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## ***SCHOOL BUSINESS BULLETIN***

*A Publication of the Division of Program Finance*

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*June 2011*

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## ***New Staff Join Program Finance***

The Financial Management team welcomes David Day and Patti Scott, who began work in late March.

Dave comes to MDE from the Minnesota State Colleges and Universities (MnSCU) Chancellor's Office, where he provided accounting and management services for the system's Auxiliary enterprises. He also worked for MnSCU's Finance Division providing accounting and systems support to campus business offices. Dave has served as Controller for Christian Community Homes of Hudson, an auditor for the state of Wisconsin Health and Human Services Division—Medicaid division, and the Wisconsin Gaming Commission. He holds a degree in Business Administration from the University of Wisconsin- River Falls. "A cheese head by birth and remain so to this day." Dave is married and lives in Vadnais Heights.

Patti comes to Program Finance from MDE's Agency Finance Division where she was responsible for federal grants accounting and the reconciliation of SERVS to the Statewide Accounting System (MAPS). She also worked for MDE as an auditor in Food and Nutrition Services where she reconciled the agency-level subsystems, CLiCS and PAYS, to USDA systems and reports. Prior to state service, Patti worked as a Senior Tax Analyst with ConAgra Food, Omaha and as a Senior Tax Accountant/CPA with Deloitte & Touche, Omaha. Patti has a degree in Business Administration with an emphasis in accounting and an MBA from the University of Nebraska and a Masters in Taxation from Denver University. She's married to a professor at North Dakota State University (NDSU) and has three sons attending college; one at NDSU, one at the University of Minnesota – Rochester and one at St. Paul College.

## ***FY 2011 MARSS Submissions and August 30, 2011 Aid Entitlements***

FY 2011 general education revenue entitlements will be updated for the August 30 initial final aid payment. Historically, these aid entitlements have been based on ADM estimates that have been entered to EDRS by late June because the July year-end MARSS data files may not be complete. For example, early childhood special education students' school year does not end until June 30, so their membership hours will not have not been computed and entered on MARSS.

However, if a district or charter school believes that its MARSS files are complete and relatively accurate by the June 14 submission, the district or charter school can use the "District/School ADM Report" to update its EDRS estimates to agree with its MARSS end-of-year FY 2011 data. (Charter schools in their first three years submit these estimates via a paper report.) The resident and adjusted ADM can be found on the second to the last page of the ADM report, which is titled 'General Education Revenue.'

The ADM report is posted to Minnesota Funding Reports the week following the MARSS reporting deadline. The district/charter school selection page can be accessed with this link: from MDE's home page: <http://education.state.mn.us> select Accountability Programs > Program Finance > Minnesota Funding Reports (MFR) System. Find the district or charter school, select by Report Category, scroll down to the Student category and select 10-11. The name of the report is "FY 2010-11 District / School ADM Report."

The FY 2011 ADM estimates must be updated on EDRS no later than Friday, June 24, at which time a final load from EDRS is made. This will be the last opportunity to update ADM estimates for FY 2011.

However, estimates for FY 2012, FY 2013 and FY 2014 should be reviewed and updated as necessary. Always follow an ‘Update’ EDRS session with ‘Sum and Authorize’ which sets an internal flag notifying MDE that the estimates are ready to use. After reviewing EDRS estimates to confirm their accuracy, run ‘Sum and Authorize’ to re-set the internal date for that school year’s estimates. This notifies MDE that the estimates have been reviewed and are current.

Contacts: Sharon Peck at 651-582-8811 or [sharon.peck@state.mn.us](mailto:sharon.peck@state.mn.us) for questions on the “District/School ADM Report.”

Jeanne Krile at 651-582-8637 or [jeanne.krile@state.mn.us](mailto:jeanne.krile@state.mn.us) for questions on EDRS ADM estimates or charter school submission of ADM estimates.

### ***Governmental Accounting Standards Board (GASB) 54 Subcommittee Update***

Thank you to the members of the Governmental Accounting Standards Board (GASB 54) Subcommittee who have worked together since July 2010 to research, evaluate and implement GASB Statement No. 54 into Minnesota’s Uniform Financial Accounting and Reporting Standards (UFARS). The subcommittee was appointed by the Advisory Committee on Financial Management and Reporting and their findings were recommended to the Advisory Committee for review and final approval. The following members served on the GASB 54 Subcommittee; we appreciate their hard work and dedication:

<b>NAME</b>	<b>ORGANIZATION</b>
David Peterson	St. Paul Public Schools
Nancy Schulzetenberg	KDV, St. Cloud
Darwin Viker	LarsonAllen, LLP
Pat Morphew	Worthington Public Schools
Tracey Fiereck	cmERDC Region 3
Pat Chaffey	Hermantown Public Schools
Jeff Yeager	A.R.C.C. Region 2
Myrna Meunier	New Ulm Public Schools
Dianna Groskreutz	Region 5
Greg Hierlinger	Office of the State Auditor

### ***GASB 54 Changes to UFARS Balance Sheet Accounts***

#### **FUND BALANCE ACCOUNTS (400s)**

Effective for FY 2011 and later years, Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, requires fund balance to be classified in one of five categories: nonspendable, restricted, committed, assigned or unassigned.

The Nonspendable Fund Balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form; or, (b) legally or contractually required to be maintained intact. Amounts not in a spendable form include items that are not expected to be converted to cash, for example, inventories and prepaid amounts. Also included are the long-term amounts of loans and notes receivable, as well as property acquired for resale. An example of an amount legally or contractually required to be maintained intact would be the corpus (or principal) of a permanent fund (i.e., endowment). The government-wide statements will record this as “nonexpendable” within restricted net assets.

The Restricted Fund Balance uses the same definition as reported for net assets under GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Fund balance should be reported as restricted when constraints placed on the use of resources are either:

- a) Externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments); or,
- b) Imposed by law through constitutional provisions or enabling legislation which authorizes a government to levy, charge or otherwise mandate payment of resources from external providers.

In accord with GASB 54 and Minnesota Statutes, the Minnesota Department of Education has retained existing balance sheet account codes for statutorily required reserves and re-titled these accounts "Restricted/Reserved." Restricted/reserved fund balances represent the available resources dedicated by statute for specific purposes (e.g., Staff Development or Adult Basic Education). Under UFARS Fund structure, Funds 02, 04, 06, 07 and 47 are classified as restricted and will have no committed or assigned fund balance.

Generally, a restricted/reserved account fund balance may not go into deficit without specific legislative authority. However, some restricted/reserved balances' expenditure amounts may exceed the available fund balance and create a deficit fund balance until future funding is received. The Restricted/Reserved for Operating Capital account (424) may incur a deficit only if the commissioner grants prior approval. A notation is included with each of the restricted/reserved fund balance account descriptions indicating whether a deficit balance is allowed. If disallowed, a district must reclassify expenditures at year-end to avoid having a negative fund balance account.

The Committed Fund Balance classification will be used to describe the portion of fund balance that is not restricted and which is designated for a particular use by formal action of the school district's highest level of decision-making authority (school board). Committed fund balance cannot be used for any other purpose unless the school board acts to remove or change the specified use by taking the same type of action it employed to previously commit those amounts (i.e., resolution). Formal action to constrain resources must occur prior to the year end reporting period, but the amount can be determined in the subsequent period.

The Assigned Fund Balance classification covers that portion of fund balance that reflects a school district's intended use of resources that are not restricted or committed, which intent has been established at either the highest level of decision making (school board), or by a body (e.g., budget or finance committee), or an official (e.g., finance director) delegated that authority.

The Unassigned Fund Balance classification in the general fund represents funds not classified as nonspendable, restricted, committed or assigned. Unassigned fund balances in Fund 01 represent resources available to meet any current and future years' expenditures. The general fund is the only fund that would report a positive amount in unassigned fund balance. In governmental funds other than the general fund, if expenditures exceed the amounts restricted, the deficit is recorded as a negative unassigned fund balance.

**Important Note:** For UFARS reporting, unassigned fund balances in Funds 04 and 06 represent deficits outside of those associated with any activity that closes to restricted/reserved accounts that may have a negative balance. Any deficits in restricted/reserved accounts that may record a negative fund balance must be reported in these accounts to permit statutory revenue calculations based on these accounts' fund balances reported on UFARS. In the presentation of financial statements, however, the sum of any deficits in restricted/reserved accounts in Funds 04 and 06 reported on UFARS will be interpreted by Auditors, MDE and UFARS as unassigned fund balance.

**Code Title and Definition**

**403 Restricted/Reserved for Staff Development (Fund 01)**

Represents unspent staff development revenues set aside from General Education Revenue that were restricted/reserved for staff development related to Finance Codes 306, 307, and 308 (Minn. Stat. § 122A.61). Expenditures for staff development must equal at least two percent of the basic General Education Revenue, including expenditures from Balance Sheet Codes 403 and 437 unless legal stipulations are met. *This restricted/reserved account is **not allowed** to go into deficit.*

**405 Restricted/Reserved for Deferred Maintenance (Fund 01)**

Districts that qualified for deferred maintenance revenue (aid and levy) but have not spent the proceeds must restrict the balance in this code. An independent or special school district that does not qualify to participate in the alternative facilities bonding and levy program under Minnesota Statutes, section 123B.59, subdivision 1(a) is eligible to receive deferred maintenance revenue per Minnesota Statutes, section 123B.591. See Finance Code 385 Deferred Maintenance for a description of the uses of this revenue. *This restricted/reserved account in Fund 01 may have a deficit balance in anticipation of aid/levy receipts.*

**406 Restricted/Reserved for Health and Safety (Fund 01)**

Represents available resources to be used for Health and Safety projects in accordance with an approved Health and Safety plan. Related to Finance Codes 347, 349, 352, 358, 363 and 366 (Minn. Stat. § 123B.57). *This restricted/reserved account may go into deficit to the extent of future revenue authority.*

**407 Restricted/Reserved for Capital Projects Levy (Funds 01 and 06)**

Represents available resources from the capital projects levy to be used for building construction. All interest income attributable to the capital projects levy must be credited to this account. Related to Finance Code 795, Capital Projects Levy (Minn. Stat. § 123B.63). *This restricted/reserved account may go into deficit to the extent of future levy authority.*

**408 Restricted/Reserved for Cooperative Programs (Fund 01)**

Represents the resources available to purchase services from entities for cooperative purposes or to provide educational services in a cooperative manner. Related to Finance Code 310, Cooperative Revenue (Minn. Stat. §123A.27). *This restricted/reserved account is **not allowed** to go into deficit.*

- 409 Restricted/Reserved for Alternative Facilities Program (Fund 06)**  
This restricted account represents the balance for two different programs; Alternative Facilities (1a) and Health and Safety related Alternative Facilities (1b). A district can only have revenue in one of the two programs. Alternative Facilities (1a) program reserve amount represents the resources available for approved expenditures based on the 10-year plan for capital projects for districts qualifying under Minnesota Statutes, section 123B.59, subdivision 1a. See Finance Code 386 for a description of the expenditure possibilities. Health and Safety Alternative Facilities (1b) represents the restricted amounts remaining from projects over \$500,000 that are based on criteria of the Health and Safety program (Minn. Stat. § 123B.59, Subd. 1b). See Health and Safety Finance Codes for a description of expenditure possibilities. *This restricted/reserved account may go into deficit to the extent of future levy and/or bonding authority.*
- 413 Restricted/Reserved for Building Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) Agreement with Related Lease Levy Authority (Fund 06)**  
This account represents the June 30 balance in the building construction fund (Fund 06) for projects funded by certificates of participation/lease purchase agreement with related lease levy authority under Minnesota Statutes, section 126C.40. It is related to Finance Code 791, Projects Funded by Certifications of Participation/Lease Purchase Agreement with Related Lease Levy Authority. *This restricted/reserved account is not allowed to go into deficit.*
- 414 Restricted/Reserved for Operating Debt (Fund 01)**  
Represents the amount of remaining operating debt for districts under legislative authority given to them. The Operating Debt Levy is posted directly to this account and is not reflected in the district's revenue accounts. *This restricted/reserved account may go into deficit to the extent of future levy authority.*
- 416 Restricted/Reserved for Levy Reduction (Fund 01)**  
Represents resources in the General Fund that are transferred from the Debt Service Fund. This restricted fund balance becomes an available resource in the fiscal year in which the related tax levy adjustment is recognized as revenue (Minn. Stat. § 475.61, Subd. 4). *This restricted/reserved account is not allowed to go into deficit.*
- 417 Restricted/Reserved for Excess Taconite Building Maintenance Funds (Fund 01)**  
Represents resources remaining from the distribution of taconite revenue for the purpose of building maintenance and repair. See Finance Code 390 Taconite Revenue used for Building Maintenance and Repair for a description of expenditures (Minn. Stat. § 298.28 Subd. 4(b) (ii)). *This restricted/reserved account is not allowed to go into deficit.*
- 418 Committed for Separation/Retirement Benefits (Fund 01)**  
Represents resources segregated from the Unassigned Fund Balance for retirement benefits, including compensated absences, pensions, other post-employment benefits and termination benefits (as defined in GASB Statement Nos. 16, 27, 45, 47, and 50) (Minn. Stat. § 123B.79, Subd. 7). *This committed account is not allowed to go into deficit.*

**422 Unassigned Fund Balance (Fund 01; Funds 08, 20, 25, 45)**

Used in Fund 01 to record Unassigned Fund Balance available to meet current and future years' expenditures. These are resources in Fund 01 that are not restricted and have not been committed or assigned. The fund balance may be positive or negative.

**Statutory Operating Debt (SOD) is calculated by using the yearly activity and ending balances of the following six accounts in the general fund (01) only: 418 Committed for Separation/Retirement Benefits; 460 Nonspendable Fund Balance; 461 Committed Fund Balance; 462 Assigned Fund Balance; 464 Restricted Fund Balance; and 422 Unassigned Fund Balance. See the UFARS Compliance Report for the SOD percentage that is calculated from these accounts.**

Balance Sheet Account 422 is also used to record net assets in the following funds, where GASB 54 is not applicable:

**Fiduciary Funds**

- 08 Trust Fund
- 45 Post-Employment Benefits Irrevocable Trust Fund

Note: Fiduciary Fund 09 may not have a fund balance and should not be closed to Balance Sheet Account 422.

**Proprietary Funds**

- 20 Internal Service Fund
- 25 Post-Employment Benefits Revocable Trust Fund

**423 Restricted/Reserved for Certain Teacher Programs (Fund 01)**

Represents available resources for the Family Connections Programs (Minn. Stat. §§ 124D.25 to 124D.29), and the Teacher Mentoring Program. This restricted account may be used by the district for the district's share of the portion of the teaching contract that is in addition to the standard teaching contract of the district (Minn. Stat. § 124D.31). *This restricted/reserved account is **not allowed** to go into deficit.*

**424 Restricted/Reserved for Operating Capital (Fund 01)**

Represents available resources in the General Fund to be used to purchase equipment and facilities. Related to Finance Code 302, Operating Capital (Minn. Stat. § 126C.10, Subd. 14). *This restricted/reserved account may go into deficit for a period of up to three years with prior approval of a plan submitted to the Commissioner of the Department of Education (Minn. Stat. § 123B.78, Subd 5).*

**425 Restricted/Reserved for Bond Refunding (Fund 07)**

Represents resources set aside from the proceeds of refunded obligations that have not met the criteria of defeasance (crossover bonds). These resources will be used to pay off future bonded obligations. *This restricted/reserved account is **not allowed** to go into deficit.*

- 426 Restricted/Reserved for \$25 Taconite (Funds 01 and 04)**  
Represents available resources for outcome-based learning programs or early childhood learning programs from taconite referendum revenue. Related to Finance Code 371, \$25 Taconite (Minn. Stat. § 298.28, Subd. 4 (d)). *This restricted/reserved account is not allowed to go into deficit.*
- 427 Restricted/Reserved for Disabled Accessibility (Fund 01)**  
Represents resources restricted for Disabled Accessibility. Related to Finance Code 794, Disabled Accessibility (Minn. Stat. § 123B.58). *This restricted/reserved account may go into deficit to the extent of future levy authority.*
- 428 Restricted/Reserved for Learning and Development (Fund 01)**  
Learning and Development is funded by General Education Revenue. This reserve represents available general education revenues for learning and development, which is mainly for reducing the pupil-to-staff ratio. Related to Finance Code 330 (Minn. Stat. § 126C.12). This revenue is generated by extra weightings on the pupil units. *This restricted/reserved account is not allowed to go into deficit.*
- 430 Investment in General Fixed Assets (General Fixed Asset Account Group 98 Only)**  
Represents the district's equity in the general fixed asset accounts. Equals the sum of all assets minus their accumulated depreciation.
- 431 Restricted/Reserved for Community Education (Fund 04)**  
Represents the resources available to provide programming such as: nonvocational; recreational and leisure time activities; programs for adults with disabilities; non-credit summer programs; adult basic education programs; youth development and youth service programming; early childhood family education; and extended-day programs. Includes aids, levies, fees, grants, and all other revenues received by the school district for community education programs. Activities associated with Finance code 321 Community Education must be restricted in this code.
- Minnesota Statutes, section 124D.20 , subdivision 11 limits the average of balances during the most recent three-year period in a district's community education restricted reserve account and the community service fund restricted account (Balance Sheet code 464) and unassigned account (Balance Sheet code 463) on June 30 of each year, adjusted for any prior reductions, to 25 percent of the sum of the district's maximum total community education revenue, (subdivision 1) excluding adjustments, plus any fees, grants, or other revenue received by the district for community education programs for the prior year (Minn. Stat. § 124D.20 Subd 11). *This restricted/reserved account may go into deficit. However, if future revenues cannot eliminate the deficit, a transfer from the general fund should be made to eliminate the deficit.*
- 432 Restricted/Reserved for Early Childhood and Family Education (Fund 04)**  
Represents the resources available to provide for services for Early Childhood Family Education programming. Related to Finance Code 325, Early Childhood And Family Education (Minn. Stat. § 124D.135). Includes aids, levies, fees, grants and all other revenues received by the school district for Early Childhood Education programs (Minn. Stat. 124D.135, Subd. 8) limits the average year-end balance amount, effective FY 2003. *This restricted/reserved account is allowed to go into deficit.*

- 434 Restricted/Reserved for Area Learning Center (Fund 01)**  
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 at least 90 percent of the district average General Education Revenue, minus .0485 times the formula allowance (without the Basic Skills, Transportation Sparsity or Transportation Transition portions) per pupil unit, times the number of pupil units attending area learning centers. 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 expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*
- 435 Restricted/Reserved for Contracted Alternative Programs (Fund 01)**  
Pursuant to Minnesota Statutes, section 124D.68, subdivision 9 and section 124D.69, subdivision 2 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.  
  
Finance Code 304, Contracted Alternative Program, is used to identify expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*
- 436 Restricted/Reserved for State-Approved Alternative Programs (Fund 01)**  
Pursuant to Minnesota Statutes, section 126C.05, subdivision 15, school districts must restrict revenue equal to at least 90 percent of district's average General Education Revenue per pupil unit, less Compensatory Revenue per pupil unit, times the number of pupil units generated by students attending a state-approved public alternative program. Finance Code 305, State-Approved Public Alternative Programs is used to identify expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*
- 438 Restricted/Reserved for Gifted and Talented (Fund 01)**  
The part of General Education aid revenue for the gifted and talented program that is unspent at year end must be restricted in this balance sheet account. See Finance code 388 for the proper accounting of revenue and expenditures for this program (Minn. Stat. § 126C.10, Subd. 2b). *This restricted/reserved account is not allowed to go into deficit.*
- 441 Restricted/Reserved for Basic Skills Programs (Fund 01)**  
Represents resources available for the Basic Skills uses listed in Minnesota Statutes, section 126C.15, subdivision 1. Related to Finance Code 317, Basic Skills (Minn. Stat. § 126C.10, subd. 4). *This restricted/reserved account is not allowed to go into deficit.*
- 444 Restricted/Reserved for School Readiness (Fund 04)**  
Represents the resources available to provide for services for School Readiness Programs. Related to Finance Code 344, School Readiness (Minn. Stat. § 124D.16). This includes aids, fees, grants and all other revenues received by the school district (Minn. Stat. 124D.16, Subd. 6). Limits the average year-end balance amount, effective FY 2002. *This restricted/reserved account is allowed to go into deficit.*

- 445 Restricted/Reserved for Career and Technical Programs (Fund 01)**  
Represents the balance a district must restrict from the career and technical levy. See Finance code 830 for levy description (Minn. Stat. § 124D.4531). The district must recognize the full amount of this levy as revenue for the fiscal year in which it is certified. Revenue received under this section must be restricted and used only for career and technical programs. *This restricted/reserved account is not allowed to go into deficit.*
- 447 Restricted/Reserved for Adult Basic Education (Fund 04)**  
This account will represent the balance of carryover monies for all activity involving Adult Basic Education. This would include all state aid and any grants or local funding used in support of ABE. The activity in code will come from finance codes 322, 323, 324, 438, 801, 802, 803 and 804 plus any local funding (Fin 000) received by the district (Minn. Stat. § 124D.52). *This restricted/reserved account is not allowed to go into deficit.*
- 449 Restricted/Reserved for Safe Schools – Crime Levy (Fund 01)**  
The unspent resources available from the levy must be restricted in this account for future use. All activity in this account must be related to Finance Code 339 and Finance Code 342 (Minn. Stat. § 126C.44). *This restricted/reserved account is allowed to go into deficit.*
- 450 Restricted/Reserved for Transition for Pre-Kindergarten (Fund 01)**  
All remaining funds from the activities for Transition for Pre-Kindergarten must be restricted in this account. All activity in this account is related to Finance Code 345 (Minn. Stat. § 126C.10, subd 31b). *This restricted/reserved account is not allowed to go into deficit.*
- 451 Restricted/Reserved for QZAB and QSCB Payments (Funds 01 and 07)**  
Represents resources required by agreement to be segregated for future payments of Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bonds (QSCB) debt instruments. These resources are held by the district and will pay off the debt at maturity. Districts segregate operating capital funds for lease purchase instruments (Fund 01). Districts segregate levy proceeds for bond instruments (Fund 07). *This restricted/reserved account is not allowed to go into deficit.*
- 452 Restricted/Reserved for Funded OPEB Liabilities not Held in a Trust (Funds 01, 02, 04)**  
Represents available resources from OPEB bond proceeds used to fund OPEB liabilities that are not held in a trust. Activity for this reserve will be related to Finance code 793 (Minn. Stat. § 475.52, subd 6). *This restricted/reserved account is not allowed to go into deficit.*
- 453 Restricted/Reserved for Unfunded Severance and Retirement Levy (Fund 01)**  
Represents available resources from the unfunded severance and retirement levy. Related to Finance Code 792, Unfunded Severance and Retirement Levy (Minn. Stat. 126C.41, subd. 6). *This restricted/reserved account is not allowed to go into deficit.*

- 460 Nonspendable Fund Balance (Funds 01, 02, 04 and 06)**  
Represents amounts that cannot be spent due to form such as inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned. This also includes amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund). *The nonspendable account is not allowed to go into deficit.*
- 461 Committed Fund Balance (Fund 01)**  
Represents amounts constrained for a specific purpose by the district using the highest level of decision-making authority (generally the school board). It requires action by the same group to remove or change the constraints place on the resources. *The committed account is not allowed to go into deficit.*
- 462 Assigned Fund Balance (Fund 01)**  
Represents amounts constrained by the school district's intent to be used for a specific purpose, but are not restricted or committed. Intent is expressed by the school board itself, or a body (budget or finance committee) or an official (finance director) to which the School Board has delegated the authority to assign amounts to be used for specific purposes. The actions to remove or modify assignments are not as strict as for committed fund balances. *The assigned account is not allowed to go into deficit.*
- 463 Unassigned Fund Balance (Appropriate Fund other than Fund 01)**  
Represents negative unassigned fund balances in funds other than Fund 01. The fund balance must be negative. When used in Funds 04, 06 and 07 this account records the deficits outside of those associated with any activity that closes to restricted/reserved accounts that are allowed to have a deficit. Deficits in restricted/reserved accounts that may record deficits must report deficits, if any, to permit statutory revenue formula calculations based on these accounts' fund balances reported on UFARS.
- 464 Restricted Fund Balance**  
Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Constraints are placed on the use of resources either by: externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions of enabling legislation. *The restricted account is not allowed to go into deficit.*

### USE OF GASB 54 UFARS BALANCE SHEET ACCOUNTS FOR UFARS REPORTING

Fund	Non-Spendable 460	Restricted 464	Restricted/Reserved (various)	Committed 461	Assigned 462	Unassigned 422 – Fund 01 463 – Other Funds
<b>Operating Funds</b>						
01 - General	X	X	403, 405, 406, 407, 408, 414, 416, 417, 423, 424, 426, 427, 428, 434, 435, 436, 438, 441, 445, 449, 450, 451, 452, 453	X	X	X
02 - Food Service	X – Inventories and Prepaid Expenses	X	452			X
04 – Community Service	X – Inventories and Prepaid Expenses	X	426, 431, 432, 444, 447, 452			X – Deficit not associated with restricted/reserved accounts 431, 432, 444
<b>Non-Operating Funds</b>						
06- Building Construction	X – Inventories and Prepaid Expenses	X	407, 409, 413			X – Deficit not associated with restricted/reserved accounts 407, 409
07- Debt Service		X	425, 451			X
47 - OPEB Debt Service		X				X
<b>Fiduciary Funds- GASB 54 not applicable</b>						
08 – Trust; 09 – Agency; 45 – OPEB Irrevocable Trust. <b>Note:</b> Balance Sheet Account 422 is used to record net assets in Funds 08 and 45						
<b>Proprietary Funds – GASB 54 not applicable</b>						
20 – Internal Service; 25 - OPEB Revocable Trust. <b>Note:</b> Balance Sheet Account 422 is used to record net assets in these funds.						

For questions or information on GASB 54, please contact Sarah Miller at [sarah.c.miller@state.mn.us](mailto:sarah.c.miller@state.mn.us) or 651-582-8370.

### *MDE Advisory Committee on Financial Management Accounting and Reporting*

Five new members have been appointed to serve on the Advisory Committee, which advises the department on matters of school accounting, reporting, budgeting and financial management. Members serve three-year terms. Current Advisory Committee appointees are listed below:

Name	Organization	Term Expires December
Stella Johnson	Rosemount-Apple Valley Schools	*2013
David Peterson	St. Paul Public Schools	2011
Janet Halonen	Esko Public Schools	*2013
Angie Manuel	Big Lake Public Schools	2011
Sarah Slaby	Winona Public Schools	*2013
Sue Nelson	Fairmont Public Schools	2012
Cindy Longhenry	Hutchinson Public Schools	2012
Tracey Fiereck	cmERDC St. Cloud	2012
Dianna Groskreutz	Region V Computer Services Mankato	2012
Jeff Yeager	Region II Duluth	*2013
Nancy Schulzetenberg	KDV St. Cloud	2011
Tiffany Rodning	MSBA St. Peter	2012
Greg Hierlinger	Office of the State Auditor	*2013

\*Recently appointed Advisory Committee members as of January 2011.

Regular meetings of the full committee are scheduled approximately every two or three months, and are open to the public. The next scheduled meeting is August 17, from noon to 3:00 p.m. in Conference Center B, Room CC-18. The committee charter is available on the web: <http://education.state.mn.us> > Accountability Programs > Program Finance > General Information > Advisory Committee on Financial Management.

### ***Charter School Representative Sought for Advisory Committee***

MDE is seeking a charter school business manager to serve on the Advisory Committee on Financial Management, Accounting and Reporting. The charter school position was not filled when appointments were made earlier this year for positions expiring in 2013. Apply for membership directly to the Department by Monday, June 27, 2011, summarizing your qualifications and reasons for your interest in serving on the committee. If you have any questions, please contact Lisa DeRemee at 651-582-8467 or [lisa.deremee@state.mn.us](mailto:lisa.deremee@state.mn.us).

### ***UFARS 101 Training Sessions Scheduled***

UFARS 101, an introduction to the Uniform Financial Accounting and Reporting Standards, is tentatively scheduled to be held at MDE on September 21-22, 2011. Look for registration information later this summer on the MDE website at: <http://education.state.mn.us>. When registration information is available, locate the date, choose on the scheduled event and select the registration category.

### ***UFARS Procedures - Reporting Federal Funds by Course Code***

Any FY 2011 federal expenditure reported in UFARS Finance Code Series 100, 400 or 800 must use course codes 000, 011, 012. Title Programs (and course codes 642, 641, 640, 639, 638, 637, 636, 635, or 634 for the applicable Title Programs).

Entries made in FY 2011 UFARS that reflect FY 2010 adjustments for federal programs that are not reflected in SERVS should use the course code 010 instead of 011. The end of year SERVS/UFARS reconciliation will reflect a variance and may result in a funding reduction.

- Course Codes 001 through 010 – Used only to reference a state fiscal year and not related to SERVS activity.
- Course Code 000 – Used to report the correlation between a state fiscal year and a federal award year in SERVS. When used with a federal finance code, it indicates that the federal award year is the same as the “current” state fiscal year in which the activity is reported.
- Course Code 011 – Used to report the correlation between a state fiscal year and a federal award year in SERVS. When used with a federal finance code, it indicates that the federal award year is “one year prior” to the state fiscal year in which the activity is reported.
- Course Code 012 – Used to report the correlation between a state fiscal year and a federal award year in SERVS. When used with a federal finance code, it indicates that the federal award year is “two years prior” to the state fiscal year in which the activity is reported.

For questions or information on the reporting of federal funds by course code, please contact Sarah Miller at [sarah.c.miller@state.mn.us](mailto:sarah.c.miller@state.mn.us) or 651-582-8370.

## ***UFARS - Vehicle Leasing Agreements for Student Transportation***

Districts may lease vehicles for student transportation. Leases are categorized either as capital leases (installment purchase) or as operating leases. The lessee must determine into which category a lease is classified to determine appropriate accounting treatment and when it is reported to MDE for bus inventory.

1. A lease agreement is categorized as a capital lease if it meets any one or more of the following criteria:
2. Ownership is transferred to the lessee by the end of the lease term.
3. The lease contains a bargain purchase option (less than fair market value).
4. The lease term is equal to or greater than 75 percent of the estimated economic life of the leased property. If the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion is not used for purposes of classifying the lease.

The present value of minimum lease payments for the term of the lease, excluding the portion representing executory costs, including any profit thereon, equals or exceeds 90 percent of the excess of the fair value of the property to the lessor at the inception of the lease over any related investment tax credit retained by the lessor and expected to be realized. A lessee shall compute the present value of the minimum lease payments using the lessee's incremental borrowing rate unless it is practicable for the lessee to learn the implicit rate computed by the lessor and the implicit rate computed by the lessor is less than the lessee's incremental borrowing rate. If both of those conditions are met, the lessee shall use the implicit rate. As in criteria 3, if the beginning of the lease is within the last 25 percent of economic life, this criterion is not used.

With a capital lease the district acquires the title of ownership when the lease is signed. At the end of the lease term, the district acquires the vehicle. Coding for capital lease installments should be reported in UFARS under Finance Code 302 or 000 or 733 and Object Code 535, Capital Leases. Capital lease expenditures are not eligible to be reported in UFARS under Finance Code 723

Vehicles acquired through a capital lease are added to the bus inventory at the time of the initial capital lease agreement by submitting a transaction form to MDE. If the vehicle is used primarily for transporting special education students the vehicle can be added to Special Education Bus Inventory to generate depreciation aid. The net cost to be used on the form should be the total amount of all installments due for the entire term of the lease agreement.

A lease is classified as "operating" when none of the four criteria for a capital lease has been met. Operating lease costs are reported in the appropriate transportation categories based on the number of miles, hours or routes the vehicle was used in that category. Use Object Code 370 to indicate it was for an operating lease. Operating lease costs are eligible to be reported in UFARS under Finance Code 723.

If an operating lease agreement includes a buy-out option at the end of the lease the following guidance is followed:

- The rental agreement must be fair and reasonable.
- No part of the rental payment applies toward the purchase price.
- The option to purchase is not compulsory.
- If the district chooses to purchase the vehicle, the purchase price is based on the fair market value at the time of purchase.

If an optional purchase occurs at the end of an operating lease, the purchase price is coded to either Finance Code 302, 000 or 733 with Object Code 548 Pupil Transportation Vehicles. Vehicle purchases are not eligible to be reported in UFARS under Finance Code 723.

Once the district has the title of ownership after the optional purchase, the district may put the vehicle on the bus inventory by submitting a transaction form to MDE. Use form ED-00186-12 for Regular buses and ED-01658-10 for Type III vehicles. If the vehicle is used primarily for transporting special education students the vehicle can be added to the Special Education Bus Inventory to generate depreciation aid. Use form ED-02387-03 for Special Education Regular buses and ED-02388-03 for Special Education Type III vehicles.

Federal IDEA (Individuals with Disabilities Act) funds may be used to pay for either a capital lease or operating lease with prior approval from the Division of Program Finance, Special Education Funding Team. Requests for approval should come from the director of special education and the superintendent. If a leased vehicle is purchased with IDEA funds, the disposition or selling of the vehicle is subject to the Federal Inventory Management Act (EDGAR 80.32c).

Districts may obtain the forms necessary to report purchases or disposals of school buses by visiting the MDE website at: <http://education.state.mn.us>. Select Accountability Programs/Program Finance/Transportation Forms.

If you have any questions, please contact Kelly Wosika at [kelly.wosika@state.mn.us](mailto:kelly.wosika@state.mn.us) or 651-582-8855.

### ***UFARS – Status Update on Operating Capital Transfer \$51 per Adjusted Marginal Cost Pupil Unit***

At this time, districts **may not** transfer funds from the reserve for operating capital to the general fund at June 30, 2011. As of adjournment on May 23, the legislature had not extended this temporary authority, which allowed districts in FY 2010 to transfer \$51 times the district's Adjusted Marginal Cost Pupil Units (AMCPU's) for the second preceding fiscal year (Laws 2009, chapter 96, article 5, section 11).

### ***UFARS - Summary of FY 2011 Audit Requirements***

Minnesota Statutes, section 123B.77 requires reporting entities to complete and submit an annual audit of their financial activities. These audits must be conducted in compliance with U.S. Generally Accepted Governmental Auditing Standards, the federal Single Audit Act and the Minnesota Legal Compliance Guide issued by the Office of the State Auditor.

Minnesota statutes also provide the following reporting deadlines for the FY 2011 reporting cycle: audited final UFARS data and the Fiscal Compliance Table are due by November 30, 2011, and the hard copy Audit Report is due December 31, 2011. If the audit is mailed, it must be postmarked on or before December 31, 2011.

Each audit must include the components listed below. The Minnesota Department of Education (MDE) reviews each audit and any missing components will be requested from the reporting entity. Reporting entities failing to provide the necessary information will be included in a report issued to the various divisions within MDE that administer federal programs. This report will be used in the evaluation process for determining future fiscal monitoring site visits.

## REQUIREMENTS OF THE AUDIT

**Financial statements** must be based on audits conducted in accordance with Generally Accepted Government Auditing Standards (Yellow Book), the federal Single Audit Act and the Minnesota Legal Compliance Guide issued by the Office of the State Auditor. In a Single Audit engagement, please refer to the OMB Circular for reporting requirements. The audited financial statements must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards (UFARS) compliance. If there are any state or federal written findings, MDE requires that corrective action plans be included within the LEA audit. Audit Findings should be labeled by fiscal year and audit finding number. For example, the first finding in a FY 2011 audit would be labeled 2011-1.

The **student activity audit** must be listed in the table of contents of the full district audit unless a separate report is issued. *If all student activities are under board control, a statement to that effect must be contained in the financial notes.* This procedure will help verify that a student activity audit has been completed or that student activities are under board control and were audited with the General Fund. If there are any written findings, MDE requires a corrective action plan for each finding.

The LEA audits must also contain a **Uniform Financial Accounting and Reporting Standards Fiscal Compliance Table**. Please include a copy of the fiscal compliance table which includes a comparison between audited data and UFARS including the difference column. The fiscal compliance table should be included in the table of contents and located at the end of the audit report. The reporting entity or auditor must enter the audited data into the fiscal compliance table that is located on MDE's website. Please run the fiscal compliance table comparison report after the audited data has been entered and review the results. Any differences between UFARS data and audited financial data must be corrected. The entry of the audited data to the fiscal compliance table must be completed by November 30, 2011.

**Management Letters** must be included with the audit. If a letter was not issued for the reporting entity, please enclose a memo or letter stating that fact.

In summary, the required components that must be submitted to MDE and the Office of the State Auditor (OSA) are:

- Report on Financial Statements
- Management's Discussion and Analysis (prepared by the LEA)
- Report on Entity's Internal Control Structure
- Report on Entity's Compliance with Laws and Regulations

- Corrective Action Plan for all written findings (including Student Activity Audit)
- Student Activity Audit or statement that the activities were audited with the General Fund
- UFARS Fiscal Compliance Table
- Single Audit Reports, if applicable
- Management Letter

Send **one hard copy of the audit** to MDE; Attn: David Day and **one electronic copy of the audit** to the State Auditor's Office at [singleaudit@osa.state.mn.us](mailto:singleaudit@osa.state.mn.us) no later than December 31, 2011. Also, if the LEA is responsible for sending their audits to MDE, please be sure they are aware of the required reports to submit.

For further information, please contact David Day at 651-582-8384 or [david.day@state.mn.us](mailto:david.day@state.mn.us).

### ***UFARS - FY 2011 Fiscal Compliance Table Reporting***

At the conclusion of an audit and after the financial statements have been completed, the Fiscal Compliance Table must be completed by either the reporting entity or the auditor. The Table must be completed by November 30, 2011. This report provides a comparison between the UFARS data and the audited financial statements. The Fiscal Compliance Table must be completed electronically and a printed copy of the results, which include a comparison between audited data and UFARS data, and the amount of any differences between the two data sets, must be included with the audited financial statements.

The FY 2011 fiscal compliance table will be updated to reflect GASB 54 new fund balance accounts. The fiscal compliance table is located at by going to the MDE website at <http://education.state.mn.us> > Data > Data Submissions. Scroll down to Fiscal Compliance Table. Since this is an online active database, each time entries are made the numbers will change at MDE. The MDE Fiscal Compliance website has four pages: Log In, District Selection, Data Entry and Fiscal Compliance Table. Instructions are located in the UFARS Manual, Overview section, page 15-16.

MDE expects the following of fund balance reporting:

- Prior year ending fund balances will equal current year beginning fund balances.
- Current year beginning fund balances plus total revenues minus total expenditures should equal the current year ending fund balance reported to MDE.

For further information, please contact David Day at 651-582-8384 or [david.day@state.mn.us](mailto:david.day@state.mn.us).

### ***UFARS - FY 2011 UFARS Submission Process***

As required by Minnesota Statutes, section 123B.77, subdivisions 2 and 3, districts must submit unaudited preliminary UFARS data for FY 2011 by September 15, 2011. Audited final UFARS data is due November 30, 2011. The UFARS submission site is found on the MDE website at <http://education.state.mn.us> > Data > Data Submissions. Scroll down to UFARS Year-End Data Reporting.

Note: New charter schools submitting FY 2011 UFARS data should contact Monte Grosso at [monte.grosso@state.mn.us](mailto:monte.grosso@state.mn.us), 651-582-8394 or Terry Sorg at [terry.sorg@state.mn.us](mailto:terry.sorg@state.mn.us), 651-582-8535 for

password assignments. The UFARS submission site will be open for LEAs to upload unaudited and audited UFARS files through November 30, 2011. After November 30, the MDE website link will be deactivated.

## LATE UFARS SUBMISSIONS

If an LEA needs to submit or resubmit its UFARS data after the November 20 deadline, it must request permission by notifying the MDE Accounting Helpdesk. The LEA must describe the reason for the late submission or resubmission, and describe the amount of change in revenue, expenditure, and general ledger accounts compared to the UFARS submission as of the statutory deadline. The LEA must also obtain a statement from its external auditor whether the corrections would change the final FY 2011 audited financial statements sent to MDE (by 12/31). The statement must include the name of the auditor and firm.

- a. If the amount of the correction is deemed immaterial by the auditor, the auditor's statement must indicate that an immaterial correction is occurring that does not warrant a change to the FY 2011 audited financial statements.
- b. If the correcting entries do materially change the final audited financial statements, the auditor's notification must also include a statement indicating that the audit firm will either restate the financial statements or use a prior period adjustment in FY 2012. *If the audit is restated, it must be submitted to MDE by the designated deadline. A revision to the fiscal compliance table must accompany the restated audit.*

For questions or information on the UFARS submission process, please contact the MDE Helpdesk: e-mail address [mde.ufars-accounting@state.mn.us](mailto:mde.ufars-accounting@state.mn.us).

## ***UFARS - FY 2011 UFARS Edit Process***

Each time after a district's UFARS submission has been processed and edited, a new set of UFARS Turnaround Reports is posted on the MDE website <http://education.state.mn.us>, select District alpha, select Report Category, select category UFARS Turnaround Reports. To ensure reporting accuracy, it is **crucial** that districts always review these reports after each UFARS submission. The Turnaround reports from the districts most current successful UFARS submission will be posted on the website; the prior submission's reports will be written over, so districts must save a printed or electronic copy locally after each submission to retain a record of past activity.

Edit checks of UFARS submission files can be divided into three categories: 1) fatal errors, which will cause a file to be rejected; 2) reporting errors that must be corrected prior to the final submission of audited UFARS data; and, 3) warnings which should be checked to make sure data is accurate.

**Throughout** the submission process, the file header must be marked with either an “A” or “U” flag to indicate whether the file contains final audited UFARS data (“A”) or preliminary unaudited data (“U”).

- If unaudited or audited UFARS data does not pass the “fatal error” edit check, the UFARS submission will not load.
- If unaudited or audited UFARS does not pass the “reporting error” edit check, the UFARS submission will be accepted and errors will be reported.
- If unaudited or audited UFARS does not pass the “warning” edit check, the UFARS submission will be accepted and warnings will be reported.

### **FATAL ERRORS**

The file will be rejected if any of the following fatal errors present:

1. The organization number, type or site is incorrect.
2. The date on the file header is earlier than the last submitted file.
3. The file header has the wrong fiscal year.

### **REPORTING ERRORS**

Reporting errors indicate expenditures do not align with either the Restricted Grid or Unrestricted Grid coding requirements, found in Chapter 10 of the UFARS Manual. The Unrestricted Grid identifies the allowable UFARS program, organization and object code combinations for expenditures coded with a Finance code of 000; the Restricted Grid identifies the allowable UFARS finance, organization, program and object code combinations for expenditures codes with an identified finance code number other than 000.

Additional reporting errors are identified by the following edit checks:

#### **Balance Sheet Edits**

- If assets do NOT equal liabilities plus fund balance in each fund.
- If balance sheet codes 403, 408, 416, 417, 418, 423, 424, 425, 426, 428, 434, 435, 436, 438, 441, 445, 446, 447, 450, 451 and 452, are less than zero.
- If balance sheet code 422 Unassigned in Fund 9 has a fund balance.
- If balance sheet codes 460–Nonspendable; 461—Committed; 462—Assigned; or 464—Restricted are less than zero.
- If balance sheet code 463—Unassigned has a positive fund balance in Funds 02, 04, 06, 07 or 47.

#### **Fund Dimension Edits**

- If transfer source code 649 and object code 910 do not equal.
- If a fund 02 revenue/expenditure does not have a valid finance code (701, 702, 703, 705, 706, 707 or 709).

#### **Program Dimension Edits**

- If program code 930 does NOT equal zero.

#### **Object Dimension Edits**

- If object codes 535 and 589 do NOT equal zero.
- If object codes 195, 295, 365, 398, 545 do NOT equal zero.

**Source Dimension Edits**

- If source code 474 does not equal object 491 in Fund 02.
- If source code 020 and 299 do not equal zero.

**WARNINGS**

Additional data edits are performed to check for potential reporting errors. Because these edit checks may not apply to every district, they are noted on the UFARS Turnaround Edit Report as warnings. Warnings should be reviewed, and if applicable to the district, corrected before the final submission.

- If balance sheet code 422 in Fund 02 is less than zero for one to three consecutive fiscal years.
  - According to Minnesota Statutes, section 124D.111, subd. 3, a district may incur a deficit for up to three years without making a permanent fund transfer if the LEA submits to MDE, by January 1 of the second fiscal year, a plan for eliminating the deficit at the end of the third fiscal year.
- If expenditures in any object code except chargeback codes 195, 295, 365, 395, 398, 535, 545, 589 and 895 are less than zero.
  - Other accounts should not have a negative balance unless an unusual circumstance exists.
- If Finance codes 302, 306, 307, 308, 317, 330, 339, 342, 401, 740 and 830 show no expenditure activity.
  - Finance code 302, 306, 307, 308, 317 and 330 do not apply to charter schools.
  - Finance codes 339 and 342 apply to districts with a Safe School Levy.
  - Finance code 401 will apply to districts with a Title 1 Program.
  - Finance code 740 will apply to districts with a Special Education Program.
  - Finance code 830 will apply to districts with a Career and Technical Program
- If Finance code 796 in Funds 1, 2 or 4 has levy authority but no expenditure amounts.
  - Schools that have a Health Benefits Levy should be aware that they have no related expenditures reported. This has been a common mistake.
- If Finance code 798 in Fund 4 has levy authority but no expenditure amount.
  - Schools that have a School Age Care Levy should be aware that they have no related expenditures reported. This has been a common mistake.

For questions or information on the UFARS edit process, please contact the MDE Helpdesk: e-mail address [mde.ufars-accounting@state.mn.us](mailto:mde.ufars-accounting@state.mn.us).

**SERVS/UFARS Reconciliation**

UFARS expenditures are expected to be equal to the amount reported on SERVS by:

- Finance code
- Object code
- Course code

A UFARS/SERVS comparison report will be generated daily for district use in reconciling UFARS expenditures to SERVS. It is important to provide assurance that federal aid has been paid based on audited financial activity reported in UFARS. If the expenditures in SERVS are greater than UFARS, the state will identify UFARS as the audited and final expense, and will require the repayment of any funds claimed in excess of the UFARS amount (by UFARS finance code, object code and course code).

### ***Reminder: Auditor Access Authorization in SERVS Financial***

School districts and charter schools must submit access authorization for any auditors who require access to SERVS Financial on behalf of the district or school. The appropriate role for an auditor in SERVS Financial is "View all - read only". Along with an authorization form submitted by the agency head (superintendent or director), auditors must request "View all - read only" access to the organization(s) they'll be auditing. Auditor's may request "View all - read only" access to multiple organizations under the same account (username and password) in SERVS Financial.

To get started, the school superintendent or director must submit the SERVS Financial Access Authorization form to MDE. Auditors who are new MDE-Account users must setup an MDE-Account and request access to SERVS Financial by selecting their role and the organization(s) they represent. Existing MDE-Account users will skip account setup and begin by requesting access to SERVS Financial for their role and the organization(s) they represent.

For assistance with questions regarding the access authorization process, call 651-582-8550 or email [mde.servsfinancial@state.mn.us](mailto:mde.servsfinancial@state.mn.us)

### ***FY 2012 Federal Indirect Cost Rates***

Federal indirect cost rates for FY 2012 will be posted in June on the MDE website at: <http://education.state.mn.us> > Accountability Programs > Program Finance > Financial Management > Reports. Chapter 13 of the UFARS manual contains a section about the calculation and use of indirect costs, pages 17-32.

For questions or information on the indirect cost rates, please contact David Day at [david.day@state.mn.us](mailto:david.day@state.mn.us) or 651-582-8384.

### ***Elimination of the IDEAS "Checkstub" and Access to Minnesota Management and Budget (MMB) Vendor Payment Website.***

Beginning with the July 15, 2011, payment period, the IDEAS "checkstub" will be eliminated from the MDE Minnesota Funding Reports (MFR) website. As an alternative, we strongly suggest that for receipting state aids, districts and charter schools access, print, and save the full IDEAS Combined Payment Report for the period. The report is available at <http://education.state.mn.us>. After choosing your district or school, choose by "Report Category" and "IDEAS Combined Payment Report". This report provides more complete information as to the state aid entitlement basis resulting in the current payment, aid that has been received to date, adjustments to gross payments occurring in the period, and a projection of future

payments based on entitlements in the report that will include pending state aid adjustments. Part two of the report provides the UFARS coding used to receipt payment for the current school year, and for the prior year, if payment is made in the period.

School district and charter school staff may also want to access the Minnesota Management and Budget (MMB) vendor payment website for information regarding all payments made through state of Minnesota agencies to the district or school at the link provided below. This site includes not only state and federal payments from the Minnesota Department of Education, but also any payments from the department of Human Services for third-party billing, or any incidental payments from other state agencies. Access to the information requires entry of the taxpayer identification number and a PIN number. Your school district or charter school was assigned a PIN number when electronic fund transfers from Minnesota Management and Budget were initiated. If you do not have the PIN number, call or email the EFT Helpline at 651-201-8106 – [efthelpline.mmb@state.mn.us](mailto:efthelpline.mmb@state.mn.us). You will need the full name, address, district number and/or Federal Tax ID to allow MMB staff to provide the assigned PIN <https://www2.mainserver.state.mn.us/vendorpmts/login.html>.

For questions or information on the elimination of the IDEAS “Checkstub” or the Minnesota Management and Budget (MMB) vendor payment website, please contact Karen Dykoski, e-mail address: [karen.dykoski@state.mn.us](mailto:karen.dykoski@state.mn.us).

### ***Uniform Financial Accounting and Reporting Standards (UFARS) Helpdesk Reminder***

A reminder to e-mail any UFARS and accounting questions to the UFARS Helpdesk: e-mail address [mde.ufars-accounting@state.mn.us](mailto:mde.ufars-accounting@state.mn.us). Common questions and answers will be shared through the School Business Bulletin.

### ***District Revenues and Expenditures Budget for 2011-2012***

Each fiscal year, districts are required to publish prior and current year budgets in a form prescribed by the commissioner (Minn. Stat. § 123B.10, subd. 1). The District Revenues and Expenditures Budget for 2011-2012 includes fund balance category descriptions to reflect the new requirements established in GASB Statement 54. A draft of the updated form is shown below. When published, the form will be located on the MDE website at: <http://education.state.mn.us> > Accountability Programs > Program Finance > Financial Management > Forms & Files.

For questions or information on the District Expenditures and Revenues Budget for FY 2011-12, please contact Sarah Miller at [sarah.c.miller@state.mn.us](mailto:sarah.c.miller@state.mn.us) or 651-582-8370.

	Financial Management 1500 Highway 36 West Roseville, MN 55113-4266	<b>DISTRICT REVENUES AND EXPENDITURES</b> <b>BUDGET FOR 2011 – 2012</b>	ED-00110-35
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Minnesota Statutes, section 123B.10, subdivision 1. requires that every school board shall publish the subject data of this report.

District Number	District Name					
FUND	2010-11 ACTUAL REVENUES AND TRANSFERS IN	2010-11 ACTUAL EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2011 ACTUAL FUND BALANCE	2011-12 BUDGET REVENUES AND TRANSFERS IN	2011-12 BUDGET EXPENDITURES AND TRANSFERS OUT	JUNE 30, 2012 PROJECTED FUND BALANCE
General Restricted and Restricted/Reserved						
General, All Other <sup>1</sup>						
Food Service Restricted						
Community Service Restricted and Restricted/Reserved						
Building Construction Restricted (Fund 06)						
Debt Redemption Restricted (Fund 07)						
Trust Fund 08						
Internal Service Fund 20						
Trust (OPEB) 25						
Trust (OPEB) 45						
OPEB Debt Redemption Restricted (Fund 47)						
<b>TOTAL - ALL FUNDS</b>						

LONG TERM DEBT		CURRENT STATUTORY OPERATING DEBT, SHORT TERM DEBT AND COST PER ADM	
OUTSTANDING JULY 1, 2010		STATUTORY OPERATING DEBT JUNE 30, 2011	
PLUS: NEW ISSUES		CERTIFICATES OF INDEBTEDNESS JUNE 30, 2011	
LESS: REDEEMED ISSUES		OTHER SHORT-TERM INDEBTEDNESS OF FUNDS 6/30/11	
OUTSTANDING JUNE 30, 2011		2010-11 TOTAL ADM SERVED + TUITIONED OUT ADM + ADJUSTED EXTENDED ADM	
		2010-11 OPERATING COST PER ADM	

*The complete budget may be inspected upon request to the Superintendent.*

Comments:

<sup>1</sup> All Other includes Nonspendable, Committed, Assigned and Unassigned Fund Balances

### ***Federal Jobs Fund Allocations to be Updated***

MDE will recalculate estimated allocations of federal education Jobs funds based on the updated general education and special education entitlement estimates calculated end of June for receivables. Allocations in SERVS Financial will be updated in July to 90 percent of the *revised* estimated allocations. Once the new allocation data is loaded in July, LEA's will be allowed to budget for FY 2012, so that they are budgeting based on the updated 90 percent allocations.

MDE will review data again in October to determine if an additional 5 percent will be released prior to finalizing allocations. Final allocations will be determined in March 2012 after all data have been finalized. Jobs funds must be obligated by September 30, 2012.

Based upon recent updating of data, some districts/charter schools have already drawn more funds than their revised estimated 100 percent allocation. When new allocations are loaded, this will cause their budgets to be locked and they will not be able to draw additional funds. Any overpayments will have to be returned to MDE via check only.

To estimate FY 2011 receivables, subtract the amount drawn on SERVS for FY 2011 from the amount the district has budgeted and intends to spend in FY 2011 (Finance 152, Course 000). The amount budgeted and expended should not exceed 100 percent of the revised estimated allocation. If the revised estimated 100 percent allocation is less than the amount expended for FY 2011, record a payable equal to the difference. When estimating receivables/payables, districts may use judgment in evaluating revised estimated allocations if final student numbers vary from those used in MDE calculations.