying agent completes the bottom portion and the school district, AVTS, CTC or special school completes the top portion. This form may NOT be filed with the Comptroller's Office until the PlanCon Part H (Part K, when refinancing) has been approved by the Pennsylvania Department of Education (PDE).

Please verify that all information is correct. It is the responsibility of the LEA to accurately complete this form.

LEA NAME: Enter the complete name of the school district, area vocational technical school (AVTS), career and technical center (CTC), or special school (SS).

PDE LEASE #: This number can be found on the PlanCon Part H or Part K approval letter received from the Department of Education. **Some confusion may occur with this field when a bond issue, note or loan is being refinanced.** If the Part K approval has NOT been received from PDE, **DO NOT submit the application until PDE approval is received.**

COUNTY: Enter the county name in which the school district, AVTS, CTC, or special school is located.

AUN: This is the nine digit number (Administrative Unit Number) assigned to local education agencies by PDE for identification purposes.

AMOUNT OF ISSUE, NOTE OR LOAN: Record the total bond issue, note or loan amount.

SCHEDULED PAYMENT DATE: Record the scheduled payment date according to the payment schedule approved by PDE.

1. TOTAL SCHEDULED PAYMENT: The amount reported on this line **MUST AGREE** with the payment schedule approved by PDE for the applicable payment date.
2. NON-REIMBURSABLE AMOUNT:
 - a. Administrative Expenses – As per lease or loan agreement.
 - b. Sale of Buildings and Land – See BEC 24 P.S. § 7-707.
 - c. Rental Income – See BEC 24 P.S. § 25-2574.
 - d. Insurance Income – See Section 349.31 School Building Standards.

- e. Adjustments – **Use the higher of Part H or K approval PLUS any bank credit from accrued interest and surplus funds less than \$10,000 from the closing (1st payment only).**
 - f. Escrow Account – An account comprised of government obligations sufficient to pay principal and interest of refunded bonds or notes.
 - g. Federal Subsidy – Federal reimbursement of interest for Build America Bond (BAB), Qualified School Construction Bond (QSCB) and Qualified Zone Academy Bond (QZAB) financing.
 - h. Other, specify – Explain.
 - i. Total Non-Reimbursable Amount – Sum of Items a through h.
3. TOTAL ELIGIBLE AMOUNT: Total scheduled payment (Item 1) minus total non-reimbursable amount (Item 2.h.).
 4. REIMBURSABLE PERCENTAGE: Verify that this percentage is in agreement with the PDE approval letter. **If completing an application on a refinanced bond issue, note or loan that has NOT received approval, DO NOT submit the PDE-2071 application.** Also, for refinancings, do not report the reimbursable percentage for any previously approved financing (the percentage from the former lease number).
 5. ELIGIBLE REIMBURSEMENT AMOUNT: Total eligible amount (Item 3) times reimbursable percentage (Item 4).
 6. APPLICABLE AID RATIO: Use the HIGHER of the Market Value Aid Ratio, Capital Account Reimbursement Fraction (CARF) or Density (if applicable). These figures can be obtained from the PDE-2573 form, which you receive annually (and during the year if adjustments are made) from the PDE Child Accounting Section. **The Market Value Aid Ratio changes yearly and SOMETIMES DURING THE YEAR, so caution should be taken in reporting the correct ratio; CARF and Density will remain the same.** PLEASE PAY CLOSE ATTENTION TO THE APPLICABLE PAYABLE YEAR AT THE TOP OF YOUR PDE-2573 FORM.
 7. REIMBURSABLE AMOUNT: Eligible reimbursement amount (Item 5) times applicable aid ratio (Item 6).

SIGNATURES ARE NEEDED AND MUST BE ORIGINAL. Signature stamps, photocopies or faxed signatures will not be accepted. Use of blue ink is suggested to eliminate all doubt.

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TRUSTEE / PAYING AGENT SECTION - INFORMATION MUST BE VERIFIED BY SCHOOL DISTRICT, AREA VOCATIONAL TECHNICAL SCHOOL, CAREER AND TECHNICAL CENTER, OR SPECIAL SCHOOL:

Please verify that the trustee/paying agent portion is complete and accurate BEFORE submitting for reimbursement. THIS ALSO APPLIES TO ALL SPSBA LOANS AND LEASES.

The following MUST be correct or the application may be returned:

- a. **Total Scheduled Payment** - The amount reported on this line MUST AGREE with the payment schedule approved by PDE for the applicable

payment date [AND SHOULD MATCH THE TOP PORTION (line 1)].
IMPORTANT - If whiteout is used, PLEASE have the trustee/paying agent sign or initial beside it.

- b. **Credits:** ALL credits must be listed separately to determine if they are reimbursable or non-reimbursable. This determination may entitle the entity to additional funds.

Credits on Line B4 (other): Please identify the source of credit(s) in more detail than "funds on deposit."

FYI - Reimbursable Items include Capitalized Interest (line B4) and Interest Due to Early Deposit (line B3). FOR ITEMS LISTED ON LINE B3, DO NOT DEDUCT THIS AMOUNT FROM THE TOTAL SCHEDULED PAYMENT FOR CALCULATING ELIGIBLE REIMBURSEMENT AMOUNTS.

Non-reimbursable items include Accrued Interest, Excess Escrow Funds (line B2) from closing of account, and Settlement Balance from "unrepresented" items. **If unsure, please call the Comptroller's Office.**

Signature: Original Signature is required. Signature stamps, photocopies or faxed signatures will not be accepted. Use of blue ink is suggested to eliminate all doubt.

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24 P.S. § 25-2574 (d) requires the Department to prorate the reimbursement for a vocational project based on the market values of participating school districts unless an exception is granted. If an exception has been granted by PDE, please use the approved proration method to complete the following.

- 8. SCHOOL DISTRICTS: List the member school districts in alphabetical order.
- 9. TOTAL SCHEDULED PAYMENT: The amount reported on this line should agree with the payment schedule approved by PDE for the applicable payment date.
- 10. MARKET VALUE: The market value reported should be the school district's market value, as certified June 30 of the preceding school year.
- 11. PROPORTION OF MARKET VALUE: This percentage is calculated by dividing the school district market value by the total market value of all member school districts. The calculated percentage should be carried four (4) decimal places and must total 100%. If the percentages for the member school districts, when totaled, exceed 100%, adjust the percentage of the school district with the largest aid ratio; if less than 100%, adjust the percentage of the school district with the smallest aid ratio.
- 12. PRORATED SHARE OF THE TOTAL PAYMENT: Total scheduled payment (Item 9) times proportion of market value (Item 11).

13. TOTAL NON-REIMBURSABLE AMOUNT: Total non-reimbursable amount (Item 2. h.) times proportion of market value (Item 11).
14. NET SHARE: Prorated share of total payment (Item 12) minus total non-reimbursable amount (Item 13).
15. ELIGIBLE REIMBURSABLE AMOUNT: Net share (Item 14) times reimbursable percentage (Item 4).
16. APPLICABLE AID RATIO: For an AVTS or a CTC, the greater of the minimum fraction (.5000) or Market Value Aid Ratio. For a special school or jointure, the greater of the CARF, Density (if applicable) or Market Value Aid Ratio.
17. REIMBURSABLE AMOUNT: Eligible reimbursable amount (Item 15) times applicable aid ratio (Item 16).

For more information, please contact Maria Wagner, Comptroller's Office, at marwagner@state.pa.us.