

# SCHOOL BUSINESS BULLETIN

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## **Jenny Charles Joins the Division of School Finance**

The Financial Management team welcomes the following new member:

Jenny Charles has spent over 20 years working in all areas of the business services department of three school districts (St. Francis, Edina and Bloomington) and has worked with charter schools in Duluth via Edison Learning (a for-profit management company based in Knoxville, Tennessee). For the past four years, Jenny worked with Technology and Information Educational Services (TIES) software assisting districts with their finance module. She has a BA degree in Accounting from Metropolitan State University. Jenny can be reached at [Jennifer.Charles@state.mn.us](mailto:Jennifer.Charles@state.mn.us) or 651-582-8586.

## Notices of Residents Enrolled Elsewhere

Minnesota Statutes, section 127A.47, Subdivision 5 requires school districts and charter schools to share lists of nonresident students served with the resident districts.

### **Minnesota Statutes, section 127A.47, Subdivision 5 – Notification of resident district.**

*A district educating a pupil who is a resident of another district must notify the district of residence within 60 days of the date the pupil is determined by the district to be a nonresident, but not later than August 1 following the end of the school year in which the pupil is educated.*

To this end the local MARSS 03 Non-Resident Report was designed to help districts exchange uniform information.

In many cases with the posting of MARSS WES statewide reports, the Minnesota Department of Education (MDE) facilitates this process by posting MARSS 31 Residents Served Elsewhere reports after each fall MARSS reporting deadline and after most of the year-end MARSS reporting deadlines. MARSS 31 is a list of resident students reported by another district or charter school and provides basic enrollment information to the resident district. Therefore, when a district or charter school submits MARSS enrollment data files with the first statewide reporting deadline, the MARSS 31 Residents Served Elsewhere that is posted will be within two months of enrollment for most students who started the school year at the nonresident district or charter school. Also, students who enroll in the nonresident district or charter school during the last two months of the school year will be included on a MARSS 31 Residents Served Elsewhere starting in May. For these students, a separate notice to the resident would not be necessary.

However, for a school that starts prior to Labor Day or for one that does not submit files for the initial fall statewide deadline, the span between the student's enrollment and the posting of the MARSS statewide reports may be unacceptable. Also, for students who enroll after the final Fall MARSS submissions, no MARSS 31 Residents Served Elsewhere Reports are posted until May. Therefore, to meet the intent of the statute, districts and charter schools that enroll nonresident students who, because of MARSS reporting, are not posted to a MARSS 31 Residents Served Elsewhere Report within a reasonable time frame of the student's enrollment, must continue to provide a copy of the MARSS 03 Nonresident Report to the resident district.

## Exemptions

1. This procedure does not replace the student acknowledgement for tuition billing that a nonresident district or charter school must provide the resident district for students with an IEP. A signed acknowledgement is required to confirm agreements for the education of students with disabilities receiving instruction. MDE has provided the [Special Education Student Acknowledgement](#) that schools may use. The information provided on the form is necessary for the resident district to verify that the student is a resident of their district because it includes parent information and address.
2. This procedure does not exempt a serving district from notifying the resident district within 15 days of enrolling a student placed for treatment.

Minnesota Statutes, section 127A.47, Subdivision 6 **State agency and court placements.**

If a state agency or a court of the state desires to place a child in a district that is not the child's district of residence or to place a pupil who is a parent under section [120A.22, Subdivision 3](#), in a school district which is not the school district in which the pupil's biological or adoptive parent or designated guardian resides, that agency or court must, before placement, allow the district of residence an opportunity to participate in the placement decision and notify the district of residence, the district of attendance and the commissioner of the placement decision. When a state agency or court determines that an immediate emergency placement is necessary and that time does not permit district participation in the placement decision or notice to the districts and the commissioner of the placement decision before the placement, the agency or court may make the decision and placement without that participation or prior notice. The agency or court must notify the district of residence, the district of attendance and the commissioner of an emergency placement within 15 days of the placement.

1. This procedure also does not replace the need to exchange a [Notification of Change in Student Enrollment](#) form to assure that the MARSS State Reporting Number follows the student and to notify the prior enrolling district of the date the student enrolled in the new district or charter school.
2. This change in procedure also does not replace the need for the [Statewide Enrollment Options Form](#) which is completed by the student's parent/guardian when there is a parent-initiated request to attend a nonresident district. The nonresident district must notify the resident district by March 15 (or 30 days after initial receipt if the form is filed after January 15) of the student's intent to enroll under [Minnesota Statutes, section 124D.03](#).
3. This change in procedure also does not replace the Parent Initiated Agreements between School Boards, Minnesota Statutes, section 124D.08, Subdivisions 1 and 2.

124D.08 School Boards' Approval to Enroll in Nonresident District.

Subdivision 1. Enrollment exception.

*A pupil may enroll in a district of which the pupil is not a resident under this section.*

Subdivision 2. Board approval.

*The pupil's parent or guardian must receive the approval of the board of the nonresident district and the board of the resident district. The nonresident board shall notify the resident board of the approval.*

- (1) A district or charter school should always stand ready to provide a MARSS 03 Nonresident Report to the resident district upon request.

## Contacts:

[Marss@state.mn.us](mailto:Marss@state.mn.us) for questions on MARSS reporting.

[Michelle Jones](#) at 651-582-8577 for questions on Special Education Tuition Acknowledgments.

## October 1 Assignment for Compensatory Revenue

The October 1 enrollment count is the official enrollment count generated by the Fall MARSS files. These counts are used in federal reports as well as compensatory revenue. By definition, the October 1 enrollment is an unduplicated head count of students enrolled in a public school on October 1. If October 1 falls on a weekend or holiday, the next business day is used as the official count date.

According to Minnesota Statutes, section 125C.05, a student is counted only once during a school year for compensatory revenue. This is based on the student's enrollment as of October 1. Date overlap errors on the Fall MARSS files do not cause both records to be excluded from the October 1 enrollment counts. If the student has overlapping enrollment records on October 1, MDE programming will determine the site at which the student is counted. This is based on a statewide hierarchy decision process. During the fall statewide MARSS edit each enrollment record is flagged as either 'Yes' or 'No' for October 1 enrollment.

This decision process may explain why student counts on the local MARSS 12 Compensatory Student Count report would differ from the statewide MARSS 28 Economic Indicator report.

The October 1 assignment is as follows:

- For dual enrolled students, i.e., Percent Enrolled is 999 at a State Approved Alternative Program (SAAP) that is classified as 41, Area Learning Center (ALC) or 42, Alternative Learning Program (ALP) and the student is enrolled in a non-SAAP school, the October 1 flag is assigned to the non-SAAP school.
- For concurrent enrolled students, i.e., Percent Enrolled is 998 at a SAAP school classification 41, ALC or 42, ALP and the student is enrolled in a non-SAAP school, the October 1 flag is assigned to the SAAP.
- For non-SAAP overlapping enrollment records where both records span October 1:
  - If both records are Percent Enrolled 100 (whether inter-district or intra-district)
    - The October 1 flag is assigned to the record with the later Start Date.
    - If both records have the same Start Date, the October 1 flag is assigned to the record with the lowest school classification.
    - If both records have the same Start Date and the same school classification, the October 1 flag is assigned to the record with the lowest school number.
  - If both records are Percent Enrolled 999 (whether inter-district or intra-district)
    - The October 1 flag is assigned to the record with the later State Date.
    - If both records have the same Start Date, the October 1 flag is assigned to the record with the lowest school classification.
    - If both records have the same Start Date and school classification, the October 1 flag is assigned to the record with the lowest school number.
  - When one record is Percent Enrolled 999 and one is at least 50 percent, the October 1 flag is assigned to the record with the Percent Enrolled of 50 percent or more.

- If there are three or more overlapping records and all records have Percent Enrolled of less than 999, the October 1 flag is assigned to the record with the greatest Percent Enrolled.
- For records with the same Percent Enrolled, the October 1 flag is assigned to the record with the later State Date.
- For records with the same Percent Enrolled and same Start Date, the October 1 flag is assigned to the school with lowest school classification.
- For records with the same Percent Enrolled, same Start Date, and same school classification, the October 1 flag is assigned to the school with lowest school number.

More information about the Economic Indicator is available in the [MARSS Manual](#). For questions or more information, contact [marss@state.mn.us](mailto:marss@state.mn.us).

### **West Metro Education Program (WMEP) Update**

After review, the original summary document regarding transportation to-and-from the Fine Arts Interdisciplinary Resource (FAIR) Schools has been revised. The bonding bill that conveys the property to the two districts specifies that each of the two schools are to continue to be operated as multidistrict integration facilities and the language in the education bill specifies that pupil transportation expenses under this section are reimbursable under Minnesota Statutes, section 124D.87.

Please read the following for a revised summary:

According to Laws of Minnesota 2015, First Special Session, Chapter 3, Article 6, sections 9 and 10, West Metro Education Program (WMEP) no longer operates schools. The FAIR School Crystal and the FAIR School Downtown will become part of Robbinsdale Public Schools and Minneapolis Public Schools, respectfully, as multidistrict integration facilities that serve students in any grade from early education through grade 12.

### **Robbinsdale FAIR School Crystal**

According to the new law starting in FY 2016, Robbinsdale may provide transportation for non-resident and resident students that were enrolled in FY 2015 as well as those students who were accepted for enrollment in FY 2016 into the FAIR School Crystal. Robbinsdale may claim the cost of transporting the students in desegregation transportation. Student MARSS data should reflect Transportation Category code 04. The cost should be reported in UFARS Finance Code 714.

Residents of Robbinsdale are reported on MARSS with State Aid Category (SAC) 00 and nonresident students enrolled from FY 2015 and those accepted for enrollment in FY 2016 can be reported with SAC 01 without open enrollment applications on file through FY 2020. All other nonresident students need to apply for enrollment under open enrollment.

Under Minnesota Statutes, section 124D.87 desegregation transportation aid is available to all students enrolled at this multidistrict integration facility. Therefore, Robbinsdale may provide transportation and claim desegregation transportation aid for students that are provided transportation.

## Minneapolis FAIR School Downtown

Minneapolis may provide transportation for non-resident and resident students that were enrolled in FY 2015 as well as those students who were accepted for enrollment in FY 2016 into the Downtown School. Minneapolis may claim the cost for of transporting the students in desegregation transportation. Student MARSS data should reflect Transportation Category Code 04. The cost should be reported in UFARS Finance Code 714.

Residents of Minneapolis are reported on MARSS with SAC 00 and nonresident students enrolled from FY 2015 and those accepted for enrollment in FY 2016 can be reported with SAC 01 without open enrollment applications on file through FY 2019. All other nonresident students need to apply for enrollment under open enrollment.

Under Minnesota Statutes, section 124D.87 desegregation transportation aid is available to all students enrolled at this multidistrict integration facility. Therefore, Minneapolis may provide the transportation and claim desegregation transportation aid for students that are provided transportation.

Robbinsdale and Minneapolis will generate general education revenue and may not charge the families or the resident district for students open enrolling into either of the FAIR schools. These two multidistrict integration facilities may serve students in any grade from early education through grade 12.

Please review [Omnibus K-12 Education finance bill](#) that passed in the Special session of 2015 – Article 6, Section 9 and 10. See attached E12 Bill Summary – Pages 26 and 27.

### Bonding Bill

[See Chapter 5](#), section 26, Subdivisions 1 and 2.

(<https://www.revisor.mn.gov/laws/?year=2015&type=1&doctype=Chapter&id=5&format=pdf>)

### Education Bill

[See Article 6](#), sections 9 and 10, pages 132 and 133.

(<https://www.revisor.mn.gov/laws/?year=2015&type=1&doctype=Chapter&id=3&format=pdf>)

Please share with staff that may be affected by this change. Any further questions may be sent to Julie Belisle at [julie.belisle@state.mn.us](mailto:julie.belisle@state.mn.us) or 651-582-8265.

## UFARS Coding Additions, Changes and Deletions – Effective July 1, 2015 for FY 2016

The following **Program** Dimensions have had **description changes** effective July 1, 2015:

### CHANGES

Account	Description
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<b>331</b>	<b>Family and Consumer Science</b>
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Courses of instruction concerned with work in a home environment. Includes relationships among family members and the managing of family resources.

**583 Early Childhood Screening**

Report expenditures incurred by the district for providing a mandatory early childhood developmental screening program per [Minnesota Statutes, section 121A.17](#). The district is entitled to state aid of \$75 for each child it screens at age three; \$50 for each child it screens at age four; \$40 for each child screened by the district at age five or six prior to kindergarten; and \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened. If this amount of aid is insufficient, the district may make a permanent transfer from the General Fund ([Minn. Stat. § 121A.19](#)). See Finance Code 354.

The following **Program** Dimension has been **deleted** effective July 1, 2015:

**DELETIONS****Account Description****578 Optional Fee-Based Programs for Kindergarten-Age Students (Fund 4)**

Record all costs for kindergarten-age students who attend optional fee-based programs outside the required kindergarten program provided by the school district as defined in [Minnesota Statutes, section 120A.05, Subdivision 10\(a\)](#), but during the school day of other students at the site. School age care costs should be reported in Program Code 570.

The following **Finance** Dimensions have had **description changes** effective July 1, 2015:

**CHANGES****Account Description****303 Area Learning Center (Fund 01)**

Except for a district located in a city of the first class, an area learning center must be established in cooperation with other districts and must serve the geographic area of at least two districts under Minnesota Statutes, section 123A.05, Subdivision 1(b). Per Minnesota Statutes, section 123A.05, Subdivision 2, each district that is a member of a state approved area learning center must restrict/reserve revenue for expenditures at the area learning center in an amount equal to the sum of 1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, Subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. This applies to programs with School Classification Code 41, Area Learning Centers and School Classification Code 45, Targeted Services. This finance code is used to identify revenues and expenditures against Balance Sheet Code 434, Restricted/Reserved for Area Learning Center ([Minn. Stat. § 123A.05, Subd. 2](#) and [Minn. Stat §126C.05, Subd. 15\(b\)](#)).

**304 Contracted Alternative Programs (Fund 01)**

A contract alternative is an alternative learning program operated by a private organization that has contracted with a school district to provide educational services for students under Minnesota Statutes, section 124D.68, Subdivision 3(d). Per Minnesota Statutes, section 124D.69, Subdivision 1, school districts contracting with a private organization must reimburse the provider an amount equal to the sum of (1) at least 95 percent of the district's average general education less basic skills revenue per pupil unit times the number of pupil units for pupils attending the program, and (2) the amount of basic skills revenue generated by pupils attending the program according to [Minnesota Statutes, section 126C.10](#), Subdivision 4. This applies to programs with School Classification Code 43. This finance code is used to identify revenues and expenditures against Balance Sheet Code 435, Restricted/Reserved for Contracted Alternative Programs ([Minn. Stat. § 124D.69](#)).

**305 State-Approved Public Alternative Programs (Fund 01)**

An alternative learning program may serve the students of one or more districts, may designate which grades are served, and may make program hours and a calendar optional under Minnesota Statutes, section 123A.05, Subdivision 1(c). Per Minnesota Statutes, section 123.05, Subdivision 2, each district that is a member of a state approved alternative learning program must restrict/reserve revenue in an amount equal to the sum of (1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to [Minnesota Statutes, section 126C.10, Subdivision 2](#), times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved public alternative program, plus (2) the amount of basic skills revenue generated by pupils attending the alternative learning program. This applies to programs with School Classification Code 42, Alternative Learning Program. This finance code is used to identify revenues and expenditures against Balance Sheet Code 436, Restricted/Reserved For State-Approved Public Alternative Programs ([Minn. Stat. § 123A.05, Subd. 2](#) and [Minn. Stat. § 126C.05, Subd. 15 \(b\)](#)).

**Note:** The General Education Interactive Projection Model for **Alternative Learning Centers** may be found on the MDE website under the [Data Center](#) or by following Data Center > Data Reports and Analytics > School Finance Spreadsheets > General Education.

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    
 Subcategory    
 Year

**Available Files**

Category	Subcategory	Year	Document	Data Files	Help Files
General Education	Area Learning Centers (ALC's)	2016	WHATIF 2016 for Alternative Programs	<a href="#">xlsx</a>	

The following **Finance** Dimensions have been **deleted** effective July 1, 2015:

**DELETIONS**

**Account Description**

**473/673 ARRA Targeted Funds – School Improvement Grants**

Record revenues and expenditures related to the Title I, No Child Left Behind – School Improvement Grants. These competitive grants are for the purpose of improving student achievement in low-performing Title I schools and charter schools of any size and districts (with a student population of 1000 or less) identified in the corrective action or preparing for restructuring phase of Adequate Yearly Progress (AYP). The Minnesota Title I School Improvement Grants are intended to leverage change through high-quality professional development and increase achievement in the area(s) of reading and/or mathematics (CFDA 84.388, 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).

- 856/956 Title IV, Part B – 21st Century Community Learning Centers – Cohort 4 (Fund 04)**
- Record revenues and expenditures from competitively awarded grants to public or private organizations to provide school and/or community-based before and after school activities that advance student academic achievement (CFDA 84.287, Title IV, Part B: 21st Century Community Living Centers; P.L. 107-110). These funds cannot be redirected. Use only with Program Code 505.
- 857/957 Title IV, Part B – 21st Century Community Learning Centers – Cohort 3 (Fund 04)**
- Record revenues and expenditures from competitively awarded grants to public or private organizations to provide school and/or community-based before and after school activities that advance student academic achievement (CFDA 84.287, Title IV, Part B: 21st Century Community Living Centers; P.L. 107-110). These funds cannot be redirected. Use only with Program Code 505.
- 862/962 Title II, Part B – Mathematics and Science Partnerships (Fund 01)**
- Record revenues and expenditures used in establishing Mathematics and Science Partnership Programs that increase the subject matter knowledge and teaching skills of Mathematics and Science Teachers. **For FY 2013, this finance code is only allowed for current grantees whose grants end August 12, 2012. For new awards, grantees will use Finance Code 499** (CFDA 84.366, Title II, Part B: Elementary and Secondary Education Act (ESEA). P.L.107-110).

The following **Object** Dimensions have had **description changes** effective July 1, 2015:

### **CHANGES**

<b>Account</b>	<b>Description</b>
<b>820</b>	<p><b>Dues, Membership, Licenses and Certain Fees</b></p> <p>Expenditures or assessments for membership in professional or other organizations or associations. Memberships in economic development community and civic organizations may be included (<a href="#">Minn. Stat. § 123B.02</a>). Also include special fees for bus licenses, postage meter permits, boiler licenses, kitchen inspections, authorizer fees or other fees. Include membership costs for joint powers organizations or cooperatives organized under education statutes.</p> <p>For Library Media Center (Program Code 620) expenditures include only online databases. Online, licensed databases are supplied by commercial vendors via the Internet. They may include indexes, abstracts, full-text article databases or full-text reference sources such as encyclopedias, almanacs, biographical sources and other quick fact-finding sources. (Database definition: <i>2007-2008 School Library Media Center Questionnaire, NCES.</i>)</p>

The following **Balance Sheet** Dimensions have had **description changes** effective July 1, 2015:

### **CHANGES**

<b>Account</b>	<b>Description</b>
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<b>434</b>	<b>Restricted/Reserved for Area Learning Center (Fund 01)</b>
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Represents amounts restricted for students attending area learning centers. Each district that sends students to an area learning center must restrict an amount equal to the sum of 1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to Minnesota Statutes, section 126C.10, Subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. The amount restricted may only be spent on program costs associated with the area learning center ([Minn. Stat. § 123A.05, Subd. 2](#)). Finance Code 303, Area Learning Center, is used to identify revenues and expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*

<b>435</b>	<b>Restricted/Reserved for Contracted Alternative Programs (Fund 01)</b>
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Pursuant to Minnesota Statutes, section 124D.68, Subdivision 3(d) and Minnesota Statutes, section, 124D.69, Subdivision 1, school districts must restrict at least 95 percent of the average general education revenue, less basic skills revenue, per pupil unit times the number of pupil units for pupils attending this program, and (2) the amount of basic skills revenue generated by pupils attending the program according to [Minnesota Statutes, section 126C.10, Subdivision 4](#). Finance Code 304, Contracted Alternative Program, is used to identify revenues and expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*

<b>436</b>	<b>Restricted/Reserved for State-Approved Alternative Programs (Fund 01)</b>
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Per Minnesota Statutes, section 123.05, Subdivision 2, each district that is a member of a state approved alternative learning program must restrict/reserve revenue in an amount equal to the sum of (1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to [Minnesota Statutes, section 126C.10, Subdivision 2](#), times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved public alternative program, plus (2) the amount of basic skills revenue generated by pupils attending the alternative learning program. Finance Code 305, State-Approved Public Alternative Programs is used to identify revenues and expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*

## UFARS Coding Additions, Changes and Deletions – Effective July 1, 2016 for FY 2017

The following **Object** Dimensions will be **added**, effective July 1, 2016:

### **ADDITIONS**

<b>Account</b>	<b>Description</b>
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<b>315</b>	<b>Repairs and Maintenance for Computers and Technology</b>
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Record expenditures for repairs and maintenance services for technology equipment that are not directly provided by school district personnel. This includes ongoing service agreements for technology hardware (e.g., personal computers and servers).

For library media center (Program Code 620) expenditures, this section included repairs and maintenance for computers and associated technology (such as, but not limited to printers and scanners), automated library cataloging and circulation systems, and digital equipment, such as, but not limited to camcorders, cameras and electronic book viewers.

<b>318</b>	<b>Data-Processing and Coding Services</b>
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Record expenditures for data entry, formatting and processing services other than programming. Examples are accounts payable entry, payroll entry or storage of student data. See Object Code 316 for Services Purchased from other Minnesota Joint Powers Agencies.

**Note: This code cannot be used with federal funds.**

<b>319</b>	<b>Other Technical Services</b>
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Record expenditures for technical services other than data-processing and related services. Examples include the following: consultants for network improvements; server replacements and enhancements; and security enhancements.

**Note: This code cannot be used with federal funds.**

<b>380</b>	<b>Rental of Computers or Technology Related Hardware</b>
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Record expenditures for the lease or rental of computers or technology related hardware for temporary or long-term usage that does not result in the ownership of the asset. Operating leases and rental for computers must be coded to the program where the equipment is used.

<b>406</b>	<b>Instructional Software Licensing</b>
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Record expenditures instructional software licensing fees that are below the capitalization threshold. See Object Codes 456 and 506 for purchase of software.

**455 Non-Instructional Non-Capitalized Technology Related Supplies**

Record expenditures for non-instructional non-capitalized technology-related supplies. Include supplies that are typically used in conjunction with technology-related hardware or software. Some examples are CDs, flash or jump drives, parallel cables, monitor stands. E-readers, including Kindles and iPads, that fall below the capital thresholds should be reported here as well. Software costs below the capitalization threshold should be reported here. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the LEA for financial statement purposes or \$5,000, regardless of the length of its useful life.

**456 Instructional Non-Capitalized Technology Related Supplies**

Record expenditures for instructional non-capitalized technology-related supplies. Include supplies that are typically used in conjunction with technology-related hardware or software. Some examples are CDs, flash or jump drives, parallel cables, monitor stands. E-readers, including Kindles and iPads, that fall below the capital thresholds, should be reported here as well. Software costs below the capitalization threshold should be reported here. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the LEA for financial statement purposes or \$5,000, regardless of the length of its useful life.

**505 Non-instructional Technology Software**

Record expenditures for purchased software used for non-instructional purposes that exceed the capitalization threshold. Software having a useful life of more than one year and per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Please refer to Object Code 405 for Non-Instructional Software Licensing and Object Code 555 for Technology –Related Hardware.

**506 Instructional Technology Software**

Record expenditures for purchased software used for instructional purposes that exceed the capitalization threshold. Software having a useful life of more than one year and per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Please refer to Object Code 405 for non-Instructional Software Licensing, Object Code 406 for Instructional Software Licensing and Object Code 556 for Instructional Technology –Related Hardware.

The following **Object** Dimensions will have **description changes**, effective July 1, 2016:

### **CHANGES**

<b>Account</b>	<b>Description</b>
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<b>191</b>	<b>Severance</b>
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Record direct payments to or for all terminated and retired employees for severance pay, compensated absences and service awards. Examples include severance under [Minnesota Statutes, section 465.72 to 465.722](#), and Teacher Early Retirement Incentive Program under [Minnesota Statutes, section 122A.48](#).

<b>305</b>	<b>Consulting Fees/Fees for Services</b>
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Include payments for professional services such as legal, audit, accounting, programming, advertising, custodial, laundry, etc. This code is used by districts in the special education programs for contracted service costs provided to staff. Include expenditures for purchased services if not enumerated by other object codes in this series.

**Note: See Object Codes 303 and 304 for description of Federal Subawards/Subcontracts under or over \$25,000.**

<b>316</b>	<b>Service Purchased from other Minnesota Joint Powers Agencies</b>
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Record expenditures for data entry, formatting and processing services other than programming performed by any Minnesota educational agency or joint service arrangement (Service Cooperatives and Regional Centers) not related to tuition or transportation fees. Includes capital-related assessments for fees and related pass-through levy of any entity formed under a cooperative agreement between two or more districts that may be coded as an Operating Capital expenditure according to [Minnesota Statutes, section 126C.10, Subdivision 14](#) (line 17).

**Note: This code cannot be used with federal funds.**

<b>350</b>	<b>Repairs and Maintenance</b>
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Includes expenditures incurred for repair and maintenance services provided through a contract with an outside vendor. Include contracts and agreements for the upkeep of grounds, buildings and equipment. **Excludes costs for new construction, renovation and remodeling (betterments) and repairs for computers and technology.** Charter schools should record the portion of the lease that represents the cost of repair and maintenance services.

<b>370</b>	<b>Operating Leases or Rentals</b>
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Record expenditures for the lease or rental of land, buildings, vehicles and equipment for temporary or long-term usage that does not result in the ownership of the asset. Excludes lease or rental of computers or technology related hardware (See Object Code 380).

**405 Non-instructional Software Licensing**

Record expenditures for non-instructional software licensing fees that are below the capitalization threshold. See Object Codes 455 and 505 for purchase of software.

**555 Non-Instructional Technology Related Hardware**

Record expenditures to purchase technology equipment that meet the capitalization threshold. Technology-related hardware having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Includes network equipment, servers, computers and peripheral equipment, interactive telecommunications equipment, printers, cameras and monitors (refer to Object Code 455 for Non-Instructional Non-Capitalized Technology Related Supplies and Object Code 556 for Instructional Technology Related Hardware).

**556 Instructional Technology Related Hardware**

Record expenditures to purchase technology equipment that meet the capitalization threshold. Technology-related hardware having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Includes network equipment, servers, computers and peripheral equipment, interactive telecommunications equipment, printers, cameras and monitors (refer to Object Code 455 for Non-Instructional Non-Capitalized Technology Related Supplies and Object Code 555 for non-Instructional Technology Related Hardware).

**Long-Term Facilities Maintenance UFARS Code UPDATES for FY 2017**

The following UFARS code dimensions **have been created for FY 2017 Long-Term Facilities Maintenance** and were presented to the Advisory Committee on Financial Management, Accounting and Reporting on July 29, 2015. Please note the **updates** (first reported in School Business Bulletin # 57):

**Finance Codes****367 Accessibility (Fund 01 and/or Fund 06)**

Record expenditures for increasing accessibility of school facilities owned by the school district by removing architectural barriers to meet the needs of pupils and employees with a disability.

**368 Building Envelope (excluding roof) (Fund 01 and/or Fund 06)**

Record expenditures for replacement and deferred maintenance of portions of the building that separate the indoor environment from the outdoor environment. The building envelope restricts the transfer of air, water, heat, light and noise. Some examples include window replacement, caulking, tuck point, insulation, water barrier, air barrier, noise barrier, building walls, subfloor and exterior doors. Roof projects are coded to Finance Code 383.

**369 Building Hardware and Equipment (Fund 01 and/or Fund 06)**

Record expenditures for the replacement and deferred maintenance of hardware and equipment that are integral to the building (usually attached). Included are parts of the building that are not included under specific finance codes. For example, doors and door hardware, lockers, bleachers, basketball hoops, roll down doors, public address (PA) systems, elevators, bus hoist, and permanently installed kitchen equipment. Furniture and equipment not attached to the building are excluded. Technology and phone systems are excluded.

**370 Electrical (Fund 01 and/or Fund 06)**

Record expenditures related to the replacement and deferred maintenance of the building electrical power supply and distribution. Lighting systems are included. Technology and phone systems are excluded.

**379 Interior Surfaces (Fund 01 and/or Fund 06)**

Record expenditures for the replacement and deferred maintenance of portions of the interior of the building that are not hardware, equipment, or systems included under a specific finance code. Some examples are flooring, wall coverings and painting, ceilings, counter tops, installed cabinetry, and attached surfaces. Furniture and equipment not attached to the building are excluded.

**380 Mechanical Systems (Fund 01 and/or Fund 06)**

Record expenditures related to replacement and deferred maintenance of building mechanical systems including heating, ventilation and air-conditioning (HVAC) and control system, fire suppression and alarm system, electronic door controls and control software, fuel systems and distribution, and ventilation systems not related to HVAC. For upgrades to HVAC systems to meet American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) standards, use Finance Code 366; for upgrades to fire systems to comply with state fire marshal orders, use Finance Code 363; and for upgrades to ventilation to remove hazardous fumes, use Finance Code 349.

**381 Plumbing (Fund 01 and/or Fund 06)**

Record expenditures for replacement and deferred maintenance of plumbing fixtures, piping and water supply to the building. Include wash stands, toilets, showers, sinks, drains, tanks, pressure regulation, meters, and other plumbing components. For HVAC plumbing and fire suppression plumbing use Finance Code 380 – Mechanical Systems.

**382 Professional Services and Salary (Fund 01 and/or Fund 06)**

Record expenditures for professional services and in-house salary for work performed on deferred capital and maintenance projects to prevent further erosion of facilities.

**383 Roofing Systems (Fund 01 and/or Fund 06)**

Record expenditures for replacement and deferred maintenance of roofing systems. Include all costs for a roofing project such as roof removal and replacement, insulation, flashing, materials storage and safeguarding, and temporary measures to prevent unauthorized access to the area.

**384 Site Projects (Fund 01 and/or Fund 06)**

Record expenditures related to replacement and deferred maintenance for the building site. Deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities are authorized in Minnesota Statutes, section 123B.595, Subdivision 10 (a)(1). Examples include parking lots, lighting, tennis courts, fencing, playground, stadium bleachers and field turf replacement.

**Note: Major redesign and upgrade of equipment or surfaces does not qualify as deferred maintenance.**

**Program Codes****865 Long-Term Facilities Maintenance (LTFM) – Excluding Costs in Program Codes 866 and 867 (Fund 01 and/or Fund 06)**

Record costs for LTFM projects not included in Program Codes 866 or 867. This program code includes Health and Safety and Deferred Maintenance projects costing less than \$2,000,000 per site. This program code excludes projects costing \$100,000 to \$1,999,999 for Finance Codes 358 – Fire Safety, 363 – Asbestos and 366 – Air Quality (see Program Code 866), and excludes any projects costing \$2,000,000 per site or more (see Fund 06, Program Code 867).

**866 Long-Term Facilities Maintenance (LTFM) – \$100,000 to \$1,999,999 per Site for Finance Codes 358, 363 and 366 (Fund 01 and/or Fund 06)**

Record costs for LTFM projects for Finance Codes 358, 363 and 366 (Fire Safety, Asbestos and Indoor Air Quality) that are \$100,000 or more per site up to \$1,999,999.

**867 Long-Term Facilities Maintenance (LTFM) – \$2,000,000 or more per Site (Fund 06)**

Record costs for LTFM projects that are \$2,000,000 or more per site. Program Code 867 can only be used with Fund 06 – Building Construction Fund.

**Source Code****317 Long-Term Facilities Maintenance (LTFM) Aid**

Enter revenue for LTFM Aid in the General Fund. These funds are for restricted purposes and expenditures must be coded to one of the following Finance Codes: **347, 349, 352, 358, 363, 366, 367, 368, 369, 370, 379, 380, 381, 382, 383 and 384.**

**Balance Sheet Account****467 Restricted/Reserved for Long-Term Facilities Maintenance (LTFM)**

Represents available resources to be used for LTFM projects in accordance with the 10 Year Plan.

## **School District Transfer of Personal Property to another Public Corporation**

Minnesota Statutes, section 471.85 authorizes school districts an option to transfer its personal property to another public corporation for public use. This transfer may be for nominal consideration or without consideration. Authority for this type of transfer must be approved by the governing body (school board) in a board resolution. Minnesota statute language follows:

### **Minnesota Statutes, section 471.85 – Property Transfer; Public Corporations**

“Any county, city, town, or school district may transfer its personal property for a nominal or without consideration to another public corporation for public use when duly authorized by its governing body.”

For questions about “School District Transfer of Personal Property to another Public Corporation”, contact the accounting helpdesk at [MDE.UFARS-accounting@state.mn.us](mailto:MDE.UFARS-accounting@state.mn.us).

## **Business Manager’s List Serv Subscriptions, Updates and MDE Contact Information**

This service is provided to Business Manager’s by the Minnesota Department of Education (MDE) 1500 Highway 36 West, Roseville, Minnesota 55113 as an ongoing communication to Business Manager’s informing them of current MDE news. If you are a new subscriber or updating current information, please contact Anne Danielson at [Anne.Danielson@state.mn.us](mailto:Anne.Danielson@state.mn.us) or 651-582-8484 and provide the following in your email:

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

## **NEXT UFARS 101 Training Scheduled on April 21, 2016**

The next scheduled date for UFARS 101 training is April 21, 2016, at MDE, 1500 Highway 36 West, Conference Center B, Room CC15, 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 posted on the MDE [calendar](#) webpage or by following Welcome to MDE > Calendar.

For questions about the “UFARS 101 Training Scheduled on April 21, 2016”, please contact [MDE.UFARS-Accounting@state.mn.us](mailto:MDE.UFARS-Accounting@state.mn.us).