




Via Electronic Transmission

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TO: Directors of Special Education
Special Education Fiscal
School Business Managers



FROM: Carol Hokenson, Manager
Division of Program Finance

SUBJECT: State Fiscal Year (SFY) 2013 Federal Special Education Entitlements
Acceptance of Funds in State Educational Record View and Submission (SERVS)
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SFY 2013 Federal Special Education Entitlements

The initial SFY 2013 entitlements for Section 611 (Finance Code 419) and Section 619 (Finance Code 420) Part B, Individuals with Disabilities Education Act (IDEA) have been loaded into SERVS Financial. The estimated Special Education Federal SFY 13 Allocation Calculation Report is located on the Minnesota Department of Education (MDE) Website at: [education.state.mn.us>Data Center>Data Reports and Analytics>Minnesota Funding Reports \(MFR\)>State Wide \(9999-99\) • Category: Special Education, •Year: 12-13, •List Reports: Special Education, •Federal Allocation Calculation](http://education.state.mn.us/Data_Center/Data_Reports_and_Analytics/Minnesota_Funding_Reports_(MFR)/State_Wide_(9999-99)_Category:_Special_Education,_Year:_12-13,_List_Reports:_Special_Education,_Federal_Allocation_Calculation). A spreadsheet of the entitlements can be located on MDE's Website at: [education.state.mn.us>School Support>School Finance>Special Education>Federal Allocations](http://education.state.mn.us/School_Support/School_Finance/Special_Education/Federal_Allocations). Part C entitlements and discretionary allocations have not been loaded into SERVS Financial. Districts will be notified when those funds are available.

MDE reduced the allocations by 10 percent because of the pending sequestration [reduction] of federal funds from the U.S. Department of Education. Under the Balanced Budget Enforcement and Deficit Control Act, all programs under the U.S. Department of Education are subject to sequestration. As defined by this Act, the sequestration is scheduled for January 2, 2013 unless Congress intervenes. The 10 percent reduction in the initial entitlements is to assure that the districts, cooperatives and charter schools will not overspend federal funds if the sequestration takes place. Typically, the Division of School Finance re-calculates the final entitlements when the fall submission of the Minnesota Automated Reporting Student System (MARSS) has been completed – usually February of the current fiscal year. At that time MDE will know the impact of the sequestration, if any, and it will be reflected in the final entitlements.

Acceptance of Funds in SERVS Financial and Procedures to Build Budgets

Districts, cooperatives and charter schools will have to accept the funds loaded to SERVS Financial before the budgets will be automatically built by data entered in the Electronic Data Reporting System (EDRS). The individual with “signature authority” needs to:

- Log into SERVS Financial
- Under “Manage Allocations/Competitive Awards” select the Finance Dimension to accept the funds
- Under the column “Actions” select “Accept/Decline Award”
- Click “Go”.
- The electronic signature is required to be applied to the statement of assurances and to accept the funds.

Once this has been completed then the data from EDRS will be used to build a budget. Each Wednesday morning at 7:30 a.m. the data that is error free will be compiled and used by SERVS Financial to populate a budget that will be available on the following Thursday morning. A memorandum regarding the application and budgeting procedures may be found on MDE’s Website at *education.state.mn.us>School Support>School Finance>Special Education and select “State Fiscal Year (SFY 2013) Special Education and Application Materials and Eligibility for Program Approval and Maintenance of Effort (MOE)”*.

SFY 2013 SERVS Financial Budget Issues

As previously discussed, SERVS Financial Budgets will be loaded from EDRS data that will start on Wednesday morning and conclude on Thursday morning. There are issues that can prevent the initial budgets from loading to SERVS Financial. These are:

- State application has not been submitted or approved by MDE,
- Federal coversheet has not been returned to MDE,
- No CCR Registration and DUNS number,
- MOE Application has not been completed and approved by MDE,
- EDRS data lines have not been retained,
- EDRS data is not error free; and lines with errors will not load to SERVS Financial,
- Federal Application on “Grants Management” of SERVS Financial by Finance Dimension has not been completed and submitted to MDE for approval, or MDE has not approved the application,
- Under “Manage Allocations/Competitive Awards” on SERVS Financial the district, cooperative or charter school has not applied to the electronic signature to the statements of assurances by Finance Dimension and has accepted the funds, and
- Budget submitted through EDRS is greater than the entitlement or allocation on SERVS Financial (the budget will load but will error because the budget is greater than the entitlement).

If any of the above have not been completed the budget will not be loaded to SERVS.

The data on Special Education data on EDRS that is error free will be loaded to SERVS Financial to amend the current approved budget each Wednesday morning and again will be available on Thursday morning. If the amended budget is not approved in SERVS then the following issues could be:

- The EDRS data has errors and would not load to SERVS Financial,
- The timing is such that the data was not available at 7:30 a.m. on Wednesday morning,
- The amended budget exceeds the entitlement (the budget will load but will be in error).
- The amended budget is less than the draws already processed by SERVS Financial (the budget will load but will be in error).

The only way to correct a budget in error (budget is greater than the entitlement or budget is less than current draws), is to amend the data entered on EDRS. If it is an overpayment, then send an email to mde.spedfunding@state.mn.us so that your email can be directed to the Division of School Finance personnel who can assist with this issue.

Federal Fiscal Year (FFY) 2010 Unspent Federal Funds

As of today, the total unspent FFY 2010 Section 611 (Finance 419) fund is \$9,207,452.75; for Section 619 (Finance 420) it is \$652,456.48 and for CEIS (Finance 425) it is \$938,030.07. Districts, charter schools and cooperatives are reminded to finalize budgets for FY 2012 and draw any remaining Course Code 011 funds possible. If these funds are not expended in FY 2012, please balance those funds to FY 2013. The FFY 2010 funds (Course Code 012) in FY 2013 must be obligated by September 30, 2012 and the request for reimbursement must be made in SERVS Financial by December 17, 2012 at 11:59:59.

SFY 2013 New Service Code for Only Cooperatives and Education Districts

Service Code 3 has been added to EDRS for cooperatives and education districts. Service Code 3 will be used on EDRS by cooperatives and education districts for non-personnel expenditures by member districts. Service Code 3 will be aligned with Uniform Financial Accounting and Reporting Standards (UFARS) Object Code 303. Service Code 3 will be for those expenditures made by member districts for supplies, materials, equipment, travel, etc. Cooperatives are encouraged to use one line on EDRS for each member district’s Service Code 3 expenditures. One line can be entered for each member district with the total non-personnel expenditures. The cooperative can enter the member district’s number and type at the beginning of description field, e.g., “0088-01 non personnel expenditures”. All personnel on federal funds in the member districts will still be reported under Service Code B with the appropriate Personnel Type Code.

Special Education Funding and Data Contacts regarding federal special education funds

For questions please contact:

Topic/Area	Contact	Phone	Email
EDRS/Federal Allocations	Mike Matlock	651-582-8379	mike.matlock@state.mn.us
Out-of-State Travel/EDRS Access	Jeanne Krile	651-582-8637	jeanne.krile@state.mn.us
SERVS Applications	Michael Brooks	651-582-8240	michael.brooks@state.mn.us
Part C/Federal Applications	Michelle Jones	651-582-8577	michelle.jones@state.mn.us
Construction/Vehicle Purchase	Mike Landers	651-582-8810	mike.land@state.mn.us
SERVS/UFARS Reconciliation	George Holt	651-582-8889	george.holt@state.mn.us

Or email: mde.spedfunding@state.mn.us