

Construction Funding Guidelines

Project Cost Center Set Up

All construction projects are recorded in the General Ledger in fund group 7, Plant Funds. Each specific fund code in Plant Funds represents a corresponding, allowable, funding source in fund groups 1 – 5, or the use of debt issuance proceeds (bonds and commercial paper). As many of the funding sources, including debt, require specific tracking of use of funds, different funding sources may not be comingled in Plant Funds.

As such, for projects with multiple funding sources, separate cost centers are required for each source of funds. Each bond issuance, including multiple issuances done within a single series (example: 2010A, 2010B, and 2010C), is considered a separate funding source. Each commercial paper issuance is considered a separate funding source based on the initial issuance, rather than on issuance roll forward activities. Each local source of funds, including tuition revenues, auxiliary revenues, gift funds, and state funds is considered at least one separate source of funds dependent on the specific type and source of funds.

To help ensure the accuracy of cost center creation, Plant Accounting will provide a cross-reference of funds in fund groups 1 through 5 to the appropriate Plant Funds (group 7) fund code for both Renewal and Replacement and Capital Construction projects.