

January 21, 2009

Advisory Committee on Financial Management, Accounting and Reporting

The Advisory Committee met on January 21, 2009. Members in attendance: Lori Mohs, Janet Halonen, David Peterson, Jeff Yeager, Darin Jensen, Tom Wiczorek, Karsten Anderson, Beth Heinze, Jody LeBlanc, Nancy Schulzetenberg, Angie Manuel and Rita Poulton. MDE Staff: Janna Duffy, Charles Speiker, Greg Hein, Tom Melcher, Audrey Bomstad, Keri Lewis and Cathy Wagner.

The meeting was opened at 12:03 p.m.

New members were welcomed – Angie Manuel (Big Lake Schools), Lori Mohs (Skyward), David Peterson (St. Paul Schools), and Nancy Schulzetenberg (KDV),

Janet Halonen made a motion for Jody LeBlanc to be the Chair of the committee, seconded by Karsten Anderson. Unanimous approval by the committee.

Janet Halonen made a motion for Jeff Yeager to be the Vice-Chair of the committee, seconded by Jody LeBlanc. Unanimous approval by the committee.

The committee members reviewed the agenda. No additional items were added to the agenda. Motion to approve the agenda was made by Jeff Yeager, seconded by Darin Jensen. Unanimous approval by the committee.

The committee reviewed the November 19, 2008, meeting minutes. No corrections were made to the minutes. Motion to approve the minutes was made by Rita Poulton, seconded by Tom Wiczorek. Unanimous approval by the committee.

Tom Melcher presented an updated Data Reporting Work Group charter. The timeline portion of the charter was amended to identify February, instead of January, as the first of the monthly meetings. It also identified the need to align the charge of the committee with the MDE IT EDRS Transition Project and the goal of simplifying reporting for FY 2010. Cathy Wagner also reviewed the Easing the Compliance Burden – SERVS (Student Educational Record View and Submission) presentation with the committee.

Janna Duffy discussed a handout regarding the use of the Internal Service Fund for other post-employment benefits (OPEB) when a trust does not exist (not Fund 25). The handout specifically addressed questions 8.35.5, 8.35.2, and 8.38.2 of the GASB Statement No. 43 and 45 Q&A. Upon review of the Q&A, and after consultation with Tom Karlson of the Office of the State Auditor (OSA), it was determined that accounting standards would allow establishing an internal service fund for OPEB. Janna presented the following UFARS codes: Object Code 289 (OPEB Contributions – Not Pay-As-You-Go or ARC); Source Code 615 (Contributions for Post-Employment Benefits); and a change to Source Code 616 (Retiree Benefits Contributions) along with accounting instructions for OPEB contributions to an Internal Service Fund – No Trust. Angie Manuel made a motion to approve the codes and instructions, which was seconded by Jeff Yeager. Unanimous approval by the committee.

Jeff Yeager introduced problems with recording OPEB contributions at the program level. After considerable discussion, the committee determined that Program Code 935 may be an avenue in which to isolate out the contributions in the operating funds without distorting the comparability of program costs. Program Code 935 could be used for expenditures above the Annual Required Contribution so that conflict does not exist with federal program administration. This concept may require changes to the format of the Profiles report and other reports supplied by MDE. As a result, this topic was tabled until the next meeting when more time could be given to the subject.

Janna Duffy reviewed the handout presented by Matt Mayer (KDV) at the November 19, 2008, meeting. The handout discussed Balance Sheet Code 411 (Reserve for Severance Pay) and Balance Sheet Code 418 (Reserve for Severance – Insurance Premium) and the issues related to compliance with Governmental Accounting Standards Board (GASB) Statement Nos. 16, 27, 45, and 47. It was agreed that revisions to 411 and 418 were needed. After considerable discussion, a sub-committee was formed to analyze the GASB Statements and make recommendations at the next meeting. Members Nancy Schulzetenberg, Jeff Yeager and Angie Manuel were appointed to the committee.

Janna Duffy had provided the committee with a summary of proposed grid changes and UFARS manual changes for FY 2009. The members were asked for questions or feedback on the summary. No changes were suggested.

Jody LeBlanc adjourned the meeting at 3:09 p.m.

The next Advisory Committee meeting is scheduled for Wednesday, February 18, 2009, at the Minnesota Department of Education.