

SCHOOL BUSINESS BULLETIN

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FY 2015 Maximum Allowable Wage Classification – Food Service

Based on current information published by the Bureau of Labor Statistics – May 2014, the average hourly wage for public school food service directors is \$25.72. This is the maximum rate at which the labor of a superintendent or fiscal manager performing the duties of a food service director can be charged back to the food service fund.

For questions regarding the “FY 2015 Maximum Allowable Wage Classification – Food Service”, please submit inquiries to the UFARS Accounting Helpdesk mde.ufars-accounting@state.mn.us.

Credit Enhancement Program Review and “New” Forms

The Credit Enhancement Program (CEP) was established to allow Minnesota school districts (with levy authority) to borrow funds at a lower interest rate than the current rate of an individual district by extending the state’s credit rating to districts. This program was authorized in [Minnesota Statutes, sections 126C.50 to 126C.56](#). A school district must covenant and obligate itself to be bound by this statute prior to the issuance of debt obligations in order to ensure participation in this program.

The state promises to pay from available cash balances on any obligation (both short- and long-term) of the debt service when a district is unable to pay. Payments may be available from the state for debt issued prior to the beginning of the program or otherwise not included in the program. The availability of payments for debt not included in the program will be dependent on the determined effect on the state’s credit rating.

School District Credit Enhancement Application for Program Participation Process and Revised Form ED-02110-07

General steps to complete a “School District Credit Enhancement Application for Program Participation” are found in the FY 2015 UFARS Manual in Chapter 12 – Authorized Borrowing for School Districts ([School Support > School Finance > Financial Management > UFARS, select Chapter 12](#)). An updated application form (ED-02110-07) has been posted on the MDE website under [School Support > School Finance > Financial Management > Credit Enhancement Program](#). The “Bond/Certification Information” section below outlines the following form **revisions**:

- 1) Total **Estimated** Amount to be Issued.
- 2) **For Bonds**, send **final** maturity schedules (**Excel format**) as soon as available.
- 3) If YES, provide **Dated Date, Series** and **Maturities** of original bond to be refunded.

BOND/CERTIFICATION INFORMATION		
Total Estimated Amount to be Issued: \$ 	Title/Description of Bonds/Certificates: 	Dated Date:
Maturity Date for Certificates: 		FOR BONDS, send final maturity schedules (Excel format) as soon as available.
REFUNDING :	If this is a REFUNDING issue, were the original bonds in the Credit Enhancement Program? <input type="checkbox"/> YES <input type="checkbox"/> NO If YES, provide Dated Date, Series and Maturities of original bond to be refunded: Provide a schedule of debt service the issuer remains responsible to pay after the refunding.	

Notification of Potential Default Process and Form ED-02111-05

The **Notification of Potential Default (ED-02111-05)** is the form used to notify MDE of potential default on a debt obligation. This form is available from MDE and may be found on the website under: [School Support > School Finance > Financial Management > Credit Enhancement Program](#). The form is also available from the financial advisor of record. This form may be submitted to request payment in the event of a default, whether or not the issue is included in the program. Essential steps and conditions of the notification process are found in the FY 2015 UFARS Manual in Chapter 12 – Authorized Borrowing for School Districts ([School Support > School Finance > Financial Management > UFARS, select Chapter 12](#)).

A separate and detailed set of instructions is available for use by MDE, Minnesota Management and Budget and financial advisors in the potential or actual event of default. Those instructions and the default form can be obtained by contacting the financial advisor or e-mailing mde.ufars-accounting@state.mn.us.

If you have questions on the “Credit Enhancement Program”, please contact Sarah Miller at Sarah.C.Miller@state.mn.us or 651-582-8370 or submit inquiries to the UFARS Accounting Helpdesk at mde.ufars-accounting@state.mn.us.

FY 2016 Federal Indirect Cost Rates

Fiscal Year 2016 Federal Indirect cost rates have been posted to the MDE website at: [Indirect Cost Rates 2016](#) (Data Center > Data Reports and Analytics, under “School Financial Spreadsheets” select category “Indirect Cost Rates”)

Home > Data Center > Data Reports and Analytics

Indirect Cost Rates

Bookmark this page

The spreadsheets available here show the calculation of annual approved indirect cost rates used by local education agencies (LEAs) in Minnesota to recover any indirect costs for the administration of federal or state grants.

Use the Drop Downs to identify the files of interest

Category: Indirect Cost Rates
Subcategory: ALL
Year: 2016

List files
Reset

For questions about “FY 2016 Federal Indirect Cost Rates”, contact David Day at David.Day@state.mn.us or 651-582-8384. Inquiries may also be sent to the Accounting Helpdesk at MDE.UFARS-Accounting@state.mn.us.

Certain Gifts by Interested Persons Prohibited – 2014 Legislative Amendment (Minn. Stat. § 471.895)

Under Minnesota Statutes, section 10A.071, Subdivision 2, it is prohibited for an “official” to receive a gift from a lobbyist or principal.

Local Official

Past legislation defined “local official” to mean an elected or appointed official of a county or city or of an agency, authority, or instrumentality of a county or city (Minn. Stat. § 471.895, Subd. 1(d)). 2014 Legislation amended Minnesota Statutes, section 471.895, Subdivision 1(d) to include the following:

“...and an elected or appointed member of a school board, a school superintendent, a school principal or a district school officer of any independent school district.”

Gift Definition

“...money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return” (Minn. Stat. § 10A.071, Subd. 1).

Exceptions to the prohibition may be found under Subdivision 3 and include:

(a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section [10A.01, subdivision 11](#);

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

- (3) services of insignificant monetary value;
- (4) a plaque with a resale value of \$5 or less;
- (5) a trinket or memento costing \$5 or less;
- (6) informational material with a resale value of \$5 or less; or
- (7) food or a beverage given at a reception, meal, or meeting if:

(i) the reception, meal, or meeting is held away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program; or

(ii) the recipient is a member or employee of the legislature and an invitation to attend the reception, meal, or meeting was provided to all members of the legislature at least five days prior to the date of the event.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or

(2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

For questions regarding "Minnesota Statutes, section 471.895 – Certain Gifts by Interested Persons Prohibited", contact the UFARS Accounting Helpdesk at mde.ufars-accounting@state.mn.us.

FY 2015 UFARS Coding Additions, Revisions and Changes – Effective July 1, 2014

The following **fund** dimensions have **description changes** effective July 1, 2014:

CHANGES

Account	Description
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02	Food Service Fund
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The Food Service Fund is used to record financial activities of a school district's food service program. Food service includes activities for the purpose of preparation and service of milk, meals, and snacks in connection with school and community service activities.

All expenditures relating to meal preparation must be recorded in the Food Service Fund. Eligible expenditures include application processing, meal accountability, food preparation, meal service, and kitchen custodial service ([Minn. Stat. § 124D.111, Subd. 3](#)).

Generally excluded from the Food Service Fund are the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, or any other administrative costs that are the responsibility of the General Fund. These costs may only be included if a surplus exists in the Food Service Fund at the end of a fiscal year for three successive years. The district may then reclassify these costs for the third fiscal year, not to exceed the amount of the surplus in the Food Service Fund ([Minn. Stat. § 124D.111, Subd. 3](#)).

Capital expenditures for the purchase of food service equipment must be made from the General Fund and not the Food Service Fund unless the restricted balance in the Food Service Fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased. ([Minn. Stat. § 124D.111, Subd. 3\(d\)](#)).

If the scholarships are used in conjunction with the school readiness program, Finance Codes 338 would close to Fund Balance Account 444 - Restricted/Reserved for School Readiness. If the scholarships **are not** used in conjunction with the school readiness program, Finance Code 338 would close to Fund Balance Account 464 - Restricted Fund Balance.

346 Iron Range Resources and Rehabilitation Board (IRRRB) Taconite Grants

The IRRRB will provide funds to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the IRRRB. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in Minnesota Statute section 273.1341 that were (1) approved, by referendum, after December 7, 2009; and (2) approved by the commissioner of education pursuant to Minnesota Statutes, section 123B.71. This code will be used to track expenditures of IRRRB grant projects separately from regular health and safety projects funded by state aid levy. The total expenditures of this code should equal Source Code 015 IRRRB Taconite Grants. If grant dollars remain unspent at year's end the balance should be deferred to next year.

The following **finance** dimensions have been **deleted** effective July 1, 2014:

DELETIONS

Account	Description
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345	Transition for Pre-Kindergarten (Fund 01)
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Record transition for prekindergarten revenues calculated under [Minnesota Statutes, section 126C.10](#) Subdivision 31a, and all associated expenditures. Expenditures must be for prekindergarten programs serving children who turn age four by September 1 and who will enter kindergarten the following year. All activities for this code apply to Balance Sheet Code 450 Restricted/Reserved for Transition for Prekindergarten.

Note: Except for Transition for Prekindergarten revenue, all revenue and expenditures associated with prekindergarten programs must be recorded in Fund 04 (see Programs Codes 581, 582, and 590).

Payment Description – NA

472/672	ARRA Targeted Funds – Adequate Yearly Progress (AYP) Improvement Grants
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Record revenues and expenditures related to the Title I, No Child Left Behind – AYP Improvement Grants. This finance code is to be used only with Program Code 216 (CFDA 84.389, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5).

Source Code 015 IRRRB Taconite Grants. If grant dollars remain unspent at year's end the balance should be deferred to next year.

477/677	ARRA Title II, Part D, Subpart 1 – Competitive (Fund 01)
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Record revenues and expenditures for enhancing education through technology related to a competitive grant process under Title II, Part D, Subpart 1 (CFDA 84.386, Elementary and Secondary Education Act (ESEA), Title II, Part D, Sections 2401-2404, P.L. 107-110) and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5).

Individualized Instructional. Includes, for example, maintenance supplies or office supplies and instructional materials purchased for resale. Also includes freight/shipping cost items associated with items purchased.

405 Non-Instructional Computer Software and Software Licensing

Expenditures for non-instructional computer software and non-instructional annual licensing fees. See Object Code 555 for purchase of software with an initial useful life extending beyond one accounting period and software licensing fees related to this software.

433 Supplies and Materials - Individualized Instruction

This object code is used to account for supplies and materials for individualized instruction. The definition of individualized instructional materials, as opposed to non-individualized instructional materials to be recorded in Object Code 430, is contained in [Minnesota Statutes, section 123B.41](#), Subdivision 5:

Subdivision 5. "Individualized instructional or cooperative materials" means educational materials which:

- (a) are designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends;
- (b) are secular, neutral, no ideological and not capable of diversion for religious use; and,
- (c) are available, used by, or of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a), (b) and (c), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in [Minnesota Statutes, section 123B.41](#), Subdivision 2: published materials; periodicals; documents; pamphlets; photographs, reproductions; pictorial or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individual multimedia systems; prepared instructional computer software programs; choral and band sheet music; electronic books and other printed materials delivered electronically; and CD-ROM.

This code is used by MDE to compute the rates for textbooks, individualized instructional materials, and standardized tests that are used in determining Educational Aids for Nonpublic School Children ([Minn. Stat. § 123B.40 to 43](#)). The rates of reimbursement for nonpublic students are based on these expenditures plus textbook and workbook expenditures recorded in Object Code 460 for public school students.

When recording expenditures for nonpublic students; use this code in conjunction with Finance Code 351, Aid to Nonpublic Pupils - Textbooks and Tests. When recording expenditures for public school students; use the appropriate codes in the other UFARS dimensions.

Expenditures for "individualized instructional or cooperative learning materials" do not include instructional equipment, instructional hardware including dedicated hardware equipment known as eReaders or e-book devices, or ordinary daily consumable classroom supplies. Includes freight/shipping costs associated with items purchased.

This code is used in conjunction with any instructional Program Code, 200 through 699 (for use with all Programs 010 through 850 – see "Unrestricted – General Fund 01 Permitted Expenditure code Grid – page 3).

FY 2015 and FY 2016 Interactive Projection Models – “WHATIF” Update

The FY 2015 and FY 2016 Interactive Projection Models or “WHATIF” may be found on the MDE website at w20.education.state.mn.us/MDEAnalytics/Data.jsp (Data Center > Data Reports and Analytics, select General Education, Interactive Projection Models, and the appropriate year):

Minnesota Department of Education

Home > Data Center > Data Reports and Analytics

Search

General Education

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General education revenue is the primary source of general operating funds for school districts and charter schools. It is made up of several components, including basic revenue, basic skills revenue, sparsity revenue, Q-comp revenue, and operating referendum revenue. Information available here includes interactive projection models (WHATIF spreadsheets), which show how general education revenues are affected by changes in pupil counts and other inputs, operating referendum election results, and reports showing the calculation of various components of general education revenue. Detailed reports of actual general education aid and levy revenue calculations for each school district and charter school can be found on the Minnesota Funding Reports (MFR) page.

Use the Drop Downs to identify the files of interest

Category: General Education

Subcategory: Interactive Projection Models

Year: 2016

List files

Reset

As you will discover, the FY 2015 has a non-traditional appearance dealing with several columns of “old” and “new” legislative revenue calculations. These computations are transition-based fundamental changes in the general revenue formulas. The FY 2016 “WHATIF” resumes the more traditional format with which schools are familiar.

For questions on the “FY 2015 and FY 2016 Interactive Projection Models – WHATIF”, contact Bob Porter at Bob.Porter@state.mn.us or 651-582-8851.

Audit Requirements for FY 2015

Minnesota Statutes, section 123B.77, Subdivision 3, requires reporting entities to submit audited financial data to the commissioner of the Minnesota Department of Education (MDE) and to the Office of the State Auditor (OSA). Minnesota Statutes, section 123B.77, also states the required timelines for the reporting of financial data to the commissioner (MDE). The statutory deadline for the FY 2015 Audited Final UFARS Data Submission and Fiscal Compliance Table Data Submission reporting is November 30, 2015, and Audit Reports are due by December 31, 2015, however, the statutory deadline for audited final Uniform Financial Accounting and Reporting Standards (UFARS) data and fiscal compliance table data falls on a Sunday; therefore, submissions are timely if submitted by the dates below:

- Audited Final UFARS Data Submission – due November 30, 2015
- Fiscal Compliance Table Data Submission – due November 30, 2015
- Audit Reports – due December 31, 2015

Note: Refer to “Submission Options” section of this document.

Each audit must include components identified within points 1-4 listed below. MDE reviews each audit and will require the reporting entity to submit any identified missing components. Failure to submit missing components will result in a report citing noncompliance for failure to provide necessary components, and is forwarded to fiscal monitors of federal programs to be used in the risk assessment criteria for future site visits.

1. MDE requires financial statement audits be conducted in accordance with Generally Accepted Government Auditing Standards (Yellow Book), the Federal Single Audit Act and the Minnesota Legal Compliance Guide as issued by the Office of the State Auditor. In a Single Audit engagement, please refer to the Office of Management and Budget document “2 CFR Chapter I, and Chapter II, Parts 200,

2015, 220, 225, and 230 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (OMB Omni Circular) implemented December 26, 2014 for reporting requirements. The audited financial statement must also provide a statement of assurance pertaining to Uniform Financial Accounting and Reporting Standards (UFARS) compliance.

MDE also requires a Corrective Action Plan (CAP) to be submitted as a component of all findings cited as a result of state, federal, or legal audit finding. The CAP must be included within the LEA audit for MDE review. Audit findings should be numbered with the fiscal year and audit finding number (for example: 2015-1, 2015-2, etc.) and follow the CAP format listed in item 4 below.

2. The MDE Manual for Activity Fund Accounting (MAFA) requires the student activity audit be listed in the table of contents of the full district audit unless a separate report is issued. If all student activities are under board control, a statement to that fact must be included in the financial notes.

School districts without student activity accounts must enclose a separate written memo or letter stating the school district does not have any student activity accounts. These steps will assist with verification a student activity audit has been completed or that the student activities are all under board control and were audited with the general fund. MDE requires any findings resulting from the audit have a corrective action plan included for each finding. Audit findings should be numbered with the fiscal year and audit finding number (for example: 2015-01, 2015-02, etc.).

3. The Local Education Agency (LEA) audits must complete and include a comparative fiscal compliance report with the audit report. The fiscal compliance report must include the comparison between audited data and reported UFARS data and include column displaying the variance(s). The fiscal compliance report is to be included in the table of contents of the audit report.

The LEA or auditor must enter the audited data into the fiscal compliance table located on MDE’s website (w1.education.state.mn.us/FiscalCompliance/). After the audited data has been entered, run the fiscal compliance table comparison report and review the results. Any differences between the UFARS data and the audited financial data must be corrected. The entry of the audited data to the fiscal compliance table must be completed by November 30, 2015.

MDE reporting requirements expect that at the fund level: 1) prior year ending fund balances will equal current year beginning fund balances; and 2) current year beginning fund balances, plus total revenues and transfers in, minus total expenditures and transfers out, will result in the calculated current year ending fund balance. The calculated ending fund balance should equal the current year ending fund balance. Any discrepancies identified should be reported to MDE.

4. Checklist of reports that are required to be submitted to MDE and State Auditor’s Office:
 - Report on financial statements
 - List of school board members for the reporting year.
 - Management’s discussion and analysis (prepared by the finance officials of the LEA).
 - Report on entity’s internal control structure.
 - Report on entity’s compliance with laws and regulations.
 - Corrective action plan for all written findings (including student activity audit).
 - Corrective action plan should contain the following elements for each finding:
 1. An explanation of any disagreement with the finding.
 2. Actions planned in response to the finding.
 3. The official responsible for ensuring the corrective action.
 4. A plan to monitor completion of corrective actions.
 - Student activity audit or statement that funds are audited with the general fund.
 - UFARS Fiscal Compliance Table.
 - Single audit reports, if applicable.
 - Management letter (if no management letter was issued to the district, a separate and additional memo stating that fact is to be included with the audit submission).

FY 2015 – Charter School Reporting Requirements

Laws 2014, Chapter 272, Article 3, Section 36, Subdivision 6(a) requires charter schools to submit to the Minnesota Department of Education (MDE) additional information with the fiscal year end audit report. The requirements begin with FY 2014 reporting period.

The law is as follows:

Subd. 6a. Audit report. (a) The charter school must submit an audit report to the commissioner and its authorizer by December 31 each year.

(b) The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information, a copy of management agreements with a charter management organization or an educational management organization and service agreements or contracts over the lesser of \$100,000 or 10 percent of the school's most recent annual audited expenditures. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

(c) A charter school independent audit report shall include audited financial data of an affiliated building corporation or other component unit.

(d) If the audit report finds that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the material weakness will be resolved. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school's financial audit to the commissioner and authorizer upon request.

Charter Schools

This section is a clarification of the charter schools reporting requirement to provide copies of agreements with service providers.

The term agreement is defined as, but not limited to, contracts, letters of intent, memos of understanding, etc.

The following supplemental information requirements are in addition to the required annual audit report and must be submitted to the Department of Education and the school's authorizer by December 31 of each year. Required charter school supplemental information is NOT a requirement of the Office of State Auditor and is not to be submitted to the Office of State Auditor.

Required documents are for the period of the fiscal year being reported. This year the period for fiscal reporting is 7/1/2013- 6/30/2014. An agreement overlapping the fiscal year will require both agreements to be submitted.

Example:

1. Management contract with effective dates of 1/1/2014 – 12/31/2014 and 1/1/2015 – 12/31/2015, requires both contracts to be submitted.
2. Management contract that covers multiple years would submit the contract for the fiscal reporting period. (Contract 7/1/2013 -6/30/2016 would submit the same contract in the years of 2014, 2015, and 2016.)

As indicated above, MDE must receive all audit reports by December 31, 2015. If received after December 31, 2015, the postmark must be on or before December 31, 2015.

[Minnesota Statutes, section 123B.77, Subdivision 3](#), requires reporting entities to submit audited financial data to the commissioner of the Minnesota Department of Education (MDE) and to the Office of the State Auditor (OSA). [Minnesota Statutes, section 123B.77](#), also states the required timelines for the reporting of financial data to the commissioner (MDE). The statutory deadline for the FY 2015 Audited Final UFARS Data Submission and Fiscal Compliance Table Data Submission reporting is November 30, 2015, and Audit Reports are due by December 31, 2015.

Office of Management and Budget (OMB) Omni Circular

On December 26, 2013, the OMB published new requirements for federal award programs entitled "Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards". This guidance supersedes and consolidates requirements in OMB Circulars A-21, A-50, A-87, A-89, A-102, A-110, A-122, and A-133 listed below:

Omni Circular Streamlines the Following OMB Circulars	
A-21	Cost Principles for Educational Institutions
A-50	Audit Follow-Up, related to Single Audit
A-87	Cost Principles for State, Local, and Indian Tribal Governments
A-89	Federal Domestic Assistance program Information
A-102	Awards and Cooperative Agreements with State and Local Governments
A-110	Uniform Administrative Requirements for Awards and Other Agreements with
A-122	Cost Principles for Non-Profit Organizations
A-133	Audits of States, Local Governments and Non-Profit Organizations

The Omni Circular was designed to create uniform guidance by promoting improved clarity and consistency within existing circulars. This consolidation was federally driven to improve accountability for federal expenditures. It places an emphasis on performance over compliance and impacts efficiency and effectiveness of audit efforts as well as reduces administrative burden for non-federal entities receiving federal awards.

Laws 2011, 1st Special Session, Chapter 11, Article 5, Section 11, as amended by Laws 2012, Chapter 239, Article 1, Section 31 states:

Sec. 11. FUND TRANSFER; FISCAL YEARS 2012 AND 2013 ONLY.

(a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2012 through FY 2015 only, the commissioner must approve a request for a fund transfer if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund or the food service fund.

(b) A school board may approve a fund transfer under paragraph (a) only after adopting a resolution stating the fund transfer will not diminish instructional opportunities for students.

For FY 2012 and FY 2013 only, a board may request authority to make a permanent transfer without the need to identify an unforeseen event directly related to the fund or account involved, as long as the transfer meets the following criteria:

1. The transfer cannot be from Fund 02, Food Service, or Fund 04, Community Service; or Staff Development for fiscal years 2014 and 2015.
2. The transfer cannot increase state aid obligations to the district;
3. The transfer cannot result in additional property tax authority for the district;
4. The application for transfer must cite the law or rule prohibiting the desired transfer and identify the fiscal year affected by the transfer, the amount and specific accounts from/to which funds are to be transferred, and be signed by the superintendent and approved by the school board.
5. An application may be made by submitting a required "Request for Fund Transfer" form under Minnesota Laws 2011, 1st Special Session, Chapter 11, Article 5, Section 11 as Amended by Laws 2012, Chapter 239, Article 1, Section 31 and Laws of Minnesota for 2013, Chapter 116, Article 7, Section 19, and a copy of the school board minutes:
 - a. Documenting adoption of a board resolution stating that the fund transfer requested in the application will not diminish instructional opportunities for students; and
 - b. Documenting board approval of the funds transfer

Laws of Minnesota for 2013, Chapter 116, Article 7, Section 19

Sec. 19. FUND TRANSFER; FISCAL YEARS 2014 AND 2015 ONLY.

(a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2014 and 2015 only, the commissioner must approve a request for a fund transfer if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund, the food service fund, or the reserved account for staff development under section 122A.61.

(b) A school board may approve a fund transfer under paragraph (a) only after adopting a resolution stating the fund transfer will not diminish instructional opportunities for students.

EFFECTIVE DATE. This section is effective July 1, 2013.

The table below summarizes transfer authority permitted under Laws 2011, 1st Special Session, Chapter 11, Article 5, Section 11 and Laws of Minnesota for 2013, Chapter 116, Article 7, Section 19, for reserved/restricted accounts in Fund 01, General Fund.

FIN Code	Fund	RESERVE #	RESERVE NAME	Statute Prohibiting Transfer	TRANSFER ALLOWED in FY 2014 and FY 2015 with Commissioner's Approval
316	1	403	Staff Development	Laws of Minnesota for 2013, Chapter 116, Article 7, Section 19	NO
385	1	405	Deferred Maintenance	Minn.. Stat. § 123B.591	YES
	1	406	Health & Safety	Minn.. Stat. § 123B.57 Subd 3	NO
	1	407	Capital Projects	Minn.. Stat. § 123B.63 Subd 4	NO
310	1	408	Cooperative	Minn.. Stat. § 123A.27	YES
	1	409	Alternative Facilities	Minn.. Stat. § 123B.59 Subd.8	NO
	1	413	Building Projects with Lease Levy	Minn.. Stat. § 126C.40	NO
	1	414	Operating Debt	No current authorization	NO
	1	416	Levy Reduction	Minn.. Stat. § 475.61 Subd 4	NO
390	1	417	Taconite Building Maintenance	Minn.. Stat. § 298.28 Subd 4 (b)(ii)	YES
327	1	423	Certain Teacher Programs	Minn.. Stat. § 124D.31	YES
302	1	424	Operating Capital	Minn.. Stat. § 126C.10 Subd 14	YES
371	1	426	\$25 Taconite	Minn.. Stat. § 298.28 Subd 4 (d)	YES
	1	427	Disabled Access	Minn.. Stat. § 123B.58	NO
330	1	428	Learning & Development	Minn.. Stat. § 126C.12 Subd 4 - 5	YES
303	1	434	Area Learning Center (ALC)	Minn.. Stat. § 123A.05 Subd 2	YES
304	1	435	Contracted Alternative Programs	Minn.. Stat. §124D.69 Subd 2	YES
305	1	436	State Approved Alternative Programs	Minn.. Stat. § 126C.05 Subd 15	YES
388	1	438	Gifted & Talented	Minn.. Stat. § 126C.10 Subd 2b	YES
317	1	441	Basic Skills	Minn.. Stat. § 126C.15	YES
	1	445	Career Tech	Minn.. Stat. § 124D.4531	NO
339	1	449	Safe Schools Levy	Minn.. Stat. § 126C.44	YES
345	1	450	Transition for Pre-Kindergarten	Minn.. Stat. § 126C.10 subd 31b	YES
	1	451	QZAB and QSCB Future Payback	Restricted by Debt Covenants	NO
	1	452	OPEB Liabilities not held in a trust	Minn.. Stat. § 475.52 Subd 6	NO
	1	453	Unfunded Severance and Retirement Levy	Minn.. Stat. §126C.41 Subd 6	NO

FUND 4

Earlier guidance issued by the Minnesota Department of Education (MDE) regarding this legislation did not address transfers within the community service fund. MDE has reviewed the legislation and has determined that transfers within the community service fund that meet the criteria of the law are allowable through the end of FY 2015 with commissioner approval.

FY 2016 Charter School Lease Aid Application and Requirements

The FY 2016 Charter School Lease Aid Application and Requirements has been posted on the MDE website at education.state.mn.us/MDE/StuSuc/CharterSch/Resources/index.htm (MDE > Student Success > Charter Schools > Charter School Resources, select FY 2016 Charter School Lease Aid Requirements):

The screenshot shows the Minnesota Department of Education website. The top navigation bar includes links for Home, Welcome to MDE, Just for Parents, Student Success, Educator Excellence, School Support, and Data Center. The breadcrumb trail reads: MDE > Student Success > Charter Schools > Charter School Resources. The page title is "Charter School Resources". A search bar and a print icon are also present. The main content area lists several resources, with a red arrow pointing to "FY 2016 Charter School Lease Aid Requirements - 4/15/15". Other resources include "Charter School Admissions and Enrollment Guidance - 4/28/15", "Frequently Used Acronyms and Terms Glossary for Charter Schools - 9/8/14", "Charter School Assurances Form - 9/3/14", "FY 2015 Charter School Lease Aid Requirements - 8/27/14", and "Special Education Primer for Charter Schools - 7/15/14". A sidebar on the left contains links for "Authorizer Performance Evaluation System", "Authorizer Resources", "Charter School Resources", "Federal Charter School Program (CSP) Grant", "Complaints", and "Contact". A photo of a smiling student is visible on the right side of the page.

Included in the lease aid application information, please reference the March 23, 2015 memo from Director Tom Melcher, Division of School Finance. As indicated in the memo, apply as soon as possible:

“Charter schools are encouraged to apply as soon as possible to ensure that the approved lease aid entitlement amount is included in the calculation of the IDEAS metered payments as early in the fiscal year as possible, so that the timing of cash flow to the school is optimized”.

Please submit your completed FY 2016 Charter School Lease Aid Application to MDE.CharterSchoolapps@state.mn.us.

NEXT UFARS 101 Training Scheduled on July 22, 2015

The next scheduled date for UFARS 101 training is **July 22, 2015**, at MDE, 1500 Highway 36 West, Conference Center A, Room CC14, Roseville, Minnesota 55113. UFARS 101 training will introduce Uniform Financial Accounting and Reporting Standards (UFARS) and review: A) Chart of Accounts; B) UFARS System Uses; C) Dimension Descriptions; D) Legislative Requirements, and review basic accounting concepts and financial reporting for Minnesota schools. The training will also include expenditure and revenue exercises and website navigation.

Registration information is still **pending** and will be [posted on the MDE's Calendar of Workshops](#) closer to the training session.

For questions about the *UFARS 101 Training Scheduled this summer – July 22, 2015*, please contact MDE.UFARS-Accounting@state.mn.us

Contacts

MDE Accounting Helpdesk

For UFARS Accounting, Manual and Chapter 10 Grid questions, contact the UFARS Accounting Helpdesk at MDE.UFARS-Accounting@state.mn.us.

MARSS Student Reporting

Minnesota Automated Student Reporting System (MARSS) contact MARSS@state.mn.us.

SERVS Financial

To gain access and utilize SERVS Financial contact MDE.SERVSFinancial@state.mn.us.

Title Programs

Title Programs – MDE.NCLB@state.mn.us.

Special Education

Special Education Funds – MDE.Spedfunding@state.mn.us.