



School Business Bulletin

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Education Identity and Access Management (EDIAM) Security Project

Education Identity and Access Management (EDIAM) is the new security system which will manage user accounts and authorization to secure web applications and secure reports for the Minnesota Department of Education (MDE), Professional Educator Licensing and Standards Board (PELSB), and P20W (Statewide Longitudinal Education Data System (SLEDS)/ Early Childhood Longitudinal Data System (ECLDS)). The EDIAM security system will replace the current MDE Identity Management System (MIDMS) which manages state educational agency (SEA) and local educational agency (LEA) user access to over 50 web applications, over 200 secure reports, and with over 11,000 user accounts.

These are the two main changes in functionality from MIDMS to EDIAM Security:

1. **Delegated User Access Authorization:** The current three-step process to request access, preauthorize access, and approve access is replaced by a single access authorization by the Identified Official with Authority (IOwA) at the organization. Both SEA organizations (i.e., MDE divisions) and LEA organizations (i.e., school districts) must designate an IOwA. The IOwA can also now delegate their authority to authorize user access using the new IOwA Proxy role.
2. **All User Access has an Expiration Date:** All user roles will expire after 365 days of being granted. Users will receive two notification emails: first two weeks prior to access expiration, and second after their access has expired and been revoked. The IOwA and IOwA Proxies will receive monthly notification emails listing users with access for their organization which is scheduled to expire within the next 45 days if not reauthorized.

Because the MIDMS security system has a lot of obsolete data and there are cases where converting user access from MIDMS to EDIAM is not possible, all users will have to create new EDIAM user accounts. However, the process for setting up access in EDIAM security is much faster and more streamlined than it was in MIDMS.

EDIAM was updated for the Uniform Financial Accounting and Reporting Standards (UFARS) secure web application on September 20, 2019. LEAs must update their access in order to upload UFARS after September 20, 2019.

School Finance Award Requirements

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 2020 School Finance Award. Eligibility is based on final fiscal year (FY) 2019 UFARS financial data.

Criteria for FY 2019 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, 2019 (Minnesota Statutes, section 123B.77, subdivision 2).

A.2. Final audited UFARS data is submitted to MDE by November 30, 2019 (Minnesota Statutes, section 123B.77, subdivision 3).

A.3. The Fiscal Compliance Table is completed and error-free by November 30, 2019 (Minnesota Statutes, section 123B.77, subdivision 3). Subsequent Fiscal Compliance Table submissions will not be considered.

A.4. The FY 2019 Audit Report is due on December 31, 2019. If the audit is mailed, it must be postmarked on or before December 31, 2019 (Minnesota Statutes, section 123B.77, subdivision 3).

A.5. District/school uses state-approved financial software (Minnesota Statutes, section 125B.05, subdivision 3).

*Please note: If the statutory deadline falls on a Saturday or Sunday, submissions are timely if they are submitted the next succeeding business day (Minnesota Statutes, section 474A.025).

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.

UFARS Chapter 14, Manual for Activity Fund Accounting

The Governmental Accounting Standards Board (GASB) Subcommittee and Advisory Committee on Financial Management, Accounting and reporting have updated UFARS Chapter 14, Student Activity Accounting. The updated chapter now aligns with changes in Minnesota Statutes, section 123B.49 and GASB 84. The updated version can be found on the [UFARS webpage](https://education.mn.gov/MDE/dse/schfin/fin/UFARS/) (<https://education.mn.gov/MDE/dse/schfin/fin/UFARS/>).

Fundraising Sales for Schools– Law Change Memo from the Minnesota Department of Revenue

The memo below was sent out to School Fundraiser Administrators on September 20, 2019, by Justin Nieman, assistant commissioner, Minnesota Department of Revenue.

Fundraising Sales for Schools – Law Change

The Minnesota Department of Revenue is sending you this letter to update you on a change that may impact your sales tax obligations. During the 2019 legislative session, there was a change made to Minnesota Statutes, section 123B.49, subdivision 4, which requires all funds from extracurricular activities to be deposited with the school district.

Minnesota Law

Minnesota Statutes, section 297A.70, subdivision 13, provides a sales tax exemption for fundraising sales made by a nonprofit organization that exists solely for the purpose of providing educational or social activities for young people primarily age 18 and under. This exemption does not apply to sales by school organizations for extracurricular activities when the proceeds from fundraising activities are either:

- Deposited with the school district treasurer
- Recorded in the same manner as other revenues and expenditures of the school district

A 2019 law change made to Minnesota Statutes, section 123B.49, subdivision 4, provided that all costs and revenues from extracurricular fundraising activities will need to be recorded in the same manner as all other expenditures and revenues of the district.

While this law change did not specifically remove the sales tax exemption for school organizations, the exemption is no longer available for fundraising sales made by schools and school-run groups for extracurricular activities. As a result, all schools and school organizations must collect sales tax and all applicable local taxes on taxable sales unless another exemption applies.

The sales tax collected should be reported on the sales and use tax return filed by the school or school district. If you do not already have a Minnesota ID number, go to the [Minnesota Department of Revenue website](#) and type “register for a tax id number” into the Search box.

Exemptions Still Available

Schools may still consider selling items that are exempt from sales tax. This includes items such as:

- Candy – a separate exemption applies to sales of candy and gum when sold for fundraising purposes by school groups (Minnesota Statutes, section 297A.70, subdivision 13(a)(4)).
- Clothing – such as bandanas, hats, scarves, and t-shirts are not subject to sales tax.
- Coupon books – sales of coupon books, discount cards, or punch cards are not taxable.
- Food items – such as bread, nuts, popcorn are not subject to sales tax as long as the food items are pre-packaged and not made by the seller.

There are also exemptions specific to schools that are not impacted by the change to Minnesota Statutes, section 123B.49, subdivision 4. These exemptions are for:

- Prepared food, candy, and soft drinks served at a public or private elementary, middle, or secondary school (Minnesota Statutes, section 297A.67, subdivision 5). Examples include: spaghetti feed or pancake breakfast as long as they are served on school premises
- Tickets or admissions to regular season school games, events, and activities (Minnesota Statutes, section 297A.70, subdivision 11)
- Tickets and admissions to games, events, and activities sponsored by the Minnesota State High School League (Minnesota Statutes, section 297A.70, subdivision 11a).

Taxable Sales

Because all funds must now be deposited with the school district, sales that were previously exempt from sales tax because they qualified for the fundraising exemption are now taxable unless they qualify for one of the previously listed exemptions currently available to you.

Some examples of taxable sales include:

- Admission to recreational areas (see [Fact Sheet 123](#))
- Books (other than textbooks)
- Flowers
- Garage sales
- Gift wrap
- Greeting cards
- Water bottles or coffee mugs
- Wreaths

These are examples of common sales that schools may use to raise funds for extracurricular activities. For information about whether other sales are taxable:

- Visit the [Minnesota Department of Revenue](#)
- Email us at salesuse.tech@state.mn.us

Other Nonprofit Organizations

Organizations that are organized and operated separately from the school or school district, including organizations such as parent-teacher associations (PTAs), parent-teacher organizations (PTOs), and booster clubs, do not need to collect sales tax on the first \$20,000 in sales if they meet certain conditions.

If the organization is not required to deposit their funds with the school district treasurer and has its own Minnesota Tax ID number, they may sponsor certain school activities that still qualify for the fundraising exemption under Minnesota Statutes, section 297A.70, subdivision 13 paragraph (a)(1).

Nonprofit organizations that meet the required criteria can make fundraising sales without charging sales tax on the first \$20,000 in fundraising sales in a calendar year. If you exceed \$20,000 in fundraising sales, you must start charging sales tax on any additional fundraising sales for that calendar year. The \$20,000 limit is based on each Minnesota Tax ID number.

For example, a booster club sells wrapping paper and raises \$21,000. You do not need to collect sales tax on the first \$20,000; however, you would need to collect sales tax on the remaining \$1,000.

Questions

If you have questions or need additional assistance with this matter, please contact the Sales and Use Tax Division at 800-657-3777 or salesuse.tech@state.mn.us.

Sincerely,

Justin Nieman
Assistant Commissioner
Minnesota Department of Revenue

CC: Pam Evans, Director, Sales and Use Tax Division

Object Code 306 – Special Education Litigation Costs for FY 2020

Object Code 306– Special Education Litigation Costs will remain active with the description change below:

Include all special education expenditures incurred for time spent by legal counsel in consideration of litigation, during litigation and in post-litigation work, including appeals and discussions regarding potential appeals. Costs should include the legal fees associated with a request for a due process hearing whether or not it settles the issue, and any expense incurred when seeking counsel in consideration of filing. Districts using this code for special education cases must use Program Code 400 with Finance Code 000 for these expenditures.

Note: This object code is not reimbursable with special education funds.

Early Learning Coding

Legislators have been reviewing data regarding voluntary prekindergarten (VPK) and School Readiness Plus. Please review the Program Codes below to be sure you are coding properly. Please note you must have an approved plan to use either of the codes listed below. School Readiness Plus applications for the following school year are due in January. MDE is allowed to approve up to 7,160 voluntary prekindergarten and school readiness plus spots. Schools approved for the prior year must resubmit an application for the following year. The school readiness plus program sunsets after FY 2021 without legislation. Please contact [MDE Early Learning](mailto:mde.vpk@state.mn.us) (mde.vpk@state.mn.us) with questions.

Program Code 200 – Voluntary Prekindergarten

For districts with an approved voluntary prekindergarten program as defined in [Minnesota Statutes, section 124D.151](#), to prepare children for success as they enter kindergarten in the following year. Only the LEAs approved for this program can record expenditures to this program code. Please see Program Code 581 for prekindergarten offered through Community Education.

Program Code 584– School Readiness Plus (Funds 01 and 04)

A district, a charter school, or a group of districts and charter schools may establish a school readiness plus program for children from age 4 up to kindergarten entrance per Laws of Minnesota 2017, 1st special session, chapter 5, article 8, section 8. The purpose of a school readiness plus program is to prepare children for success as they enter kindergarten in the following year. Record expenditures and revenues in Fund 01 for at-risk children not paying a fee. Record expenditures and revenues in Fund 04 for fee-generated School Readiness Plus activity. The revenues and expenditures in this code apply to Balance Sheet Code 422 (Fund 01) and Balance Sheet Code 464, Restricted Fund Balance (Fund 04).

School Nutrition Weekly Webinars

Weekly webinars are offered on school nutrition topics throughout the school year as part of the Tuesdays@2 sessions. Access session descriptions and registration information: [Tuesdays @ 2 webinars](#). Topics of interest to school business leaders include: Procuring a Distributor for Regular and Net Off Invoice (NOI) USDA Foods, on January 7, 2020; Key Resource Management Performance Indicators on February 25, 2020, and several others. Check out the session descriptions at [Tuesdays @ 2 School Nutrition Webinar Schedule 2019-20](#).

UFARS 101 Training Schedule

The next three scheduled dates for UFARS 101 training are January 22, 2020, April 2, 2020, and July 9, 2020, at MDE (1500 Highway 36 West, Roseville, Minnesota 55113). UFARS 101 training will introduce 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](https://education.mn.gov/MDE/about/cal/) (<https://education.mn.gov/MDE/about/cal/>).

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 (1500 Highway 36 West, Roseville, Minnesota 55113) 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).

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)

EDIAM

[MDE User Access](mailto:useraccess.mde@state.mn.us) (useraccess.mde@state.mn.us)