

## **SCHOOL BUSINESS BULLETIN**

*A Publication of the Division of School Finance*

May 2013

Number 50

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### **Greg Hein Leaves the Division of School Finance**

Greg Hein has resigned his position as an Education Finance Specialist on the Financial Management team to serve as a school district finance manager. His expertise will be missed at the department.

### **MARSS Update - School Calendars and Inclement Weather**

Recent school closings due to inclement weather prompt the following responses to typical questions raised by these situations.

**Q. How do I mark a day when school was canceled?**

A. Mark the day as "no school," as for a Saturday or school break. For state purposes, this day is not an instructional day for the school/grade and not an attendance/membership day for students. It does not matter if school is closed for weather, fire, boiler breakdown, staff development, funeral, school break, etc. No school is no school. This does not affect Average Daily Membership (ADM) for most full-year students, which is the comparison of a student's membership days to instructional days. For example, 175 membership days divided by 175 instructional days is 1.0 ADM, as is 174 membership days divided by 174 instructional days.

**Q. Do I need to reschedule the school day later in the year?**

A. The local school board must determine whether or not to make up a canceled school day. They set the original calendar and they have the authority to amend it. For accountability purposes, the board should formally amend the calendar to show the day as canceled and then indicate any school make-up days. Charter schools should send a copy of the amended calendar to Jeanne Krile in School Finance.

**Q. Will we lose state aid if we do not make it up?**

A. There is no direct financial penalty for having too few instructional hours. The statute requires schools to have a minimum number of instructional hours per year; it does not provide a penalty for not meeting this schedule.

**Minimum Annual Instructional Hours**

- 425 for non-disabled kindergarten
- 935 for grades 1 - 6
- 1,020 for grades 7 - 12

However, students whose ADM is based on a statute-defined number of hours will generate fewer membership hours if the canceled instruction is not rescheduled. Specifically, kindergarten-disabled and early childhood students with more than 231 membership hours are affected, i.e., fewer membership hours results in less ADM.

Also, if the lost days cause a district's annual instructional hours to fall below 1,020 for grades 7 - 12 or 935 for grades 5 - 6, students who are also enrolled at a state-approved alternative program (SAAP) at any time during the fiscal year will generate less ADM at the SAAP. Students enrolled at SAAPs other than Targeted Services generate ADM based on the greater of the actual instructional hours provided or the minimum annual instructional hours as described above.

**Q. How do I code a late start/early dismissal?**

A. Emergency late starts or early dismissals can be reported as a regular full school day. However, scheduled late starts and early dismissals for any reason (staff development, state tournaments, parent-teacher conferences, etc.) affect the length of day that is reported on the MARSS school file. Use the Flexible Scheduling worksheet to calculate an average length of day to report on MARSS when the scheduled length of day varies during the school year. Refer to the end of the message for directions on how to find this worksheet.

**Q. How do I code an emergency late start/early dismissal when one section of kindergarten is canceled?**

A. For half-day, daily kindergarten:

- When morning kindergarten is canceled but either afternoon kindergarten is held or there is no afternoon class, mark the morning kindergarten as a non-school day.
- When afternoon kindergarten is canceled but either morning kindergarten is held or there is no morning class, mark the afternoon kindergarten as a non-school day.
- For full-day, alternative day kindergarten: The kindergarten section that was scheduled to meet on a canceled day should be marked as "no school."

**Making Up Lost School Days**

School boards have leeway in making up the lost instructional time. Classes can be held on Saturday, the length of day can be extended, non-school days can be converted to student instructional days, and/or days can be added at the end of the school year in May and June.

If school is held on Saturday(s), non-school days converted to student instructional days, and/or days are added at the end of the year, mark them as instructional days in your student software. They should be reported as instructional days on the MARSS A School File and as membership days for students enrolled on the MARSS B Student File.

If the length of day is extended, use the 'Flexible Scheduling' worksheet to compute the average length of day to report on the MARSS A School File. The worksheet can be found on the public MARSS-Student Accounting website. Instructions on how to find this worksheet can be found at the end of this message. This "report" does not need to be returned to the department but keep a copy on file in case of a student attendance audit.

Whether or not the canceled school days are made-up, the board needs to adopt a new school calendar showing the canceled school days as non-school days. If any new days are added as student instructional days, mark them on the amended calendar as well. Charter schools need to send a copy of the amended school calendar to Jeanne Krile in School Finance.

#### **Contacts:**

[marss@state.mn.us](mailto:marss@state.mn.us) for MARSS reporting questions and/or questions on making up school days.

[Jeanne Krile](mailto:Jeanne.Krile@state.mn.us) at 651-582-8637 for questions on charter school calendars.

[Access the Flexible Scheduling Worksheet.](#)

## **Special Education: Department of Human Services (DHS) – MA Administrative Fee**

The Minnesota Department of Human Services (DHS) has notified school districts and cooperatives that DHS will no longer deduct the MA administrative fee starting in SFY 2013 but will invoice the districts after the close of the fiscal year for the district's proportional share of those administrative costs. Districts have questioned what UFARS codes should be used and what fiscal year should the expenditure be charged to when paying the invoice. Districts will not know the amount of their proportional share of the administrative costs at the close of SFY 2013 so no payable can be established in SFY 2013. Districts should charge the expenditure to current year using Program Code 400, Finance Code 372 and Object Code 305.

For questions or information regarding the FY 2013 MA Administrative Fee - DHS, please contact [George Holt](mailto:George.Holt@state.mn.us) at 651-582-8889 and submit UFARS accounting questions to the helpdesk at: [mde.ufars-accounting@state.mn.us](mailto:mde.ufars-accounting@state.mn.us).

## **Transporting Charter School Students Recap**

A charter school must either provide its own transportation or use district-provided transportation. A charter school after its first fiscal year of operation must notify the district in which it is located and the Minnesota Department of Education (MDE) of its decision on transportation services for the 2013-14 school year by March 1. For a charter school in its first fiscal year, the deadline is July 1.

To assist a charter school in notifying the MDE of its choice, we have posted form ED 02425-07 on our website. The form must be completed for each site and returned to MDE by March 1, 2013, and July 1, 2013, for first year charters. [View the Charter School Transportation Survey 2013-14 School Year, Form ED 2425-07.](#)

If a charter school provides any student transportation services, it must use vehicles and drivers that comply with all the statutes and rules governing pupil transportation. For more information on these subjects please view [School Buses, Licensing of Drivers and Training of Drivers and Students.](#)

Charter schools that decide to provide their own transportation services will be required to complete the year-end transportation report. Records must be kept on the number of buses used to transport students and annual mileage for the different types of transportation services. The number of students transported will be obtained from the Minnesota Automated Reporting Student System (MARSS) electronic data

submission. Expenditures for pupil transportation services will be obtained from the Uniform Financial Accounting and Reporting Standards (UFARS) electronic data submission.

Regardless of whether charter schools elect to provide their own transportation services or use district-provided services, the charter schools must enter the appropriate MARSS transportation categories on the student record.

Charter schools may also access the handbook on MARSS transportation categories that is on the department's website: [View the handbook titled "MARSS Transportation Categories."](#)

Charter schools are also required to enter the "Transporting District Number and Type" on each student record. For charter schools that opted to provide their own transportation services, the "Transporting District Number" will be the charter school district number. This is true for all students. The district type for all charter schools is 07.

For charter schools that have opted to use district-provided transportation services, the "Transporting District Number and Type" will be the number and type of the district in which the charter school is located for all students. The only exception would be when a nonresident special education student that has special education transportation accommodations or adaptations identified in his/her Individual Education Program (IEP). Under this circumstance the charter school would be identified as the Transporting District and responsible for providing the related transportation service even if it means going outside the district boundaries. The Transportation Category tells the department whether the student actually received transportation services.

The report, Charter Schools 'Located in District' is available on the MDE website under the MFR System to help identify which charter schools are physically located within a district and their choice on transportation.

If you have any questions about transportation reporting, please contact [Kelly Wosika](#) at 651-582-8855

## **Reminder – SWIFT Vendor Bank Changes and IDEAS Payments**

For timely receipt of IDEAS payments, do not make any bank changes to a State-Wide Integrated Financial Tools (SWIFT) vendor while the IDEAS payment is being processed in SWIFT. The processing time in which to avoid bank changes would be the day three business days prior to the IDEAS payment date. If a change is made to the bank account on this date, it will cause the vendor to become temporarily inactive. To become active again, the vendor will need to be re-approved by Minnesota Management & Budget (MMB) and this re-approval process delays the payment.

It is also important to remember, any bank changes, at any time, will cause all payments from the 'changed' SWIFT vendor account to be placed in a 10 day pre-note status. During the 10 day period, payments will be made by check instead of ACH which delays receipt by approximately one day.

For questions or information regarding the SWIFT vendor bank changes and IDEAS Payments, please contact [Ann Van Diest](#) at 651-582-8745.

## **2012/2013 QZAB Allocation Announced**

The U.S. Treasury recently announced the 2012 / 2013 Qualified Zone Academy Bond (QZAB) allocation of \$9.8 million for Minnesota.

QZABs reduce the cost of financing school renovations and repairs (but not new construction) by providing tax credits to purchasers of QZAB debt.

To be eligible for the program, a participating school must have at least 35 percent of their students (at the target facility) eligible for free or reduced-cost lunches. The program also requires a school to enter into a partnership with a private business or businesses. The business must provide a written commitment stating that it will make "qualified contributions" in cash or in kind to the school in an amount not less than 10% of the bond proceeds.

[Access the QZAB application form](#), which provides details on the required information and necessary documentation.

Applications are accepted on a first-come-first-served basis. Contact [Chris Kubesh](#) at 651-582-8319 if you have any questions.

## FY 2013 School Finance Award for FY 2012 Financial Reporting

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. Out of 561 eligible reporting entities, 422 met the qualifying criteria for the FY 2013 School Finance Award. ***There was no application process and the following new criterion was established for the FY 2013 School Finance Award.***

### School Finance Award Criteria for FY 2012 Financial Reporting:

- A. Timely Submission of Financial Data and Compliance with Minnesota Statutes
  - A.1 Preliminary unaudited UFARS data was submitted to MDE by September 15, 2013\* (Minn. Stat. § 123B.77, Subd. 2).
  - A.2 Final audited UFARS data was submitted to MDE by November 30, 2012 (Minn. Stat. § 123B.77, Subd. 3). Late UFARS submissions were not considered for the FY 2013 School Finance Award.
  - A.3 The Fiscal Compliance Table was completed and error-free by November 30, 2012.
  - A.4 The audited financial statement was submitted to MDE by December 31, 2012 (Minn. Stat. § 123B.77, Subd. 3).
  - A.5 District/school uses state-approved financial software (Minn. Stat. § 125B.05, Subd. 3).
- B. Presence of Select Indicators of Fiscal Health
  - B.1 The district/school had a zero or positive balance in the General Fund Unassigned Fund Balance Account 422.
  - B.2 The district/school had a zero or positive aggregate fund balance in each of the funds 2, 4 and 7.
  - B.3 The district had positive or zero balances in Restricted/Reserved 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 had no errors.
  - C.2 The district/school's final audited UFARS data agreed with the independent audit data.

\* September 15, 2012 statutory deadline fell on a Saturday; therefore, submissions were submitted timely by Monday, September 17, 2012 (Minn. Stat. § 474A.025).

[View the list of FY 2013 School Finance Award recipients](#). For questions or information regarding the FY 2013 School Finance Award, please contact [Sarah Miller](#) at 651-582-8370.

## UFARS Manual Code Dimension Updates – March 2013 Release

The following **UFARS Dimensions** have been **added** effective July 1, 2012:

### ADDITIONS

Account	Description
CRS 620	Compensatory and Quality Compensation (Q-Comp) Revenue Used for Individuals with Disabilities Education Act Birth through Age Two (B-2)
	To record expenditures of compensatory aid for birth through two (B-2) students receiving Special Education services. Use with Finance Code 317.
	To record expenditures of Quality Compensation (Q-Comp) aid and levy for birth through two (B-2) students receiving Special Education services. Use with Finance Code 335.

These code combinations are necessary for the Special Education Maintenance of Effort (MOE) calculation.

The following **Finance** Dimensions have been **deleted** effective July 1, 2012:

### **DELETIONS**

<b>Account</b>	<b>Description</b>
340	Site Decision-Making Program Grant (Fund 01)
824/924	Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Early Childhood Pre-Service Grants (Fund 01)
833/933	Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Early Childhood Special Education Professional Development through Higher Education Consortium Grants (Fund 01)
872/972	Individuals with Disabilities Education Act (IDEA), Part B, Section 619 Discretionary Inclusive Child Care Grants (Fund 01)
874/974	Individuals with Disabilities Education Act (IDEA), Part B, Section 619 Discretionary ECSE RTI Pilot Project (Fund 01)
875/975	Individuals with Disabilities Education Act (IDEA), Part B, Section 6 Discretionary ECSE Individualized WIKI (Fund 01)
877/977	Title 20 State Library Services – Statewide Initiatives (Fund 01)
880/980	Minnesota Digital Library Statewide Initiatives (Fund 01)
881/981	Interlibrary Loan and Delivery Statewide Initiatives (Fund 01)

The following **Finance** Dimensions have had description **changes** effective July 1, 2012:

### **CHANGES**

<b>Account</b>	<b>Description</b>
<b>306</b>	<p><b>Staff Development – Fifty Percent Site (Fund 01)</b></p> <p>Effective July 1, 2012 school boards are no longer required to allocate 50 percent of the reserved revenue for staff development to each school site in the district on a per teacher basis (Laws of Minnesota for 2012, Chapter 206, Section 2)</p> <p>Use this code only if there was a fund balance in Balance Sheet Code 403 on June 30, 2012.</p> <p><i>Payment Description – N/A</i></p>
<b>307</b>	<p><b>Staff Development – Twenty-Five Percent Exemplary Site Grants (Fund 01)</b></p> <p>Effective July 1, 2012 school boards are no longer required to allocate 25 percent of the reserved revenue for staff development for exemplary site grants (Laws of Minnesota for 2012, Chapter 206, Section 2).</p> <p>Use this code only if there was a fund balance in Balance Sheet Code 403 on June 30, 2012.</p> <p><i>Payment Description – N/A</i></p>

**308 Staff Development – Twenty-Five Percent District-Wide (Fund 01)**

Effective July 1, 2012 school boards are no longer required to allocate 25 percent of the reserved revenue for district-wide staff development (Laws of Minnesota for 2012, Chapter 206, Section 2).

Use this code only if there was a fund balance in Balance Sheet Code 403 on June 30, 2012.

*Payment Description – N/A*

The following **Object** Dimensions have had description **changes** effective July 1, 2012:

**CHANGES****Account Description****186 Other Salary Payments (Non-Licensed or Non-Certified)**

Includes all other compensation which is hourly-based or event-based and beyond the contract school day or school year not described in other salary object dimensions for employees whose primary employment in the district or school is in a position that does not require licensure or certification. This code should also be used for employees whose primary employment is outside the district.

**911 Commissioner Approved Transfers – Out**

Use this code with the appropriate Finance code to record transfers out approved by the commissioner under [Minnesota Statutes, section 123B.80](#), and adopted by the school board. This includes transfer requests approved in FY 2012 and FY 2013 under the authority granted in Laws 2011, Chapter 239, Article 1, Section 11. Laws 2012, Chapter 239, Article 1, Section 31 extends the authority to FY 2014 and FY 2015. Both laws require the board to adopt a resolution stating that the transfer will not diminish instructional opportunities for students. Transfer requests under this temporary authority are not permitted from the Food Service Fund (02) or the Community Service Fund (04). The transfers may not increase state aid obligations or result in additional property tax authority for the district.

The following **Source** Dimensions have had description **changes** effective July 1, 2012:

**CHANGES****Account Description****040 Tuition from Patrons (Funds 01 and 04)**

Record revenue from students, parents, or guardians received for tuition for instructional programs. Revenue must be coded to the fund and program for which the tuition was charged. **For example, Fund 01 for tuition from foreign exchange students or Fund 04 for community education programs, including driver's education.**

For the Early Learning and Development (ELD) Programs, record revenue from federal and state scholarship payments received through third party administrators

*Payment Description - N/A*

**625 Insurance Recovery**

Record revenue from insurance recoveries for losses of school property. These revenues must be recorded in the fund that incurred the loss. Districts must identify insurance receipts for the repair of school buses involved in accidents or to replace stolen garage supplies with Finance Code 720, Regular To-and-From School. School buses declared

total losses should use Finance Code 000, District-Wide. This code includes FEMA proceeds not related to Health and Safety projects.

*(Include former Source Code 626, Insurance Recovery on Pupil Transportation Vehicles)*

## **629 Health and Safety Other Revenue**

Record other revenue sources for health and safety projects beyond state aid or levy. This includes, but is not limited to: insurance and legal settlements, petro fund reimbursements and rebates for approved lighting replacement. This code includes FEMA proceeds related to Health and Safety projects.

## **651 Commissioner-Approved Transfers – In (Fund 01 or 06)**

Use this code with the appropriate finance code to record transfers in approved by the commissioner under [Minnesota Statutes, section 123B.80](#), and adopted by the school board. This includes transfer requests approved in FY 2012 and FY 2013 under the temporary authority granted in Laws 2011, First Special Session, Chapter 11, Article 5, Section 11. Laws 2012, Chapter 239, Article 1, Section 31 extends the authority to FY 2014 and FY 2015. Both laws require the board to adopt a resolution stating that the transfer will not diminish instructional opportunities for students. Transfer requests under this temporary authority are not permitted from the Food Service Fund (02), or the Community Service Fund (04). The transfers may not increase state aid obligations or result in additional property tax authority for the district.

The following clarification was added to the MAFA Manual Section D, Subd. 2(f) - Deposit of Receipts (UFARS Manual Chapter 14):

Receipts should be deposited daily. If, however, the cash on hand is not of an amount to warrant deposit, or cannot be deposited daily due to the student activity being conducted during a weekend period, it should be placed in a secure location such as the school safe.

## **FY 2013 Proposed UFARS Turnaround Report Edits**

### **FY 2013 New UFARS Edits**

- 1) The existing course code edit has been updated for the new Course Code 667 – School Improvement Implementation Set-Aside (Current Year).
 

\*WARNING\*COURSE 621-632,634-639 and 667 ALLOWED ONLY WITH FINANCE 401 AND 414.
- 2) The existing third year Fund 02 edit has been updated to replace Balance Sheet Code 422 with Balance Sheet Codes 460 (Nonspendable), 463 (Unassigned), and 464 (Restricted).
 

\*WARNING\*G.L. FUND 2 EDIT, HAS BEEN NEGATIVE FOR 3 YEARS; PLEASE SEE MS124D.111.
- 3) To improve the quality of revenue reporting, a new revenue edit will help prevent charter schools (Type 07) from coding to source codes 001-020, 072, 213-299, 301, 631 or 635.
 

\*ERROR\*A DISTRICT TYPE 07 IS NOT PERMITTED TO USE SOURCE CODE XXX.
- 4) To improve the quality of revenue and expenditure reporting, new revenue and expenditure edits will help prevent charter schools (Type 07) from coding to finance codes 315 (Integration Aid and Levy), 339 (Safe Schools Levy \$3 Set-Aside) or 342 (Safe Schools Levy). Additional codes may be added to this list.
 

\*ERROR\*A DISTRICT TYPE 07 IS NOT PERMITTED TO USE FINANCE CODE XXX.

- 5) For 400-Series Fund Balance Accounts, a new edit will identify discrepancies between the prior years ending balance and the current years beginning balance for each 400-level account.

\*WARNING\*FOR GENERAL LEDGER NUMBER xxx, THE CURRENT YEAR BEGINNING BALANCE DOES NOT EQUAL THE PRIOR YEARS ENDING BALANCE.

- 6) The underlying edit for Object Code 895 – Federal and Nonpublic Indirect Cost (Chargeback) will be changed from Object Code 895 must be greater than zero to Object Code 895 must be zero.

### Future Proposed UFARS Edits

- 1) Reporting the software vendor in the header section of the UFARS submission file.
- 2) All organization sites reported on the UFARS submission file must be identified as active in the MDE-ORG database.

For questions regarding UFARS submission edits, please contact [Patti Scott](#) at 651-582-8646.

## FY 2013 Staff Development - Finance Codes (306, 307, 308 and 316)

### Review

The general education revenue reserve requirement for staff development *may be waived* for FY 2013 per Laws 2011, First Special Session, chapter 11, article 1, section 35. If *no fund balance existed* in the Restricted/Reserved Balance Sheet Code 403 on June 30, 2012, school districts *may* use revenue that would have been reserved for staff development, according to the requirements of general education revenue under Minnesota Statutes, section 126C.13, Subdivision 5, except as provided in sections 126C.10, Subdivision 14, 126C.12 and 126C.15.

If a *fund balance existed* in the Restricted/Reserved Balance Sheet Code 403 on June 30, 2012, use Finance Codes 306, 307 or 308 for staff development expenditures, unless the school district received approval from the commissioner to make a fund transfer during FY 2013 under the authority provided in 2011 First Special Session Laws, Chapter 11, Article 5, section 11 as amended by Laws 2012, Chapter 239, Article 1, section 31. For FY 2013 general education revenue allocated for staff development, use Finance Code 316.

Please reference Table One for the following five possible scenarios:

#### Scenario One:

- June 30, 2012 – **no** fund balance in Balance Sheet Code 403
  - The general education revenue reserve requirement for staff development **is waived** (Minn. Stat. § 126C.13, Subd. 5)
  - Finance Code 000
  - Balance Sheet Account 422

#### Scenario Two:

- June 30, 2012 – **no** fund balance in Balance Sheet Code 403
  - The general education revenue reserve requirement for staff development **is not waived** (Minn. Stat. § 126C.13, Subd. 5)
  - Finance Code 316
  - Balance Sheet Account 403

#### Scenario Three:

- June 30, 2012 – fund balance in Balance Sheet Code 403 (Comprised of 306, 307 and 308)
  - Commissioner approved fund balance transfer (application required)
  - Transfer **from** Balance Sheet Code 403
  - Transfer **to** Balance Sheet Code XXX

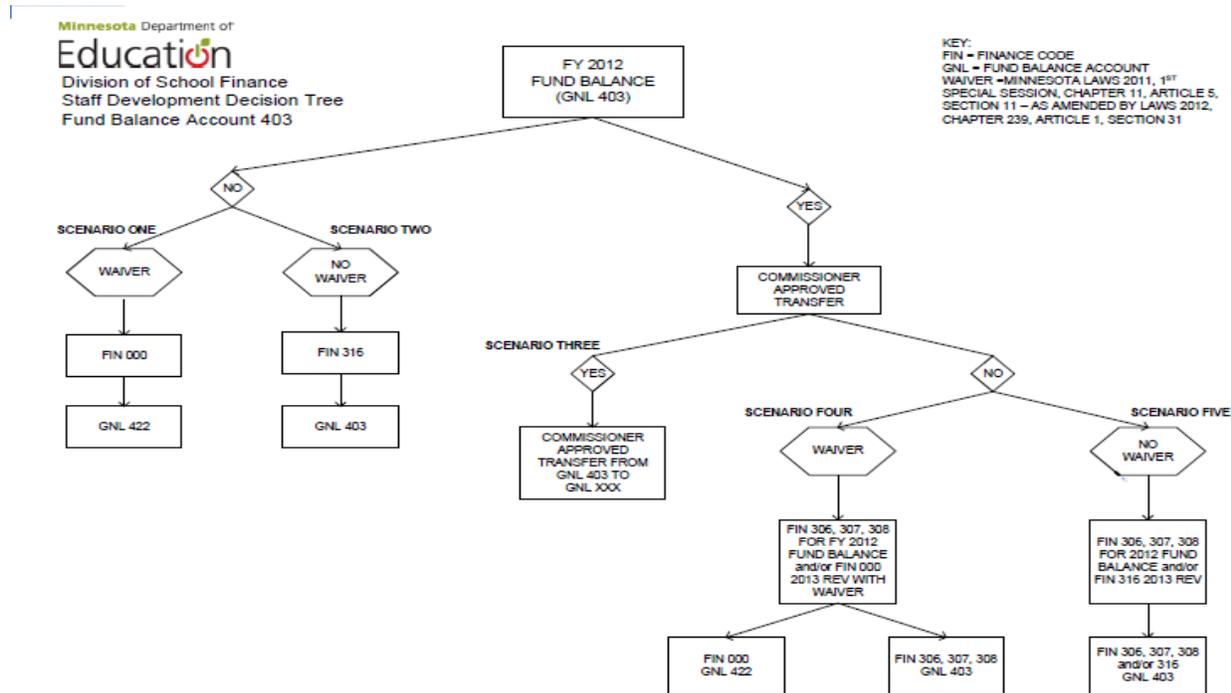
**Scenario Four:**

- June 30, 2012 – fund balance in Balance Sheet Code 403
  - The general education revenue reserve requirement for staff development **is waived** (Minn. Stat. § 126C.13, Subd. 5)
  - If spending FY 2012 fund balance, use Finance Codes 306, 307 and 308
  - For any FY 2013 general education revenue allocated or budgeted for staff development, use Finance Code 000

**Scenario Five:**

- June 30, 2012 – fund balance in Balance Sheet Code 403
  - The general education revenue reserve requirement for staff development **is not waived** (Minn. Stat. § 126C.13, Subd. 5)
  - If spending FY 2012 fund balance, use Finance Codes 306, 307 and 308.
  - For any FY 2013 general education revenue allocated or budgeted for staff development, use Finance Code 316.

**TABLE ONE**



[View the information on 2012 Minnesota staff development legislation and reporting requirements](#) or contact the Accounting Helpdesk at: [mde.ufars-accounting@state.mn.us](mailto:mde.ufars-accounting@state.mn.us).

## Food Service - Healthy, Hunger-Free Kids Act of 2010

### Overview

The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 made significant changes to the National School Lunch Act (NSLA). These changes included updates to meal patterns and nutrition standards for the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). On January 26, 2012, the Department of Agriculture amended the NSLA to provide an additional 6 cents reimbursement per lunch to school districts certified by the state agency to be in compliance with the updated meal patterns and nutritional standards.

**UFARS**

MDE Food and Nutrition Services are tracking the additional 6 cents per lunch served because of the USDA requirements. No additional tracking is required. The 6 cents per lunch is an increase in the school lunch reimbursement and should be coded using UFARS Finance Code 701 (National School Lunch Program) and Source Code 471 (School Lunch Program).

For questions or information regarding the Healthy, Hunger-Free Kids Act of 2010, please contact Food and Nutrition Service at 651-582-8526.

**Early Learning Challenge Grant and Scholarship Program Updates**

**Early Learning Challenge Grant**

Minnesota received a federal Early Learning Challenge Grant of \$45 million for FY 2012 – FY 2015 to support a plan to improve results for children and build capacity and accountability into our early learning system.

For FY 2013, implementation of the Early Learning Challenge grant was limited to 13 eligible school districts and one Bureau of Indian Affairs (BIA) school and focused on four high-need communities:

- 1) White Earth Reservation,
- 2) Itasca County,
- 3) Saint Paul’s Promise Neighborhood,
- 4) Minneapolis’ Northside Achievement Zone

**Early Learning Challenge Scholarships**

The Minnesota legislature has appropriated \$2,000,000 in FY 2013 for Early Childhood Education Scholarships. The base for subsequent years is \$3,000,000 per year. The federal award for Race to the Top (RTTT) Early Learning Challenge Scholarships was \$9,579,141 for an award term of November 15, 2012 through December 31, 2015.

Both state and federal Early Learning Scholarships are available for select students:

<b>State - Funded</b>	<b>Federally Funded - Race-to-the-Top</b>
Specific geographic areas in metro and outstate communities	Metro areas, Itasca County and White Earth Reservation
Income eligibility requirements	Income eligibility requirements
Families complete applications at scholarship offices	Families complete applications at scholarship offices
<b>Eligibility:</b> 3-5 years who are not eligible for kindergarten	<b>Eligibility:</b> Birth to kindergarten entry
Scholarship amount per child: 4-star program up to \$4,000 per child.	Scholarship amount per child to be determined by Transformation zones.
<b>Enrollment:</b> Minimum weekly enrollment hours not required	<b>Enrollment:</b> 15 hours/week

Early Learning Scholarship payments will be received through a third-party coordinator. The following is the accounting treatment of a School Readiness *example*:

	<b>Fund</b>	<b>Organization</b>	<b>Program</b>	<b>Finance</b>	<b>Source/Object</b>	<b>Course</b>
<b>Revenue</b>	<b>04</b>	<b>XXX</b>	<b>582</b>	<b>344</b>	<b>040*</b>	<b>XXX</b>
<b>Expenditure</b>	<b>04</b>	<b>XXX</b>	<b>582</b>	<b>344</b>	<b>XXX</b>	<b>XXX</b>

**\*Source Code 040 – Tuition from Patrons**

The following UFARS Program and Finance Codes were added to record associated costs with Fund 01 and 04 activities in the Early Learning Challenge Grant and Scholarship fee-based Kindergarten-Age programs and non-fee based Preschool programs (three through five-year olds):

**Program****578 Optional Fee-Based Programs for Kindergarten-Age Students (Fund 04)**

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

**Program****579 Preschool – Instructional (Fund 04)**

Record all costs for non-fee based Preschool programs that provide educational opportunities to children three through five-years old that do not generate average daily membership with respect to MARSS. School age care costs should be reported in Program Code 570.

**Finance****412/612 Race-to-the-Top – Early Learning Challenge – Title I Prekindergarten Incentive (Fund 01 and 04)**

For FY 2013, this award is limited to 13 eligible school districts and one Bureau of Indian Affairs (BIA) school. Record revenues and expenditures to provide Early Learning and Development (ELD) programs and to increase support and involvement in early childhood programs (CFDA No. 84.412, American Recovery and Reinvestment Act of 2009 (ARRA), Sections 14005, 14006, and 14013, Title XIV, Public Law 112-10). Use with Program Codes 201, 578, 579 and 581.

For questions on the Early Learning Challenge Grant, contact [Lisa Barnidge](#) at 651-582-3349.

For questions on the Early Learning Challenge Scholarships, contact [Lisa Cariveau](#) at 651-582-8332.

## Maximum Allowable Wage Reclassification – Food Service FY 2013

Based on information published by the Bureau of Labor Statistics, the average hourly wage for public school food service directors is \$25.28. This is the maximum rate at which the labor of a superintendent or fiscal manager performing the duties of a food service director can be charged back to the food service fund.

For questions or information regarding supporting documentation for wage reclassification chargebacks, please contact [Debrah Firkus](#) at 651-582-8775.

For questions regarding accounting entries to reclassify costs, please contact [Sarah Miller](#) at 651-582-8370/

## IT Helpdesk

Submit technical questions or problems with the MDE website to [mde.it-helpdesk@state.mn.us](mailto:mde.it-helpdesk@state.mn.us)

## UFARS Accounting Helpdesk

For UFARS accounting questions, please contact [mde.ufars-accounting@state.mn.us](mailto:mde.ufars-accounting@state.mn.us).