Date: April 22, 2004

To: Vice Presidents for Administration/Finance

From: Richard K. Leffingwell
Senior Director
Financing and Treasury

Subject: 2004/05 Centrally Paid Parking Expenditure Charges

We are transmitting the centrally paid parking program expenditure charges for fiscal year 2004/05 for incorporation into your budget planning process. Each campus will be charged for the systemwide expenditures via a Plan of Financial Adjustment (PFA) on a quarterly basis. The attachments contain:

- 2004/05 Estimated Systemwide Transfers (Attachment A) processed by the Chancellor’s Office.
- 2004/05 Debt Service Transfers Summary (Attachment B).

In 2004/05 campuses will experience an increase in their total parking annual costs due to an increase in state prorata charges. The state prorata charges consist of administrative expenditures related to various state agencies such as the Department of Finance, the State Controller’s Office, the State Treasurer’s Office, the Bureau of State Audits, the Legislature and others. The CSU, as other state agencies, is charged a portion of these expenditures. Please be assured that as in the past, we will continue to voice our concerns related to the increases affecting our programs to the Department of Finance. Our goal continues to be to minimize expenditures for both the parking program and other CSU self-supporting programs. In addition, a task force has been formed to look into the current method of allocating state prorata charges for future years.

We will be asking our Accounting office to transfer funds from each campus’ general fund instead of the parking revenue fund. As explained last year, we find this is necessary because campuses have moved most parking funds into trust funds, which has made it difficult for Accounting to process PFAs. Consequently, campuses need to record the journal entries (which will affect the general fund) and must internally reimburse themselves from parking program funds. We are also asking that you ensure that appropriate fiscal and parking personnel at your campus have this information as they will need it to develop and account for next year’s operating budget. Please note that this memo is intended for planning purposes only. The Chancellor’s Office Accounting department will issue an AD-NOAT memo with journal entry information to ensure accurate FIRMS submission and recording. Further, should there be delays in the state budget approval process, the first PFA will be delayed. We are including a summary of quarterly debt service transfers to cover principal
and interest payments on November 1\textsuperscript{st} and interest payments on May 1\textsuperscript{st} of the coming fiscal year for campuses with projects that were funded by bonds. As we explained last year, the quarterly amounts include a fifteen percent reserve, which will not affect the calculation of the parking program’s Net Revenue Debt Service Coverage Ratio (DSCR), as long as campuses appropriately record the transfers for debt service and reserve as “Transfer Out” and not as an operating expense in the FIRMS database (see Attachment B for an example). We anticipate that the interest received from the reserve will be credited to campuses and will be used for future debt service payments.

Please contact Rosa Renaud or Angelique Sutanto in the office of Financing and Treasury at (562) 951-4570 if you or your staff have any questions.

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Attachments

| Distribution:          | Presidents (without attachments) | Business Managers (with attachments) | Parking Officers (with attachments) | Budget Officers (with attachments) | Accounting Officers (with attachments) | Chancellor’s Office Staff (without attachments) | Ms. Lily Wang (with attachments) | Mr. Lam Le (with attachments) |