



School Business Bulletin

A Publication of the Division of School Finance

September 2020

Number 67

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Coronavirus Aid, Relief, and Economic Security Act (CARES) UFARS Coding

Due to COVID-19, the federal government passed the Federal CARES Act to provide schools with additional funds. The following codes were added for Fiscal Year (FY) 2020 and 2021.

The following Finance Codes were added for FY 2020:

151 Elementary and Secondary School Education Relief Fund (ESSER) – 90% Formula Allocation (Funds 01, 02 and 04)

This code is used to record revenues and expenditures related to the Elementary and Secondary School Emergency Relief Fund (ESSER Fund). The Federal government awarded grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation. This includes both continuing to provide educational services, such as remote learning, while schools and campuses are closed, and developing and implementing plans for the return to normal operations (P.L. No. 116-136; CFDA 84.425). To record the revenue, use Source Code 400, Federal Aids Received through Minnesota Department of Education (MDE).

LEAs must provide equitable services to students and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was signed into law on March 27, 2020.

152 Elementary and Secondary Schools Education Relief (ESSER) Fund – 9.5% State-Directed Grants (Funds 01, 02 and 04)

This code is used to record revenues and expenditures related to the Elementary and Secondary School Emergency Relief Fund (ESSER Fund) for the State of Minnesota directed reserve. The Federal government awarded grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation (P.L. No. 116-136; CFDA 84.425). To record the revenue, use Source Code 400, Federal Aids Received through MDE.

LEAs must provide equitable services to students and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was signed into law on March 27, 2020.

153 The Governor’s Emergency Education Relief (GEER) Fund (Funds 01, 02 and 04)

This code is used to record revenues and expenditures related to the Governor’s Emergency Education Relief Fund (GEER Fund). The Federal government awarded grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds. Governors receiving GEER funds may award subgrants to LEAs within the

State that have been most significantly impacted by coronavirus to support their ability to continue to provide educational services to students and to support the on-going functionality of the LEAs. Section 18002(c)(3) provides that the Governor may also use GEER funds to provide support to any other LEA or education related entity within the State that Governor deems essential to carry out emergency educational services, provide childcare and early childhood education, provide social and emotional support, and protect education-related jobs (P.L. No. 116-136; CFDA 84.425). To record the revenue, use Source Code 400, Federal Aids Received through MDE.

LEAs must provide equitable services to students and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was signed into law on March 27, 2020.

173 Federal Paycheck Protection Program (PPP) (Funds 01 and 04)

Charter schools and other non-profit entities should use this code to record revenues and expenditures received from the Federal Paycheck Protection Program (PPP). Use Source Code 641 to record loan proceeds. PPP loans were funds provided through the Small Business Administration (SBA) due to the CARES Act. Charter schools and non-profits must use Balance Sheet Code 473, Restricted/Reserved for Federal Paycheck Protection Program (PPP) Unexpended Loan Proceeds.

174 Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received Through Other Local Entities (Funds 01, 02 and 04)

School districts should use this code to record revenues and expenditures due to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds received from Minnesota counties, cities or townships. These funds were provided to districts through the Coronavirus Relief Fund 21.019.

Charter schools and other non-profit entities should use this code to record revenues and expenditures received from Federal Emergency Economic Injury Grants (EEIG) and Federal Economic Injury Disaster Loans (EIDL). Please see Source Codes 550 and 640 to record revenues. EEIG grants and EIDL loans were funds provided through the Small Business Administration (SBA) due to the CARES Act. Charter schools and non-profits must use Balance Sheet Code 474, Restricted/Reserved for Federal Economic Injury Disaster Loans (EIDL) Unexpended Loan Proceeds.

LEAs must provide equitable services to students and teachers in non-public schools as required under the CARES Act. The CARES Act was signed into law on March 27, 2020.

The following Finance Codes will be added for FY 2021:

154 Coronavirus Relief Fund (CRF) (Funds 01 and 04)

This code is used to record revenues and expenditures related to the Coronavirus Relief Fund. The Federal government awarded grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on

elementary and secondary schools across the nation (P.L. No. 116-136; CFDA 84.425). To record the revenue, use Source Code 400, Federal Aids Received through MDE.

LEAs must provide equitable services to students and teachers in non-public schools as required under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was signed into law on March 27, 2020.

The following Object Code was added for FY 2020:

911 COVID-19 Transfers Out (Funds 01, 02 and 04)

For FY 2020 and FY 2021 only, use this code with the appropriate program and finance code to record transfers out adopted by school board resolution due to COVID-19 under [Minnesota Statutes, section 123B.80](#) (Laws 2020, Chapter 116, Article 3, Section 8). The transfer cannot increase state aid or result in additional property tax authority for the district. Transfer requests under this temporary authority are not permitted from the Food Service Fund (02). Please see the [Guidance for Transfer of Funds](#) for more information. These expenditures are recorded as an *Other Financing Use* in the financial statement.

The following Source Codes were added for FY 2020:

550 Federal Emergency Economic Injury Grants (EEIG) (Funds 01, 02 and 04)

Record revenue received from the Emergency Economic Injury Grants (EEIG). These grants provided an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance.** Proceeds from the Federal Economic Injury Disaster Loans (EIDL) must be recorded in Source Code 640

640 Proceeds from Federal Economic Injury Disaster Loans (EIDL) (Funds 01, 02 and 04)

Record proceeds received from Federal Economic Injury Disaster Loans (EIDL). This amount is recorded as an *Other Financing Source* in the financial statements.

641 Proceeds from Federal Paycheck Protection Program (PPP) (Funds 01 and 04)

Record proceeds received from Federal Paycheck Protection Program (PPP). This amount is recorded as an *Other Financing Source* in the financial statements.

650 COVID-19 Transfers In (Funds 01, 02 and 04)

For FY 2020 and FY 2021 only, use this code with the appropriate fund, program and finance code to record transfers in adopted by school board resolution due to COVID-19 under [Minnesota Statutes, section 123B.80](#) (Laws 2020, Chapter 116, Article 3, Section 8). The transfer cannot increase state aid or result in additional property tax authority for the district. Please see the [Guidance for Transfer of Funds](#)

for more information. These revenues are recorded as an *Other Financing Source* in the financial statement.

The following Balance Sheet Account was recently added for FY 2020 and FY 2021:

473 Restricted/Reserved for Federal Payment Paycheck Protection Program (PPP) Unexpended Loan Proceeds (Funds 01 and 04)

Represents the unspent loan proceeds available from the Federal Payment Paycheck Protection Program (PPP). All activity in the account must be related to Finance Code 173, Federal Paycheck Protection Program (PPP). *This restricted/reserved account is not allowed to go into deficit.*

474 Restricted/Reserved for Federal Economic Injury Disaster Loans (EIDL) Unexpended Loan Proceeds (Funds 01, 02 and 04)

Represents the unspent loan proceeds available from the Federal Economic Injury Disaster Loans (EIDL). All activity in the account must be related to Finance Code 174, Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received Through Other Local Entities. *This restricted/reserved account is not allowed to go into deficit.*

The following Long-Term Liability Code was added for FY 2020:

For FY 2020 and 2021, we added General Ledger 258, a long-term liability code, to record the EIDL and PPP loans payable.

258 Emergency Economic Injury Disaster Loans (EIDL) and PPP (Paycheck Protection Program) Loans Payable (Fund 99)

Represents the principal of EIDL and PPP loans that are outstanding and unpaid. These loans are part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act that Congress passed on March 27, 2020 to assist small businesses and non-profit entities. The loans were available through the Small Business Administration (SBA).

This code should only be used in the General Long-Term Debt Group.

For questions regarding UFARS coding please contact the [UFARS helpdesk](mailto:mde.ufars-accounting@state.mn.us) (mde.ufars-accounting@state.mn.us).

Paycheck Protection Program (PPP), Federal Emergency Economic Injury Grants (EEIG) and Federal Economic Injury Disaster Loans (EIDL) Accounting Guidance

For FY 2020 and 2021, we added Finance Code 173 – Proceeds from Federal Paycheck Protection Program (PPP) (Funds 01 and 04) to record the revenue and expenditures. Balance Sheet 473 – Restricted/Reserved for Federal Payment Paycheck Protection Program (PPP) Unexpended Loan Proceeds (Funds 01 and 04) is required for the remaining loan proceeds. We also added Finance Code 174 – Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received through Other Local Entities (Funds 01, 02 and 04) to use with the EEIG and EIDL funds. We also added Balance Sheet 474 – Restricted/Reserved to record the Economic Injury Disaster Loans (EIDL) Unexpended Loan Proceeds (Funds 01, 02 and 04).

Finance Codes

173 Federal Paycheck Protection Program (PPP) (Funds 01 and 04)

Charter schools and other non-profit entities should use this code to record revenues and expenditures received from the Federal Paycheck Protection Program (PPP). Use Source Code 641 to record loan proceeds. PPP loans were funds provided through the Small Business Administration (SBA) due to the CARES Act. Charter schools and non-profits must use Balance Sheet Code 473, Restricted/Reserved for Federal Paycheck Protection Program (PPP) Unexpended Loan Proceeds.

174 Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received Through Other Local Entities (Funds 01, 02 and 04)

School districts should use this code to record revenues and expenditures due to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds received from Minnesota counties, cities or townships. These funds were provided to districts through the Coronavirus Relief Fund 21.019.

Charter schools and other non-profit entities should use this code to record revenues and expenditures received from Federal Emergency Economic Injury Grants (EEIG) and Federal Economic Injury Disaster Loans (EIDL). Please see Source Codes 550 and 640 to record revenues. EEIG grants and EIDL loans were funds provided through the Small Business Administration (SBA) due to the CARES Act. Charter schools and non-profits must use Balance Sheet Code 474, Restricted/Reserved for Federal Economic Injury Disaster Loans (EIDL) Unexpended Loan Proceeds.

LEAs must provide equitable services to students and teachers in non-public schools as required under the CARES Act. The CARES Act was signed into law on March 27, 2020.

Balance Sheet Codes

473 Restricted/Reserved for Federal Payment Paycheck Protection Program (PPP) Unexpended Loan Proceeds (Funds 01 and 04)

Represents the unspent loan proceeds available from the Federal Payment Paycheck Protection Program (PPP). All activity in the account must be related to Finance Code 173, Federal Paycheck Protection Program (PPP). *This restricted/reserved account is not allowed to go into deficit.*

474 Restricted/Reserved for Federal Economic Injury Disaster Loans (EIDL) Unexpended Loan Proceeds (Funds 01, 02 and 04)

Represents the unspent loan proceeds available from the Federal Economic Injury Disaster Loans (EIDL). All activity in the account must be related to Finance Code 174, Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received through Other Local Entities. This *restricted/reserved account is not allowed to go into deficit.*

Source Codes

For FY 2020 and 2021, we added Source Code 550 – Federal Emergency Economic Injury Grants (EEIG), Source Code 640 – Proceeds from Federal Economic Injury Disaster Loans (EIDL) and Source Code 641 – Proceeds from Federal Paycheck Protection Program (PPP) (see below) to account for the grant and loan proceeds.

550 Federal Emergency Economic Injury Grants (EEIG) (Funds 01, 02 and 04)

Record revenue received from the Emergency Economic Injury Grants (EEIG). These grants provided an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance.** Proceeds from the Federal Economic Injury Disaster Loans (EIDL) must be recorded in Source Code 640.

640 Proceeds from Federal Economic Injury Disaster Loans (EIDL) (Funds 01, 02 and 04)

Record proceeds received from Federal Economic Injury Disaster Loans (EIDL). This amount is recorded as an *Other Financing Source* in the financial statements.

641 Proceeds from Federal Paycheck Protection Program (PPP) (Funds 01 and 04)

Record proceeds received from Federal Paycheck Protection Program (PPP). This amount is recorded as an *Other Financing Source* in the financial statements.

Long-Term Liability Code

For FY 2020 and 2021, we added General Ledger 258, a long-term liability code, to record the EIDL and PPP loans payable.

258 Emergency Economic Injury Disaster Loans (EIDL) and PPP (Paycheck Protection Program) Loans Payable (Fund 99)

Represents the principal of EIDL and PPP loans that are outstanding and unpaid. These loans are part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act that Congress passed on March 27, 2020 to assist small businesses and non-profit entities. The loans were available through the Small Business Administration (SBA).

This code should only be used in the General Long-Term Debt Group.

Below are the proposed entries:**To record PPP Funds:**

01-101-00	\$100,000	
01-005-000-173-641-000		\$100,000
To record the PPP Loan.		

To record PPP expenditures:

01-XXX-XXX-173-XXX-000	\$100,000	
01-101-00		\$100,000

To record repayment of PPP fund:

01-005-920-000-730-000	\$ XX,XXX	
01-005-920-000-740-000	\$ XX,XXX	
01-101-00		\$XX,XXX

Note: any outstanding PPP loan balance, should be recorded in Balance Sheet Code 473, Restricted/Reserved for Federal Paycheck Protection Program (PPP) Unexpended Loan Proceeds.

To record the EEIG Grant:

01-101-00	\$10,000	
01-005-000-174-550-000		\$10,000

To record the EEIG Grant expenditures:

01-XXX-XXX-174-XXX-000	\$10,000	
01-101-00		\$10,000

Note: any remaining fund balance, should be recorded in Balance Sheet Code 474, Restricted/Reserved for Federal EIDL Unexpended Loan Proceeds.

To record the EIDL Loan:

01-101-00	\$100,000	
01-005-000-174-640-000		\$100,000

To record the EIDL expenditures:

01-XXX-XXX-174-XXX-000	\$10,000	
01-101-00		\$10,000

To record the repayment of the EIDL loan:

01-005-920-000-730-000	\$XX,XXX	
01-005-920-000-740-000	\$XX,XXX	
01-101-00		\$XX,XXX

Note: any unused EIDL loan proceeds, should be recorded in Balance Sheet Code 474, Restricted/Reserved for Federal EIDL Unexpended Loan Proceeds.

For questions regarding UFARS coding please contact the [UFARS helpdesk](mailto:mde.ufars-accounting@state.mn.us) (mde.ufars-accounting@state.mn.us).

CARES Act Funding Summary

- **Elementary and Secondary School Emergency Relief (ESSER)**
 - \$140.1 million – 90% allocated based on FY 2020 Title 1a allocations; 9.5% allocated as grants; up to 0.5% for administration
- **Governor’s Emergency Education Relief (GEER)**
 - \$38.1 million to MDE – to be used for Technology and Summer School Programming
 - \$5.3 million to Office of Higher Education (OHE)
- **Coronavirus Relief Fund (CRF)**
 - Total Request- \$256 million
 - Addressing Operating Costs and Supporting Student, Family, and Educator Needs - \$244.8 Million
 - Supplies for Schools; Flexibility for Critical Care Supplies - \$5.2 Million
 - Educator and School Staff Saliva Testing - \$6 Million

For questions regarding CARES Act Funding please visit the [MDE CARES Act Webpage](https://education.mn.gov/MDE/dse/health/covid19/cares/) (https://education.mn.gov/MDE/dse/health/covid19/cares/).

Application for Educational Benefits – Alert!

The US Department of Agriculture (USDA) has authorized school nutrition program sponsors to utilize the Summer Food Service Program (SFSP) for serving breakfast and lunch meals to students through December 31, 2020. Schools that decide to participate in the SFSP will be providing meals at no charge to all students. The SFSP does not require eligibility approval via the typical free/reduced-price meal application. As a result, households may not realize that completing the Application for Educational Benefits form is necessary. To prevent a low return of meal/educational benefit applications, please take measures to encourage families to complete the application and return it to the school/district. School principals should also be alerted so they can help in encouraging families to apply for benefits. Your schools compensatory revenue dollars are dependent on submission of free/reduced-price meal applications.

If you have questions about the Application for Educational Benefits, please contact the [MDE Food and Nutrition Service](mailto:mde.fns@state.mn.us) (mde.fns@state.mn.us). If you have questions about compensatory funding related to applications, please contact [School Finance](mailto:mde.funding@state.mn.us) (mde.funding@state.mn.us).

Commissioner Guidance for the Transfer of Funds for Emergency- Minnesota Laws 2020, Chapter 116/House File 4415, Article 3 Section 8

...*”Sec. 8. FUND TRANSFERS; FISCAL YEARS 2020 AND 2021 ONLY. Subdivision 1.*

Fund and account transfers allowed. Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2020 and 2021 only, a school district, charter school, or cooperative unit may transfer any funds not already assigned to or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any accounts or operating fund to the undesignated balance in any other operating fund....”

For fiscal years 2020 and 2021 only, a school district, charter school, or cooperative unit may transfer any funds not already assigned or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any accounts or operating fund to the undesignated balance in any other operating fund. A fund transfer is allowed if the transfer meets the following criteria from Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8:

1. The transfer does not increase state aid obligations to the district or school or result in additional property tax authority for the district.
2. A transfer is limited to the operating funds of a school district, charter school or cooperative unit.
3. A school board must approve any fund or account transfer before the reporting deadline for the respective fiscal year.
4. A school district, charter school, or cooperative unit must maintain accounting records for the purposes of this section that are sufficient to document both the specific funds transferred and use of those funds. The accounting records are subject to auditor review.
5. Any execution of this flexibility must not interfere with or jeopardize funding per federal requirements.
6. Any transfer must not interfere with the equitable delivery of distance learning or social distancing models.

Request for Funds Transfer

A request may be made by submitting a required *Request for Fund Transfer* form with a copy of the documentation noted below:

- a. Documenting adoption of a board resolution stating that the fund transfer requested meets Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8
- b. Official school board minutes documenting board approval of the funds transfer and stating the fund transfer must not interfere with the equitable delivery of distance learning or social distancing models.

Fund 01 – General Education

The table below summarizes transfer authority as permitted under Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8 as approved by the commissioner for restricted/reserved accounts in Fund 01 – General Fund.

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute (Minnesota Statutes, section: Minn. Stat. §)	Transfer Allowed Fiscal years 2020 and 2021
301	Extracurricular Activities	1	401	Extracurricular Activities	Minn. Stat. § 123B.49	No
340	Scholarships	1	402	Scholarships	Minn. Stat. § 123B.02, subd. 6	No
316	General Education Revenue for Staff Development	1	403	Staff Development	Minn. Stat. § 122A.61	Yes ¹
795	Capital Projects Levy	1	407	Capital Projects	Minn. Stat. § 123B.63, subd. 4	No
310	Interdistrict Cooperative Activities	1	408	Cooperative	Minn. Stat. § 123A.27	Yes
791	Projects Funded by Certificates of Participation	1	413	Building Projects with Lease Levy	Minn. Stat. § 126C.40	No
		1	414	Operating Debt	Need specific legislative authority	No
		1	416	Levy Reduction	Minn. Stat. § 475.61, subd. 4	No
390	Taconite Revenue for Building Maintenance and Repair	1	417	Taconite Building Maintenance	Minn. Stat. § 298.28, subd. 4 (b)(ii)	Yes
302	Operating Capital	1	424	Operating Capital	Minn. Stat. § 126C.10, subd. 14	Yes
371	Taconite \$25 Reserve	1	426	\$25 Taconite	Minn. Stat. § 298.28, subd. 4 (d)	Yes
794	Disabled Accessibility	1	427	Disabled Access	Minn. Stat. § 123B.58	No
330	Learning and Development	1	428	Learning and Development	Minn. Stat. § 126C.12, subd. 4-5	Yes
333	Maximum Effort Loan Aid	1	433	Maximum Effort Loan Aid	Minn. Stat., § 477A.09	No
303	Area Learning Center	1	434	Area Learning Center (ALC)	Minn. Stat. § 123A.05, subd. 2	Yes
304	Contracted Alternative Programs	1	435	Contracted Alternative Programs	Minn. Stat. § 124D.69, subd. 2	Yes
305	State-Approved Public Alternative Programs	1	436	State Approved Alternative Programs	Minn. Stat. § 126C.05, subd. 15	Yes
388	Gifted and Talented	1	438	Gifted and Talented	Minn. Stat. § 126C.10, subd. 2b	Yes
319	Teacher Development and Evaluation	1	440	Teacher Development and Evaluation	Minn. Stat. §§ 122A.414-415	Yes ¹
317	Basic Skills	1	441	Basic Skills	Minn. Stat. § 126C.15	Yes

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute (Minnesota Statutes, section: Minn. Stat. §)	Transfer Allowed Fiscal years 2020 and 2021
830	Collaboration-Expansion of Early Intervention and Prevention Services	1	445	Career Tech	Minn. Stat. § 124D.4531	No
313	Achievement and Integration Aid and Levy	1	448	Achievement and Integration	Minn. Stat., § 124D.862	No
318	Incentive Revenue	1	448	Achievement and Integration	Minn. Stat., § 124D.862, subd. 2	No
342	Safe Schools – Levy	1	449	Safe Schools Levy	Minn. Stat. § 126C.44	Yes
		1	451	Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bonds (QSCB) Future Payback	Restricted by debt covenants	No
793	Funded Other Post-Employment Benefits (OPEB) Liabilities Not Held in a Trust	1	452	OPEB Liabilities not held in a trust	Minn. Stat. § 475.52, subd. 6	No
309	Basic Skills for Extended Time	1	459	Basic Skills for Extended Time	Minn. Stat. § 126C.15	Yes
Various	Long-Term Facilities	1	467	Long-Term Facilities Maintenance	Minn. Stat. § 123B.595, subd. 12	Yes ²
372	Medical Assistance/Third Party Revenue	1	472	Medical Assistance	Minn. Stat., § 125A.21, subd. 3	No
792	Unfunded Severance and Retirement Levy	1	422 or 453	Retirement Levy	Minn. Stat. § 126C.41, subd. 6	No

Notes:

1: Yes, unless funding was already planned for salaries and benefits.

2: Yes, for districts funded under the new law Long-Term Facilities Maintenance (LTFM) per pupil funding formula. For districts funded under the alternative facilities hold harmless, fund balance transfer authorization allowed only to the extent that it doesn't increase state aids or levy authority. Separate guidance will be forthcoming.

Revenue Allocation for Fund 01 Unrestricted 422 Fund Balances

The revenues and expenditures are recorded as per usual accounting procedures. See accounting example below.

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute	Transfer Allowed Fiscal years 2020 and 2021
311	Telecommunications Access Costs	1	422	Unassigned Fund Balance	Minn. Stat. § 122A.414-415	No
320	American Indian Education	1	422	Unassigned Fund Balance	Minn. Stat. §§ 124D.81 and 124D.74	No
332	After School Enrichment Program	1,4	422, 431	Unassigned Fund Balance	Minn. Stat. § 124D.19	Yes
335	Q Comp	1	422	Unassigned Fund Balance	Minn. Stat. § 122A.414-415	No
336	Raised Academic Achievement-Advanced Placement	1	422	Unassigned Fund Balance	Minn. Stat. § 120B.132	No
343	Systemic Science, Technology, Engineering and Mathematics (STEM)	1	422	Unassigned Fund Balance	National Governors Association Grant	No
796	Health Benefits	1	422	Unassigned Fund Balance	Minn. Stat. § 126C.41	No
797	OPEB Pay-As-You-Go	1	422	Unassigned Fund Balance	Minn. Stat. § 126C.41	No
799	Collaboration	1, 4	422, 464	Unassigned Fund Balance	Federal dollars	No

Fund 02 – Food Service

The table below summarizes transfer authority as permitted under Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8 for reserved/restricted accounts in Fund 02 – Food Service. Food service is an operating fund; however, the funding has specific requirements that prohibits fund transfers.

Finance Code	Finance Code Description	Fund	Restricted/Reserved Account #	Reserve Name	Funding Statute	Transfer Allowed Fiscal years 2020 and 2021
701	National School Lunch Program – NSLP	2	464	Restricted Fund Balance	Public Law (P.L.) 105-336, Catalog of Federal Domestic Assistance Number (CFDA No.) 10.555	No
702	After-School Snack Program	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.555	No
703	Special Milk Program or Minnesota Kindergarten Milk Program	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.556 and Minnesota Laws of 1988, chapter 688, article 16, section 1	No
705	School breakfast Program	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.553	No
706	Fresh fruit and Vegetable Grant Program	2	464	Restricted Fund Balance	CFDA No. 10.582	No
707	A La Carte and Other Nonprogram Revenue and Expenditure	2	464	Restricted Fund Balance		No
709	Summer Food Service Program for Children	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.559	No

Fund 04 – Community Service

The table below summarizes transfer authority as permitted under Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section as approved by the commissioner for reserved/restricted accounts in Fund 04 – Community Service:

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute	Transfer Allowed Fiscal years 2020 and 2021
371	Taconite \$25 Reserve	4	426	\$25 Taconite	Minn. Stat. § 298.28	Yes
321	Community Education	4	431	Community Education	Minn. Stat. § 124D.20	Yes
326	Adults with Disabilities	4	431	Community Education	Minn. Stat. § 124D.56	No
362	Youth Development Service	4	431	Community Education	Minn. Stat. § 124D.20, subd. 4	Yes
798	Children with Disabilities in School Age Care	4	431	Community Education	Minn. Stat. § 124D.22	No
325	Early Childhood and Family Education	4	432	Early Childhood and Family Education	Minn. Stat. § 124D.135	Yes
328	Home Visiting	4	432	Home Visiting	Minn. Stat. § 124D.135	Yes
337	Early Learning Scholarships Program – Pathway II	4	444	School Readiness	Minn. Stat. § 124D.165	No
338	Early Learning Scholarships Program – Pathway I	4	444	School Readiness	Minn. Stat. § 124D.165	No
344	School (Learning) Readiness	4	444	School Readiness	Minn. Stat. § 124D.16	Yes
322	State Adult Basic Education (ABE)	4	447	Adult Basic Education	Minn. Stat. § 124D.531	No
324	General Educational Development (GED) Testing and Adult Basic Education Supplemental Services	4	447	Adult Basic Education	Minn. Stat. § 124D.522	No
793	Funded OPEB Liabilities Not Held in a Trust	4	452	Funded OPEB Liabilities not Held in Trust	Minn. Stat. § 475.52	No
350	Aid to Nonpublic Pupils – Health Services	4	464	Community Services	Minn. Stat. §§ 123B.40 to 123B.42	No
351	Aid to Nonpublic Pupils – Textbooks and Tests	4	464	Community Services	Minn. Stat. §§ 123B.40 to 123B.42	No
353	Aid to Nonpublic Pupils – Guidance and Counseling	4	464	Community Services	Minn. Stat. §§ 123B.40 to 123B.445	No
354	Early Childhood Screening Program	4	464	Community Services	Minn. Stat. §§ 121A.16 to 121A.19	No
792	Unfunded Severance and Retirement Levy	4	464	Unfunded Severance and Retirement Levy	Minn. Stat. § 126C.41, subd. 6	No

Proposed Entries in Fund 01 (General Fund) – Transaction Example

Transfers must use designated object/source codes along with the related program and finance code.

Object Code 911 - COVID-19 Transfers – Out

Source Code 650 - COVID-19 Transfers – In

Transfer must use designated object / source along with the related program and finance codes:		
Object Code		911 - COVID-19 Transfers - Out
Source Code		650 - COVID-19 Transfers - In
Transaction example:		
Example entry within Fund 01		DR
FD - ORG - PRO - FIN - OBJ		CR
01 - 005 – 2xx - 317 - 911		XXX
n/a		
Example entry within Fund 04		
FD - ORG - PRO - FIN - OBJ		
04 - 005 – 790 – 000 - 650		XXX
n/a		
FD: Fund; ORG: Organization; PRO: Program; FIN: Finance; OBJ: Object		

Note: Transfers using these codes may only occur between funds and reserve accounts as indicated in the tables above.

FD	ORG	PRG	FIN	OBJ/SRC	CRS	Debit	Credit
01	005	2xx	317	911	XXX	XXX.XX	
04	005	790	000	650	XXX		XXX.XX

Please submit via email the “Request for Fund Transfer” form, the board resolution stating that the fund transfer requested meets Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8 and official school board minutes.

For questions about this *Guidance for Transfer of Funds*, contact the [UFARS Accounting Helpdesk](mailto:MDE.UFARS-Accounting@state.mn.us) (MDE.UFARS-Accounting@state.mn.us).

Transfer of Funds for Early Childhood Family Education (ECFE) and School Readiness Programs

The information in this document supplements the document, *Commissioner Guidance for the Transfer of Funds for Emergency Minnesota Laws 2020, Chapter 116/House File 4415, Article 3 Section 8*. The intent of the information in this document is to provide further clarification on some of the most common questions asked about transferring ECFE and School Readiness funds.

For guidance on school-age care and child care programs in schools, refer to:

- *2020-21 Planning Guidance for Minnesota Public Schools* available on the [COVID-19 Updates](#) page.
- The regulations and guidance available on the [Schools and Child Care: COVID-19](#) page of the Minnesota Department of Health (MDH) website.

Frequently Asked Questions

Q1: Is permission needed if our district wants to transfer funds from the ECFE and School Readiness reserve accounts?

A1: Yes, the district's school board must approve transfers. In addition, as stated in the guidance, a school district must maintain accounting records that are sufficient to document both the specific funds transferred and use of those funds. The accounting records are subject to auditor review.

A Request for Fund Transfer is signed and submitted to MDE.

Q2: What restrictions are there with transfers between funds (e.g. between Fund 01 and Fund 04)? Or within the same fund?

A2: Remember that a fund transfer is allowed if the transfer meets the criteria listed in Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8. See the [Guidance for Transfer of Funds](#) on the MDE website for a list of the criteria.

Q3: One of the criteria listed in the guidance states that, "Any transfer must not interfere with the equitable delivery of distance learning or social distancing models." Our School Readiness program will be providing distance learning to all families who requested it. How does the guidance impact this situation?

A3: Fund transfers must meet the criteria listed in the [Guidance for Transfer of Funds](#) on the MDE website. Districts are required to provide certain services during the COVID-19 pandemic, and districts may transfer funds in order to pay for these services. If your district made the decision to provide distance learning to your School Readiness students, then you should continue this service, provided funds are available.

Q4: May FY21 ECFE and School Readiness funds be used to pay for staff in the School Age Child Care (SACC) program?

A4: For fiscal years 2020 and 2021 only, a school district, charter school, or cooperative unit may transfer any funds not already assigned or encumbered by staff salary and benefits from any accounts or operating fund to the undesignated balance in any other operating fund.

It is likely that the majority of a district's ECFE and School Readiness FY21 funds have been assigned to staff salary and benefits. Funds that have not been assigned or encumbered may be transferred.

For more information on providing child care, see the 2020-21 Planning Guidance for Minnesota Public Schools available on the [COVID-19 Updates](#) page.

Q5: Are early childhood programs required to provide child care?

A5: The requirement is for school-age child care, which must be provided for school-age children age 12 and under who are children of critical workers in Tier I of the state critical worker list. Equitable and affordable school-age child care programs are essential to support working families and provide enrichment and care for students. [Executive Order 20-82](#) indicates that a school district or charter school that operates a hybrid or distance learning model “must provide school-aged care for Eligible Children at no cost during the time those children are not receiving instruction in the school building during regular school hours.”

School age care consists of child care cooperatives, regular day care, and latchkey programs that provide educational, recreational, or custodial experiences for children from kindergarten through grade six that are beyond the scope of regular school programming (Minn. Stat. § 124D.19, subd. 11).

Q6: How are school age child care programs staffed?

A6: Paraprofessional staff should be considered as a support to learning in the school-age care setting, though it is understood they may not be available due to their caseloads and funding sources. Consistent with labor agreements, districts and charter schools must utilize available staff who are able to work during the 2020-21 school year. Refer to the 2020-21 Planning Guidance for Minnesota Public Schools available on the [COVID-19 Updates](#) page for detailed information on this topic.

Q7: Can my district layoff staff?

A7: School districts and charter schools are not precluded from making budget-based layoffs of staff and administrators for programs where dedicated funding streams do not exist, in accordance with applicable local labor agreements. Districts and charter schools should consult their attorneys for questions about compliance with employment contracts and with questions about unemployment compensation.

Q8: Our district is using buses to deliver food and materials and we are including School Readiness families. Can School Readiness funds be used to cover delivery costs?

A8: Yes. School Readiness funds may be used to cover transportation costs for eligible children. If funds are transferred from the School Readiness reserve account to the appropriate transportation account, these funds may be used to cover delivery costs.

Q9: If I have further questions, who do I contact?

A9: If your questions are not addressed by the Guidance for Transfer of Funds document, please contact the [UFARS Accounting Helpdesk](mailto:MDE.UFARS-Accounting@state.mn.us) (MDE.UFARS-Accounting@state.mn.us).

Achievement and Integration

Achievement and integration (A & I) revenue: Authorizes a school district to carry over any unspent balance of its approved budget for FY 20 into FY 21. If spent for approved purposes in FY 21, the district would generate additional FY 21 revenue over and above the regular formula limitations.

- To use the A & I FY 2020 carryover, districts must close the FY 2020 fund balance to Balance Sheet Code 448 – Restricted/Reserved for Achievement and Integration.
- The district must have an approved FY 2020 carryover budget from MDE for A & I.
- For the FY 2020 carryover funds, the district must use **Course Code 010** for expenditures in FY 2021.

For questions regarding achievement and integration please contact [Anne Parks](mailto:Anne.Parks@state.mn.us) (Anne.Parks@state.mn.us).

MARSS Memo August 2020

Data Special Interest Group (SIG) to be renamed

MDE will begin the previously titled monthly webinar series called Data SIG soon to be titled “Getting Ready for Ed-Fi” to occur every other month beginning September 17th, 2020. While these sessions will be scheduled for an hour every other month, the content remains important. The Ed-Fi implementation team will provide curriculum in these webinars that helps districts begin action items to be ready for the transition to Ed-Fi. While all districts begin that transition with MARSS and Student Support Data System data, soon districts syncing to our production environment, can/will begin adding in Early Education data to be submitted to MDE via Ed-Fi. Please join us as we begin to talk through these steps at the first “Getting Ready for Ed-Fi” session in September. Please check the MDE public calendar for the date and link to register.

To register for the upcoming webinars, navigate to the [MDE Calendar](#) and look for the event called “Data SIG; Prepare for Ed-Fi Webinar.” Join us in our efforts to help districts prepare to on-board with Ed-Fi!

If you have questions, contact the [Ed-Fi Team](mailto:ed-fi.mde@state.mn.us) (ed-fi.mde@state.mn.us).

Ed-Fi

Ed-Fi implementation project for the Minnesota Automated Reporting Student System (MARSS) data is entering the third school year of on-boarding districts. Currently, 50% of Minnesota school districts will touch Ed-Fi in the coming 2020-21 school year. For background in regards to what Ed-Fi is and how it came about, please see prior MARSS memos.

Currently, MDE has an additional 150 school districts and charter schools scheduled to on-board in the 2020-2021 school year. A series of six one-hour modules as well as an on-boarding guide have been developed and rolled out for on-boarding districts in the 2020-21 school year and will continue for the remainder of on-boarding districts in the 2021-22 school year. In an on-boarding year, a district is required to submit MARSS

data in dual submission. Dual submission is the submission of both the MARSS A and B file extracts while also syncing data via Ed-Fi to MDE. As stated previously, the last year to on-board for dual submission is the 2021-22 school year. On-boarding module sessions as well as the on-boarding guide and the MDE translation document are all posted to our MDE > Data Submissions > Ed-Fi > On-boarding website. The MDE translation guide walks through all data elements that not only may be translated differently now through Ed-Fi but also the supplemental data elements now collected for some elements that were not previously collected in MARSS.

MDE is excited to be at this stage in the Ed-Fi implementation process. Districts are beginning to see the positive outcomes already as it relates to submitting data in Ed-Fi. Soon, as more MDE programs (Early Education (EE) and Minnesota Common Course Catalog (MCCC)) on-board to Ed-Fi syncing, the previously daunting process of sending multiple data collections through various data collection systems will all be derived from a district's student information system to MDE via Ed-Fi. The also daunting task of extracting files from a district's SIS and uploading the same files to a submission system will (as we have stated) align with one process that is through Ed-Fi.

Many of the current data collected via Ed-Fi are a collection of MARSS student data. The MARSS data are used for school funding formulas, federal reporting and accountability systems. The MARSS data are historically reported through A/B files and edited thoroughly by districts prior to submission to MDE and then again periodically in a statewide edit. However, MDE has written a translation program that converts a subset of the Ed-Fi data to the MARSS A/B files so that critical data continue to be thoroughly edited. During the dual submission year, districts are responsible for comparing the data synced through Ed-Fi with those submitted via the A/B files with the goal of data that results in the same counts. When successful, the district can "certify" its Ed-Fi data and discontinue dual reporting for the following school year. The 2020-21 school year will be the first year that districts will be able to certify their Ed-Fi data to discontinue dual reporting in FY 2022.

The certification process to reach Ed-Fi sole reporting for districts will soon be upon us come late fall of 2020. The Ed-Fi Implementation Team hopes to have many of our 2019-20 cohort as well as our 2020-21 cohort of on-boarding districts ready to have their fall data be certified to report Ed-Fi only. While that does not mean the district can then begin reporting Ed-Fi only quite yet. They will be one step closer. A district will then need work on year-end data to be Ed-Fi certified. Upon reaching that step, a district could then submit Fall/Year-End collection cycle data via Ed-Fi only for the next school year.

If you have questions, please contact the [Ed-Fi Team](mailto:ed-fi.mde@state.mn.us) (ed-fi.mde@state.mn.us).

FY 2021 Concurrent Enrollment Aid Application – Due October 30

Postsecondary Enrollment Options (PSEO) Concurrent Enrollment is a program authorized under Minnesota Statutes, section 124D.09, subdivision 10, in which courses are taught in the high school by either a postsecondary professor or an accredited high school teacher. PSEO allows students to earn both high school and postsecondary credit (dual credit). For high schools partnering with postsecondary institutions that are not accredited by the National Alliance of Concurrent Enrollment Partnerships (NACEP), the signed concurrent enrollment program aid application for FY 2021 and required documentation are due to the Minnesota Department of Education no later than October 30, 2020. This deadline has been set so that information can be gathered to determine payments to districts in a timely manner. The application allows the high school district

or charter school to generate concurrent aid for the dual credit courses that are offered at the high school during the 2020-21 school year. A new signed application is required each school year. An application is not required for partnerships with postsecondary institutions that are NACEP accredited.

For more information, visit the [NACEP in Minnesota 2020-21 webpage](https://education.mn.gov/MDE/dse/ccs/cce/033829) (<https://education.mn.gov/MDE/dse/ccs/cce/033829>).

If you have any questions regarding concurrent enrollment, please contact [Jacqui McKenzie](mailto:jacqui.mckenzie@state.mn.us) (jacqui.mckenzie@state.mn.us).

ADM Estimates via ADMWE

The Average Daily Membership Web Estimates (ADMWE) and EL (English Learners) Projections System has two upcoming reporting dates to keep in mind. There is a September 30, 2020, date for updating Average Daily Membership (ADM) Enrollment Projections and a December 14, 2020, reporting date.

Note the December 14 update will be the last date available to change your ADM Estimates/aid entitlements until the FY 2020-21 cleanup payments in September and October. The only exception to this would be a district looking to update a drop in ADM Estimates. These data reporting deadlines are particularly important as these ADM estimates will be used in forecasts and legislative analysis beginning late December.

ADMWE is the means by which schools submit estimated ADM data and are done so either electronically through the ADMWE system, or a paper copy submitted to MDE. MARSS is the means by which schools report actual enrollment data. MARSS student data does not update ADMWE estimates data.

Please share this submission deadline information with the person in your school or district responsible for submitting ADM estimates.

For questions regarding ADM Estimates please contact [Jeanne Krile](mailto:Jeanne.krile@state.mn.us) (Jeanne.krile@state.mn.us) or 651-582-8637.

Minnesota Budget and Economic Outlook

Forecast Overview

Twice each year the Budget and Economic Forecast is prepared as required by Minnesota law. The November forecast is used to set the starting point for the budget, and is the basis for the Governor's recommendations. The February forecast incorporates additional data and is used by the Legislature and the Governor to set the enacted budget or to ensure that enacted budgets remain on track and in balance. Forecast information is also used by bond rating agencies and other financial analysts to review the state's financial health, and by the media who present information on the state's financial condition to the public.

A financial forecast is an estimate of future financial outcomes for an agency. Using historical internal student accounting data, a financial forecast is a best guess of what will happen in financial terms over a given time period. Minnesota Department of Education, (MDE) financial forecast is a fiscal management tool that presents estimated information based on past, current, and projected student enrollments.

Request

In order facilitate the forecast in an efficient and accurate manner MDE analyzes student data. We start reviewing statewide data after the September 2, 2020 MARSS submission for the November forecast. If you know that the ADM on the District/School ADM Report posted around September 7 is incomplete, e.g., missing more than a couple ADM please let Kelly Wosika, MDE School Finance Specialist know that the district's student data is not complete. This would include data that hasn't been submitted because of incomplete site information, inaccurate instructional days, incorrect student enrollment dates and/or Membership Days or Hours especially for State Approved Alternative Programs (SAAPs), pre-kindergarten and early childhood special education students. If the ADM is low due to errors, we are able to estimate the missing ADM. However, we are unable to estimate for missing students or missing membership.

Being informed about missing student data during the forecast process allows MDE to provide an accurate outlook to the Legislature and the Governor.

Verifying Average Daily Membership (ADM) Data on the District/School ADM Report

The following are suggested steps to take when a school or district believes that the ADM shown on the *District/School ADM Report* is less than it should be (e.g., lower than that generated on local reports). The report is described in the documentation for the [District/School ADM Report and MARSS 35 ADM Adjustment Report](#).

1. Verify that the school has no MARSS enrollment records with local errors. All of the records with local errors are excluded from other local and statewide reports. The local errors are listed on the MARSS 08 Error Report.
2. Verify that the statewide date overlap and Status End code 08 and 40 errors have been corrected. These records will be excluded from the state-produced ADM reports, but they would have been included on the local reports. The statewide errors are listed on the MARSS 30 Statewide Error Report. The MARSS 30 report does not reiterate the local errors, so the school needs to review both error reports.
3. Verify that all students are included on the MARSS B Student file. Run the local report MARSS 24 List of All Students and compare the list of students with a report run from the school's software. Missing students cannot generate ADM.
4. Verify that all students have the correct enrollment and withdrawal dates and membership days. If these dates are in error, the generated membership days may be in error.
5. Verify that the software's calendar that generates student membership and instructional days is/are correct and in sync. A student enrolled for the entire school year in a single enrollment record from the first day of school through the last day of school should generate the same number of membership days as instructional days reported on the MARSS A School file in the same grade.
6. Verify that the number of instructional days reported on the MARSS A School file includes the number of days in the core, required school year. The file should exclude snow days, optional days, holidays, staff-only days, summer, etc. If full-year students on the MARSS 24 report consistently have less than 1.00 ADM, there

is an inconsistency between the number of instructional days and the student membership days. For FY 2018-19 school year only, if the school board has determined to count one or more days canceled due to weather and safety concerns, be sure that they are included as instructional days in the MARSS A file and as membership days for enrolled students in the MARSS B file. Refer to the guidance posted to the MARSS-Student Accounting website for more information.

7. State-approved alternative programs also need to verify the number of instructional days and length of day reported on the MARSS A School file. The instructional days should include only the number of days in the core, required school year. The length of day should include only the number of minutes in the core, required school day, excluding meal times. If the length of day varies during the year, calculate the average length of day using the *Flexible Scheduling Report (worksheet)* posted to the [MARSS Reporting Instructions website](#).
8. For state-approved alternative programs with a state-approved independent study component, the number of instructional days and length of day reported on the MARSS A School file needs to be the same as those used on the *Independent Study Calculation of Membership Hours* worksheet. Refer to the *MARSS Manual, Procedure 8* for more information.
9. ADM cannot exceed 1.00 unless the student is enrolled in a state-approved learning year program (e.g., alternative program). When the statewide edit is run, each student's total ADM is checked to assure that it does not exceed 1.00. If it does exceed 1.00, each record is proportionately reduced. If the student is enrolled in a learning year program, that enrollment record(s) is eligible to generate extended time ADM. Refer to the MARSS WES statewide report called *MARSS 35 ADM Adjustment*. This is a list of all enrollment records in which the locally computed ADM is probably different than that generated after the statewide edit. The adjustment could be due to:
 - a. A total ADM that exceeds 1.00, whether or not the student participated in a learning year.
 - b. The calculation of extended time ADM.
 - c. Supplemental online learning (OLL) participation.
 - d. An increased ADM for an early childhood special education student.

For questions regarding the Minnesota Budget and Economic Outlook please contact [Kelly Wosika](#) (kelly.wosika@state.mn.us).

Reporting Students Placed Outside Minnesota for Residential Care and Treatment

Students placed for residential care and treatment are those students who have been placed by the courts, a medical authority, social services or parents to some type of treatment program. Students are considered to be in a residential treatment program if they are living in the facility in which the treatment is provided.

When a student is placed in a facility outside Minnesota, the resident district is responsible for the instructional costs and will generate general education revenue for the time the students receive eligible instruction during the core, required school year. Refer to *Appendices K and K-1* in the MARSS Manual for assistance in determining the resident district.

The district would be responsible only for the instructional costs, not the care and treatment, or room and board costs. Districts should review the invoices to assure that they include only instructional costs.

Refer to [Procedure 29 - Reporting Students Placed for Residential Care and Treatment, Hospitalization or Partial Hospitalization](#)

For questions regarding MARSS reporting please contact [Kelly Wosika](mailto:Kelly.Wosika@state.mn.us) (Kelly.Wosika@state.mn.us).

For questions regarding Special Pupil Aid and SEDRA reporting please contact [Special Education Funding](mailto:mde.spedfunding@state.mn.us) (mde.spedfunding@state.mn.us).

Alternate Application for Educational Benefits

For purposes of MARSS reporting, schools must have documentation showing individual students' eligibility for the free and reduced-price meals (Economic Indicator) so that MDE can accurately calculate compensatory revenue. Eligibility can be determined based on Direct Certification or household income reports. Historically, the [Application for Educational Benefits](#) has been used to certify eligibility for students who are not included on a Direct Certification list. An *Alternate Application for Educational Benefits* is available specifically for schools on the Community Eligibility Program (CEP), Provision 2 and 3 schools, and schools without a meal program. The application collects the same type of household income data that is collected on the *Application for Educational Benefits* but excludes references to free meals to avoid confusion for the families completing the form.

A copy of the 2020-21 [Alternate Application for Educational Benefits](#) and related material is available on the [MDE website](#).

Community Eligibility is a Food Service program that allows eligible schools to provide free meals to all students enrolled. It is described in more detail in the [November 2018 School Business Bulletin](#).

If you have questions regarding Alternate Application for Educational Benefits please contact [Kelly Wosika](mailto:Kelly.Wosika@state.mn.us) (Kelly.wosika@state.mn.us).

UFARS Turnaround Edit

The following balance sheet codes are new for FY 2020, but may have beginning balances.

Balance Sheet Code 401 – Restricted/Reserved for Student Activities

Balance Sheet Code 402 – Restricted/Reserved for Scholarships

Balance Sheet Code 473 – Restricted/Reserved for Federal Payment Paycheck Protection Program (PPP) Unexpended Loan Proceeds

Balance Sheet Code 474 – Restricted/Reserved for Federal Economic Injury Disaster Loans (EIDL) Unexpended Loan Proceeds

If your entity has a beginning balance there will be an error on the UFARS Turnaround Edit that states prior year ending balance does not equal beginning balance of current year. For Balance Sheet Codes 401, 402, 473 and 474 you can ignore this error for FY 20. The error(s) will not affect a district's eligibility to receive the School

Finance Award, however the other criteria will still apply. For questions regarding UFARS please contact the [UFARS helpdesk](mailto:mde.ufars-accounting@state.mn.us) (mde.ufars-accounting@state.mn.us).

School Finance Award

The School Finance Award is awarded annually by the Minnesota Department of Education (MDE), Division of School Finance, to recognize schools for meeting statutory deadlines for submission of audited fiscal financial data and reporting criteria. There is no application process for the 2021 School Finance Award. Eligibility is based on final fiscal year (FY) 2020 UFARS financial data.

Criteria for FY 2020 Financial Reporting:

A. Timely Submission of Financial Data and Compliance with Minnesota Statutes

- A.1. Preliminary unaudited UFARS data is submitted to MDE by September 15, 2020 (Minn. Stat. § 123B.77, subd. 2).
- A.2. Final audited UFARS data is submitted to MDE by November 30, 2020 (Minn. Stat. § 123B.77, subd. 3).
- A.3. The Fiscal Compliance Table is completed and error-free by November 30, 2020 (Minn. Stat. § 123B.77, subd. 3). Subsequent Fiscal Compliance Table submissions will not be considered.
- A.4. The FY 2020 Audit Report is due on December 31, 2020. If the audit is mailed, it must be postmarked on or before December 31, 2020 (Minn. Stat. § 123B.77, subd. 3).
- A.5. District/school uses state-approved financial software (Minn. Stat. § 125B.05, subd. 3).

B. Presence of Select Indicators of Fiscal Health

- B.1. The district/school has a zero or positive balance in the General Fund Unassigned Fund Balance Account 422. For purposes of this award, Fund Balance Account 422 includes the following: 418 Committed for Separation/Retirement Benefits; 460 Nonspendable Fund Balance; 461 Committed Fund Balance; 462 Assigned Fund Balance; 464 Restricted Fund.
- B.2. The district/school has a zero or positive aggregate fund balance in each of the Funds 2, 4, 7 and 47.
- B.3. The district has positive or zero balances in Restricted/Reserved Fund Balance Accounts having statutory requirements to maintain a positive or zero balance.

C. Accuracy in Financial Reporting

- C.1. The district/school's final UFARS Turnaround Edit Report has no errors.
- C.2. The district/school's final audited UFARS data agrees with the independent audit data.

The Fiscal Year (FY) 2020 school finance award for FY 2019 reporting has been posted. The award can be found on the Financial Management webpage under [Guidance and Reports](#) (<https://education.mn.gov/MDE/dse/schfin/fin/guide/>).

For questions regarding the School Finance Award please contact [Molly Koppes](mailto:molly.koppes@state.mn.us) (molly.koppes@state.mn.us).

UFARS Submission Deadlines for Fiscal Year 2020

The FY 2021 budget must be board-approved prior to July 1, 2020 (Minn. Stat. § 123B.77, subd. 4).

Information on the FY 2020 budget must be published within one week of accepting the FY 2020 audit or November 30, 2020, whichever is earlier (Minn. Stat. § 123B.10, subd. 1).

The FY 2020 Preliminary Unaudited UFARS data is due September 15, 2020 (Minn. Stat. § 123B.77, subd. 2).

The FY 2020 Final Audited UFARS data is due November 30, 2020 (Minn. Stat. § 123B.77, subd. 3).

The FY 2020 Fiscal Compliance Table (audit data and UFARS) is due November 30, 2020 (Minn. Stat. § 123B.77, subd. 3).

The FY 2020 Audit Report is due on December 31, 2020.

If the audit is mailed, it must be postmarked on or before December 31, 2020 (Minn. Stat. § 123B.77, subd. 3).

UFARS 101 Training Schedule

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.

MDE Financial Management staff is currently in the process of creating virtual sessions of UFARS 101. Once these sessions are scheduled they will be posted on the [MDE Calendar](#) (MDE Homepage>About MDE > Calendar) along with a link to register.

For assistance with the *UFARS 101 Training Schedule*, please contact [Nicki Cha](mailto:Nicki.Cha@state.mn.us) (Nicki.Cha@state.mn.us).

Business Managers Listserv Subscriptions, Updates and MDE Contact Information

This service is provided to business managers by MDE as an ongoing communication informing them of current MDE news. If you are a new subscriber or updating current information, please contact [Nicki Cha](mailto:nicki.cha@state.mn.us) (nicki.cha@state.mn.us) and provide the following information in your email:

- First Name
- Last Name
- District Name
- District Number
- Email
- Phone Number
- Phone Extension
- Staff Position

Contacts

UFARS

For assistance with UFARS accounting, manual and Chapter 10 Grid questions, contact the [UFARS Accounting Helpdesk](mailto:mde.ufars-accounting@state.mn.us) (mde.ufars-accounting@state.mn.us).

COVID-19

[COVID-19 Questions](mailto:COVID-19.Questions.MDE@state.mn.us) (COVID-19.Questions.MDE@state.mn.us)

MARSS Student Reporting

[MARSS contact](mailto:MARSS@state.mn.us) (MARSS@state.mn.us)

SERVS Financial

To gain access and utilize [SERVS Financial](mailto:MDE.SERVSFinancial@state.mn.us) (MDE.SERVSFinancial@state.mn.us)

Title Programs

[Title Programs contact](mailto:MDE.NCLB@state.mn.us) (MDE.NCLB@state.mn.us)

Special Education

[Special Education Funding contact](mailto:mde.spedfunding@state.mn.us) (mde.spedfunding@state.mn.us)