



SCHOOL BUSINESS BULLETIN

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In this Bulletin...

<i>1. Accounting Clarification on Certificates of Participation</i>	<i>2</i>
<i>2. Operating Capital Transfer (\$51).....</i>	<i>2</i>
<i>3. Safe Schools Levy - Maintenance of Effort.....</i>	<i>3</i>
<i>4. Separation and Retirement Benefits</i>	<i>4</i>
<i>5. Accounting for Other Post-Employment Benefit Bonds</i>	<i>5</i>
<i>6. FY 2009 American Recovery and Reinvestment Act (ARRA).....</i>	<i>6</i>
<i>7. FY 2009 UFARS Grid Release 9.5 - Certificates of Participation.....</i>	<i>7</i>
<i> FY 2009 UFARS Grid Release 9.5 - Separation and Retirement Benefits.....</i>	<i>8</i>
<i> FY 2009 UFARS Grid Release 9.5 - ARRA.....</i>	<i>9</i>
<i> FY 2009 UFARS Grid Release 9.5 - EDRS to Manual Reporting.....</i>	<i>11</i>
<i> FY 2009 UFARS Grid Release 9.5 - Federal Award Year.....</i>	<i>24</i>
<i>8. Loading FY 2009 UFARS Data Files.....</i>	<i>25</i>
<i>9. Summary of the FY 2009 Audit Requirements.....</i>	<i>26</i>
<i>10. Summary of the FY 2008 Audit Reviews and Corrective Action Plans.....</i>	<i>27</i>
<i>11. FY 2009 Fiscal Compliance Table.....</i>	<i>27</i>

This School Business Bulletin #40 is designed to address FY 2009 changes and provide clarification of instruction resulting from the recent legislative session, the American Recovery and Reinvestment Act, and/or new processes for reporting. This bulletin also provides end-of-year instruction on required reporting of UFARS data and audits.

1. Accounting Clarification on Certificates of Participation

An issuance of certificates of participation (COPs) is a mechanism for providing capital to school districts to purchase equipment, finance construction projects, or refinance existing leases. This financing technique provides long-term financing through a lease with an option to purchase or a conditional sales agreement. Though COPs are technically a lease-purchase agreement, the accounting treatment for this type of instrument should not be accounted for as a capital lease. A typical capital lease would have the following transactions:

Lease Transaction

Debit Fund 1 Object Code 535
Credit Fund 1 Object Code 589

Lease Levy

Debit Fund 1 BS 101
Credit Fund 1 Source Code 001

Lease Payment

Debit Fund 1 Object Code 580/581
Cash Fund 1 BS 101

The COP proceeds may be held in a trust account or may be held by the school. In either case, the project should be reported in the building construction fund and the lease levy and payments should be reported in the general fund.

Proceeds

Debit Fund 6 BS 101 (or BS 103 if held by a trustee)
Credit Fund 6 Finance Code 791* Source Code 635*

Project Costs

Debit Fund 6 Finance Code 791* Object Code xxx
Credit Fund 6 BS 101 (or BS 103 if held by a trustee)

Funds must be reserved in the building construction fund (BS 413*).

Lease Levy

Debit Fund 1 BS 101
Credit Fund 1 Source Code 001

Lease Payment

Debit Fund 1 Object Code 580/581
Cash Fund 1 BS 101

Since there has been various accounting methods used when recording COP-related transactions, any COP-related assets not already capitalized should be transferred into Fund 6 in FY 2009 and reserved in Balance Sheet Code 413 until the funds have been spent and the assets have been capitalized.

*Finance Code 791, Source Code 635, and Balance Sheet Code 413 are new codes. Refer below to Article 7 – FY 2009 UFARS Changes for the descriptions related to these new codes.

For further information, contact Janna Duffy at 651-582-8788 or mde.ufars-accounting@state.mn.us.

2. Operating Capital Transfer (\$51)

A school district may transfer money from its Reserve for Operating Capital account (424) to its Undesignated General Fund Balance (422) in FY 2009 and FY 2010. This is in addition to the transfer already allowed for FY 2008. This transaction should be recorded directly from the Balance Sheet Code 424 to Balance Sheet Code 422. Do not report this transfer through the use of object code 910 and source code 649. The amount transferred by any school district must not exceed \$51 times the district's adjusted marginal cost pupil units for the second preceding fiscal year. This transfer annually may occur only after the school board had adopted a written resolution stating the amount of the transfer and declaring that school district's operating capital needs are being met.

A list of districts' FY 2007 AMCPU is located at the following MDE Website address: <http://education.state.mn.us> > Accountability Programs > Program Finance > General Education. The spreadsheet can be obtained by going to the MDE Website home page <http://education.state.mn.us>, then go to Accountability Programs, then go to Program Finance, then go to General Education, and select FY 2007 Adjusted Marginal Cost Pupil Unit (AMCPU) spreadsheet. Note: this is the same AMCPU schedule that was used in FY 2008.

The transfer amount authorized by board resolution must be reported on the FY 2009 fiscal compliance table. There will be three required fields to enter: Per Pupil Amount, AMCPU, and Total Transfer Amount. If the district did not make a transfer, they must enter zeros in the three fields.

For further information, contact Mary Weigel at 651-582-8770 or mary.weigel@state.mn.us

3. Safe Schools Levy – Maintenance of Effort

Minnesota Statutes 126C.44 Safe School Levy requires all districts annually certify they have met the maintenance of effort requirement, whether the board levies the safe school levy or not. This can be achieved through either of the following methods:

- 1) District’s total spending on services provided by the licensed pupil support staff is not less than the sum of its expenditures for these purposes, excluding amounts spent under Minnesota Statutes 126C.44 Safe School Levy, in the previous year plus the amount spent under this same section in the current year, or
- 2) District’s full-time equivalent number of employees for the licensed pupil support staff for the current year is not less than the number for the previous year.

The statute defines licensed pupil support staff as: licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologist, and licensed alcohol and chemical dependency counselors. In determining the number of full-time equivalent employees, do not include contracted services. Contracted services would only be included in total spending.

Example of the Total Spending Maintenance of Effort Calculation:

The FY 2009 base year computation is the total spending on services provided by the licensed pupil support staff less the portion of FY 2009 safe school levy expenditures for these licensed pupil support staff.

The FY 2010 computation is the total spending on services provided by the licensed pupil support staff less the portion of FY 2010 safe school levy expenditures for these licensed pupil support staff. In FY 2010, the current year spending must be at least the amount of the prior year (FY 2009) spending.

FY 2009

	Total Spending on Services for Licensed Pupil Support Staff (includes safe school levy expenditures)	\$100
Less:	Safe School Levy Expenditures for Licensed Pupil Support Staff	20
	FY 2009 Spending	\$ 80

FY 2010

	Total Spending on Services for Licensed Pupil Support Staff (includes safe school levy expenditures)	\$100
Less:	Safe School Levy Expenditures for Licensed Pupil Support Staff	15
	FY 2010 Spending	\$ 85

FY 2010 Verification of Maintenance of Effort for Safe School Levy

FY 2009	Prior Year Spending	\$80
FY 2010	Current Year Spending	\$85
	Results: FY 2010 ≥ FY 2009	

Districts are required to submit the FY 2009 total spending and the full-time equivalent number of licensed pupil support staff in the Fiscal Compliance Table. The Fiscal Compliance Table with related instruction is at: <http://education.state.mn.us> > Data > Data Submissions. It can also be found by going to the MDE Website home page at <http://education.state.mn.us>, then go to Data, and then Data Submissions, and scroll down to Fiscal Compliance Table.

Note: This section does not apply to charter schools. For further information, contact Mary Weigel at 651-582-8770 or mary.weigel@state.mn.us.

4. Separation and Retirement Benefits

A subcommittee of the Advisory Committee on Financial Management, Accounting and Reporting was formed to address the accounting treatment of separation and retirement benefits in the Uniform Financial Accounting and Reporting Standards (UFARS) manual.

The UFARS Balance Sheet Account 411 – Reserve for Severance does not have statutory authority and does not comply with the applicable Governmental Accounting Standards Board (GASB) Statements. This account will be eliminated in FY 2010.

The levy authority for unfunded severance and retirement costs (M.S. 126C.41 Subd. 6) is the only statute that has a reserve requirement related to severance. A school district qualifies for this levy if the district (1) participated in the cooperative secondary facilities program; (2) consolidated with at least two other school districts; and (3) has unfunded severance or retirement costs. A school district that levies under this section must reserve the proceeds of the levy and spend those amounts only for unfunded severance or retirement costs. UFARS Balance Sheet Account 453 – Reserved for Unfunded Severance and Retirement Levy should be used for these purposes.

The UFARS Balance Sheet Code 418 – Designated for Separation/Retirement Benefits will no longer be restricted to 50 percent of the amount necessary to meet to meet obligations for the portion of severance pay that constitutes compensation for accumulated sick leave. Minnesota Statutes 123B.79, subd. 7, which authorized UFARS Balance Sheet 418, was amended to 1) clarify that this is a designated account and not a reserve account; 2) remove language limiting the account balance to 50 percent of the amount needed for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for the payment of group health insurance premiums, and 3) expand the uses to include separation and retirement benefits, including compensated absences, termination benefits, pension benefits and other post employment benefits not accounted for elsewhere.

Refer below to Article 7 – FY 2009 UFARS Changes for the new/revised descriptions related to the related balance sheet codes.

Compensated Absences, Termination, Pension and Other Post-Employment Benefits

Prior to this change, the UFARS Balance Sheet Account 411 – Reserved for Severance reserved funds used for insurance for accumulated sick leave, early retirement incentive payments, and continuing health insurance payments to retired employees. For all districts with severance pay plans, the amount recorded in this account was equal to the portion of long-term debt at the end of the current fiscal year that was scheduled for payment in the second ensuing year. Beginning in FY 2010, this calculation will no longer be used. Guidance on the proper accounting for Compensated Absences, Termination Benefits, Pension Benefits, and Other Post-Employment Benefits (OPEB) are listed below, per the applicable GASB Statements.

Compensated Absences (GASB No. 16)

Compensated absences are absences for which employees will be paid, including vacation leave and sabbatical leave. For financial reporting purposes, compensated absences are strictly limited to leave that 1) is attributable to services already rendered, and 2) is not contingent on a specific event that is outside the control of the employer or employee.

Vacation leave and sabbatical leave normally expected to be liquidated with expendable available financial resources would be considered a liability in your operating funds, as stated in GASB Interpretation No. 6. This is not intended to be a change from current practice.

Sick leave would be included only if paid at resignation, termination or retirement. Sick leave is not considered a compensated absence liability in your operating funds until the occurrence of relevant events such as employee resignations and retirements.

Object Code 191 (taxable)
Object Code 250 and/or 251 (non-taxable)
Current Balance Sheet 201
Long-Term Balance Sheet 99-262

Termination Benefits (GASB No. 47)

Termination benefits are benefits provided by employers to employees as an inducement to hasten the termination of services or as a result of a voluntary **early termination** (voluntary termination benefits) or as a consequence of the involuntary **early termination** of services (involuntary termination benefits). Termination benefits are different in nature

from the salaries and benefits, including postemployment benefits that an employer provides as compensation for employee services.

In determining whether the nature of a benefit arrangement is to provide benefits in exchange for the early termination of services (a termination benefit) or to provide benefits in exchange for employee services (a pension benefit or OPEB), professional judgment should be applied considering all relevant factors—including, for example, the employer's intent, the way in which the employees generally view the benefits, whether the benefit is conditioned on termination of employment prior to the normal retirement age, and the length of time for which the benefits have been made available.

Termination benefits normally expected to be liquidated with expendable available financial resources would be considered a liability in your operating funds, as stated in GASB Interpretation No. 6.

Object Code 191 (taxable)
Current Balance Sheet 201
Long-Term Balance Sheet 99-260

Pension Benefits (GASB No. 27 and GASB No. 50)

Lump-sum payments based on years of service paid directly to a retiree or paid to a deferred compensation plan on behalf of an employee would be a pension benefit. Contributions to a health reimbursement account (HRA) or health savings account (HSA) or payments to an insurance plan would be considered other post-employment benefit, not a pension benefit.

Pension benefits require an actuarial valuation. Expenditures related to these benefits are recorded in the operating funds when paid to the retiree or deferred compensation plan.

An internal service fund is specifically designed for goods or services that are provided on a cost-reimbursement basis. Accumulation of excess funds in the internal service fund for the purpose of pension payments is not recommended.

Object Code 191 (taxable)
Object Code 250 (non-taxable)
Current Balance Sheet 201
Long-Term Balance Sheet 99-260

Other Post-Employment Benefits (GASB No. 45)

Other post-employment benefits (OPEB) are another form of compensation offered to attract and retain the services of qualified employees. OPEB includes post-employment healthcare, as well as other forms of post-employment benefits (for example, life insurance) when provided separately from a pension plan.

OPEB benefits require an actuarial valuation. An entity may fund any amount up to its total unfunded liability plus current year normal cost, through pay-as-you-go payments or contributions to an irrevocable trust. Funds may also be set-aside in a reserve account, an internal service fund, or a revocable trust fund. However, these set-asides would not fund the liability since the district would still have ownership or control of the assets.

Object Code 252 (Up to or = to ARC)
Object Code 289 (Contributions to Internal Service)
Object Code 290 (In excess of ARC)
Object Code 291 (Pay-As-You-Go)
Long-Term Balance Sheet 99-260

For further information, contact Janna Duffy at 651-582-8788 or mde.ufars-accounting@state.mn.us.

5. Accounting for Other Post-Employment Bonds

The Advisory Committee on Financial Management, Accounting and Reporting reviewed the accounting treatment for Other Post-Employment Benefits (OPEB) Bonds in the Uniform Financial Accounting and Reporting Standards (UFARS) manual. After considerable discussion, a summary of the instructions are noted below and may also be found in Chapter 13 of the FY 2009 UFARS manual.

Note: When OPEB bonds are sold, they must first be received and expensed in the operating funds. The expense should be broken down to a programmatic level of detail (see the bottom of the spreadsheet for more information). Beginning in FY 2008, a new Profiles report will be posted to the MDE Website - Total Other Post Employment Benefits (OPEB) Bond Sales & Expenditure Detail. The report is located at the following MDE Website address: <http://education.state.mn.us> > Accountability Programs > Program Finance > Financial Management > School District Financial Profiles.

For further information, contact Jenna Duffy at 651-582-8788 or mde.ufars-accounting@state.mn.us.

ACCOUNTING FOR	Operating Funds	Operating Funds	Internal Service (20)	Internal Service (25)	Fund 25
OTHER POST-EMPLOYMENT BENEFITS	Unreserved - 422	Reserved - 452	Unreserved - 422	Reversible Trust	Inventoried Trust
	No Bonds or Trust	Bond Proceeds - No Trust	No Bonds or Trust	May Have Bond Proceeds	May Have Bond Proceeds
Bond Proceeds					
Debit - Net Proceeds	n/a	FD 1-2-4, GL 101	n/a	FD 1-2-4, GL 101	FD 1-2-4, GL 101
Debit - Advertisers/Consults/Agencies	n/a	FD 1-2-4, ORG 005, FRO 910, FIN 000, OBJ 305	n/a	FD 1-2-4, ORG 005, FRO 910, FIN 000, OBJ 305	FD 1-2-4, ORG 005, FRO 910, FIN 000, OBJ 305
Credit - PAR, Underwriters Discount	n/a	FD 1-2-4, ORG 005, FRO 910, FIN 793, SEC 631	n/a	FD 1-2-4, ORG 005, FRO 910, FIN 000, SEC 631	FD 1-2-4, ORG 005, FRO 910, FIN 000, SEC 631
Debit - Unused Discount	n/a	FD 1-2-4, ORG 005, FRO 910, FIN 000, OBJ 910	n/a	FD 1-2-4, ORG 005, FRO 910, FIN 000, OBJ 910	FD 1-2-4, ORG 005, FRO 910, FIN 000, OBJ 910
Debit - Unused Discount	n/a	FD 47, GL 101	n/a	FD 47, GL 101	FD 47, GL 101
Credit - Unused Discount	n/a	FD 47, ORG 005, FRO 910, FIN 000, SEC 649	n/a	FD 47, ORG 005, FRO 910, FIN 000, SEC 649	FD 47, ORG 005, FRO 910, FIN 000, SEC 649
Credit - Unused Discount	n/a	FD 1-2-4, GL 101	n/a	FD 1-2-4, GL 101	FD 1-2-4, GL 101
Debit - Amst of Bond Issue	n/a	FD 99, GL 151	n/a	FD 99, GL 151	FD 99, GL 151
Credit - Amst of Bond Issue	n/a	FD 99, GL 250	n/a	FD 99, GL 250	FD 99, GL 250
Transfer to Trust Fund (25 or 45)					
Debit - Net Proceeds	n/a	n/a	n/a	FD 1-2-4, ORG 005, FRO*, NOT FIN 793, OBJ 252/290	FD 1-2-4, ORG 005, FRO*, NOT FIN 793, OBJ 252/290
Credit - Net Proceeds	n/a	n/a	n/a	FD 1-2-4, GL 101	FD 1-2-4, GL 101
Debit - Net Proceeds	n/a	n/a	n/a	FD 25, GL 101	FD 45, GL 101
Credit - Net Proceeds	n/a	n/a	n/a	FD 25, ORG 005, FRO 935, FIN 000, SEC 614	FD 45, ORG 005, FRO 935, FIN 000, SEC 614
Transfer to Internal Service Fund - No Trust (20)					
Debit - Transfer Amst	n/a	n/a	FD 1-2-4, ORG 005, FRO*, NOT FIN 793, OBJ 289	n/a	n/a
Credit - Transfer Amst	n/a	n/a	FD 1-2-4, GL 101	n/a	n/a
Debit - Transfer Amst	n/a	n/a	FD 20, GL 101	n/a	n/a
Credit - Transfer Amst	n/a	n/a	FD 20, ORG 005, FRO 935, FIN 000, SEC 615	n/a	n/a
Direct Payments for OPEB					
Debit - Amst Paid	FD 1-2-4, ORG 005, FRO*, NOT FIN 793, OBJ 291	FD 1-2-4, ORG 005, FRO*, FIN 793, OBJ 291	FD 20, ORG 005, FRO 935, FIN 000, OBJ 220/230/235	FD 25, ORG 005, FRO 935, FIN 000, OBJ 220/230/235	FD 45, ORG 005, FRO 935, FIN 000, OBJ 220/230/235
Credit - Amst Paid	FD 1-2-4, GL 101	FD 1-2-4, GL 101	FD 20, GL 101	FD 25, GL 101	FD 45, GL 101
Retiree Contributions for OPEB					
Debit - Amst Received	FD 1-2-4, GL 101	FD 1-2-4, GL 101	FD 20, GL 101	FD 25, GL 101	FD 45, GL 101
Credit - Amst Received	FD 1-2-4, ORG 005, FRO*, NOT FIN 793, OBJ 291	FD 1-2-4, ORG 005, FRO*, FIN 793, OBJ 291	FD 20, ORG 005, FRO 935, FIN 000, SEC 616	FD 25, ORG 005, FRO 935, FIN 000, SEC 616	FD 45, ORG 005, FRO 935, FIN 000, SEC 616
Levy Proceeds					
Debit - Amst Received	n/a	FD 47, GL 101	n/a	FD 47, GL 101	FD 47, GL 101
Credit - Amst Received	n/a	FD 47, ORG 005, FRO 910, FIN 000, SEC 001	n/a	FD 47, ORG 005, FRO 910, FIN 000, SEC 001	FD 47, ORG 005, FRO 910, FIN 000, SEC 001
Bond Payments					
Debit - Principal	n/a	FD 47, ORG 005, FRO 910, FIN 000, OBJ 710	n/a	FD 47, ORG 005, FRO 910, FIN 000, OBJ 710	FD 47, ORG 005, FRO 910, FIN 000, OBJ 710
Debit - Interest	n/a	FD 47, ORG 005, FRO 910, FIN 000, OBJ 720	n/a	FD 47, ORG 005, FRO 910, FIN 000, OBJ 720	FD 47, ORG 005, FRO 910, FIN 000, OBJ 720
Credit - Payment	n/a	FD 47, GL 101	n/a	FD 47, GL 101	FD 47, GL 101
Debit - Amst of Bond Paid	n/a	FD 99, GL 250	n/a	FD 99, GL 250	FD 99, GL 250
Credit - Amst of Bond Paid	n/a	FD 99, GL 151	n/a	FD 99, GL 151	FD 99, GL 151

FRO* = Should be broken down into the program level detail as follows: 100 - Superintendent, 030 - Instructional Administration, 050 - School Administration, 105 - General Administration, 107 - Other Administrative Support, 110 - Business Support Services, 203 - Elementary Instruction, 211 - Secondary Instruction, 399 - Vocational Instruction, 400 - Special Education Instruction, 500 Series - Community Education, 600 Series - Adult Support, 710/712 - Counseling/Outreach Services, 720 - Health Services, 730 - Psychological and Mental Health Services, 740 - Social Work Services, 760 - Paid Transportation, 770 - Food Service, 790 - Other Paid Support, 810 - Operations and Maintenance.

Reference items are bold/italic.

Note 1: Reconciling to expenditures accounts requires a lot of detail work. It is simpler to use B-DX-215-XXXX (Payroll Deductions) for the retiree receipt and payment activity.

6. **FY 2009 American Recovery and Reinvestment Act (ARRA)**

The overall goals of the ARRA are to stimulate the economy in the short term and invest in education and other essential public services to ensure the long-term economic health of our nation. Some of the ARRA funds are available in FY 2009 and UFARS finance codes have been built to accommodate reporting on the use of funds. The new finance codes are as follows:

- 470/670 - Title I, Part A
- 480/680 - Individuals with Disabilities Education Act (IDEA) Part B 611
- 481/681 - Individuals with Disabilities Education Act (IDEA) Part B 611 CEIS
- 482/682 - Individuals with Disabilities Education Act (IDEA) Part B 611 CEIS Mandatory
- 483/683 - Individuals with Disabilities Education Act (IDEA) Part B 611 Schoolwide Title I
- 484/684 - Individuals with Disabilities Education Act (IDEA) Part B 619
- 485/685 - Individuals with Disabilities Education Act (IDEA) Part B 619 CEIS Mandatory
- 496/696 - School Lunch Equipment Assistance
- 515 - Impact Aid Construction Formula Grants*

*Direct from Federal Source

Title I of the Elementary and Secondary Education Act (ESEA)

The U.S. Department of Education awarded the first 50% of the ARRA for the Title I Part A on April 1, 2009. Districts that are eligible to receive funds through the Targeted Grants and Education Finance Incentive Grants (EFIG) are eligible to receive Title I Part A funds under ARRA. These funds are available to districts as a reimbursement for allowable expenditures made on or after April 15, 2009. April 15th is the date that federal funds request for Title I Part A and other ARRA federal funds was approved by the legislature. For more information on Title I allocations under the ARRA, <http://education.state.mn.us>.

Individuals with Disabilities Education Act (IDEA)

The U.S. Department of Education awarded the first 50% of the ARRA for the Individuals with Disabilities Education Act (IDEA) allocations for Part B, Sections 611 and 619 on April 1, 2009. These funds are available to districts as a reimbursement for allowable expenditures made on or after April 15, 2009. For more information on IDEA allocations under the ARRA, <http://education.state.mn.us>.

In FY 2009, expenditures reported under the new ARRA finance codes (listed above) will not be administered through the Electronic Data Reporting System (EDRS). The ARRA programs will report expenditures and request reimbursement draws through a manual process in FY 2009. Information used for the calculation of IEP Medical Assistance Rates for the Department of Human Services will need to be collected through UFARS since EDRS will not be available to collect the necessary personnel type codes. As a result, new object codes have been added for use in ARRA related programs. Refer below to Article 7 – FY 2009 UFARS Changes for the new/revised descriptions related to these object codes.

School Lunch Equipment Assistance

The ARRA provides a one-time appropriation for school lunch equipment assistance grants. The purpose of the grants is to improve the infrastructure for the National School Lunch Program (NLSP). Requests for grant funding may include new equipment, renovation of equipment, or replacement of equipment and were due on May 8th, 2009. The school lunch equipment awards were made to districts and charter schools the week of June 10th. For more information on the School Lunch Equipment Assistance grants under the ARRA, <http://education.state.mn.us>.

Impact Aid Construction Formula and Competitive Grants

The U.S. Department of Education will distribute formula grants as one-time payments through the Department's Grants Administration and Payment System (GAPS). These awards are based on student data contained in FY 2009 applications under section 8003 of the Impact Aid Program that were submitted in January 2008. Local Education Agencies (LEAs) are not required to submit an additional application for these funds. The U.S. Department of Education distributed the formula grants to eligible LEAs in April 2009.

The competitive (discretionary) grants will be awarded for specific projects following the competitive process that will be announced through a separate notice in the Federal Register in the upcoming months. Funds will be released in phases through GAPS as the selected projects progress. The U.S. Department of Education anticipates that the notice inviting applications for discretionary construction grants will be published in the *Federal Register* in July 2009 with awards issued by November 30, 2009. For more information on the Impact Aid Construction Grants under the ARRA, <http://www.ed.gov/policy/gen/leg/recovery/guidance/impactaid.pdf>.

Other ARRA Codes in FY 2009

In some cases, there was not enough guidance to identify when certain ARRA funds would be available. In a few circumstances, finance codes were built in FY 2009 though the ARRA funds will most likely not be available until FY 2010. More information will be provided if these ARRA funds in fact become available in FY 2009.

- 471/671 - Title I, Part D
- 472/672 - AYP Improvement Grants
- 473/673 - School Improvement Grants
- 478/678 - McKinney-Vento Homeless Grants
- 516 - Impact Aid Construction Competitive Grants*
- 518 - Head Start Grants*

*Direct from Federal Source

Refer below to Article 7 – FY 2009 UFARS Changes for the descriptions related to these new finance and object codes. For further information, contact Karen Dykoski at 651-582-8766 or karen.dykoski@state.mn.us.

7. FY 2009 UFARS Grid Release 9.5

The FY 2009 grid release 9.5 has a number of changes late in the year. Included in grid release 9.5 are code additions or revisions related to the accounting of Certificates of Participation and Severance/Retirement Benefits, the enactment of the American Recovery and Reinvestment Act, the transition from EDRS to SERVS Financial, and new procedures for reporting federal award activity in UFARS.

Certificates of Participation (Lease-Purchase Agreement)

The Advisory Committee on Financial Management, Accounting and Reporting addressed the inconsistent accounting practices used by schools to account for projects funded by Certificates of Participation. See above Article 1 – Accounting Clarification on Certificates of Participation.

New Source Code 635

Certificates of Participation (Lease-Purchase Agreement)

Record proceeds received from Certificates of Participation. This amount is recorded as *other financing source* in the financial statements.

New Finance Code 791

Projects Funded by Certificates of Participation (Lease-Purchase Agreement)

Record revenues and expenditures for building projects funded by Certificates of Participation. The activity in this code applies to Balance Sheet Code 413, Reserved for Projects Funded by Certificates of Participation.

New Balance Sheet Code 413

Reserved for Projects Funded by Certificates of Participation (Lease-Purchase Agreement)

Represents available resources from the issuance of Certificates of Participation for building projects. Related to Finance Code 791, Reserved for Projects Funded by Certificates of Participation. Minn. Stat. 126C.40. *This reserve account is not allowed to go deficit.*

Separation and Retirement Benefits

The Advisory Committee on Financial Management, Accounting and Reporting addressed the inconsistent accounting practices used by schools to account for separation and retirement benefits. See above Article 4 – Separation and Retirement Benefits.

Revised Balance Sheet Code 411

Reserved for Severance Pay (Funds 01, 02 and 04)

During FY 2009, balances **may** be recorded in this account by calculating the portion of the long-term debt at the end of the current fiscal year that is scheduled for payment in the second ensuing year. This account will be eliminated in FY 2010. *This reserve account is not allowed to go into deficit.*

Revised Balance Sheet Code 418

Designated for Separation/Retirement Benefits (Funds 01, 02 and/or 04)

Represents resources segregated from the Unreserved/Undesignated 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 designated account is not allowed to go into deficit.*

New Finance Code 792

Unfunded Severance and Retirement Levy (Fund 01)

Record revenues and expenditures related to the unfunded severance and retirement levy. The activity in this code applies to Balance Sheet Code 453, Reserved for Unfunded Severance and Retirement Levy. Minn. Stat. 126C.41, subd. 6.

New Balance Sheet Code 453

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 reserve account is not allowed to go deficit.*

Revised Balance Sheet Code 160

Amount Available for Separation/Retirement Benefits

Represents the reserved fund balances in the operating funds for Balance Sheet Account Code 452, Reserved for OPEB Bond Proceeds not held in a Trust, Balance Sheet Account Code 453, Reserved for Unfunded Severance and Retirement Levy, and the designated fund balance in the operating funds for Balance Sheet Account Code 418, Designated for Separation/Retirement Benefits. For FY 2009, Balance Sheet Account Code 411, Reserved for Severance Pay, would also be included in this account balance.

Revised Balance Sheet Code 161

Amount to be provided for Separation/Retirement Benefits

Represents the amounts needed to meet future separation and severance pay commitments. The balance of this account equals the amount shown in Balance Sheet Account Code 260, Separation/Retirement Benefits Payable, less the amount recorded in Balance Sheet Account Code 160, Amount Available for Separation/Retirement Benefits.

Note: This account may have a negative balance if there is a balance in Balance Sheet Account Code 452, Reserved for OPEB Bond Proceeds not held in a Trust.

Revised Balance Sheet Code 260**Separation/Retirement Benefits Payable**

Represents the total liability related to separation and severance pay commitments to employees who are vested, including the cumulative annual unfunded/overfunded pensions and other-post employment benefits. The amount recorded in this account equals the total of Balance Sheet Account Code 160, Amount Available for Separation/Retirement Benefits, and 161, Amount to be provided for Separation/Retirement Benefits.

American Recovery and Reinvestment Act (ARRA)

The overall goals of the ARRA are to stimulate the economy in the short term and invest in education and other essential public services to ensure the long-term economic health of our nation. Some of the ARRA funds are available in FY 2009 and UFARS finance codes have been built to accommodate reporting on the use of funds. See above Article 6 – American Recovery and Reinvestment Act (ARRA).

New Finance Codes 470/670**ARRA Title I, Part A**

Record revenues and expenditures to expand and improve educational programs to meet the needs of educationally disadvantaged children in low-income areas. Use only with Program Code 216. CFDA No. 84.389, Title I, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 471/671**ARRA Title I, Part D**

Record revenues and expenditures to expand and improve educational programs to meet the special needs of children under 21 years of age who have been placed in a correctional/treatment institution for the delinquent. This finance code is to be used only with Program 216. CFDA No. 84.389, Title I, Part D: Elementary and Secondary Education Act (ESEA), P.L. 107-110 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 472/672**ARRA Adequate Yearly Progress (AYP) Improvement Grants**

Record revenues and expenditures related to the Title I, No Child Left Behind - AYP Improvement Grants. This finance code is to be used only with Program 216. CFDA 84.389, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 473/673**ARRA School Improvement Grants**

Record revenues and expenditures related to the Title I, No Child Left Behind – School Improvement Grants. These competitive grants are for the purpose of improving student achievement in low-performing Title I schools and charter schools of any size and districts (with a student population of 1000 or less) identified in the corrective action or preparing for restructuring phase of Adequate Yearly Progress (AYP). The Minnesota Title I School Improvement Grants are intended to leverage change through high-quality professional development and increase achievement in the area(s) of reading and/or mathematics. CFDA 84.388, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 478/678**ARRA McKinney-Vento Homeless Grants**

Record revenues and expenditures to provide education and support services to homeless children through funding under the authority of the McKinney-Vento Homelessness Assistance Act. CFDA No. 84.387, Title X, Part C: Elementary and Secondary Education Act (ESEA), P.L. 107-110 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 480/680

ARRA Individuals with Disabilities Education Act (IDEA) Part B 611

Record revenues and expenditures for Individuals with Disabilities Act (IDEA), Part B, Section 611. P.L. 108-446; CFDA No. 84.391 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 481/681**ARRA Individuals with Disabilities Education Act (IDEA) Part B 611 CEIS**

Record revenues and expenditures for Coordinated Early Intervening Services (CEIS) under the Individuals with Disabilities Act (IDEA). These services are provided for students who have not been identified as needing special education but who require academic or behavioral support to succeed in general education classes. For students not yet identified as needing special education services, an application is required. P.L. 108-446; CFDA No. 84.391 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 482/682**ARRA Individuals with Disabilities Education Act (IDEA) Part B 611 CEIS Mandatory**

Record revenues and expenditures for mandatory Coordinated Early Intervening Services (CEIS) under the Individuals with Disabilities Act (IDEA). This requirement is mandatory if the LEA has experienced significant disproportionality in special education in specific areas. P.L. 108-446; CFDA No. 84.391 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 483/683**ARRA Individuals with Disabilities Education Act (IDEA) Part B 611 Schoolwide Title I**

Record revenues and expenditures under the Individuals with Disabilities Act (IDEA), Part B, Section 611 for pupils with disabilities ages 3 – 21 participating in a Schoolwide Title I program. Application required. P.L. 108-446; CFDA No. 84.027 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 484/684**ARRA Individuals with Disabilities Education Act (IDEA) Part B 619 – Preschool Grant for Children with Disabilities**

Record revenues and expenditures for Preschool Grants for Children with Disabilities. These grants are to assist states in providing a free appropriate education to children with disabilities between the ages of 3-5 years. P.L. 108-446; CFDA No. 84.391, Individuals with Disabilities Act, Part B, Section 619 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 485/685**ARRA Individuals with Disabilities Education Act (IDEA) Part B 619 CEIS Mandatory**

Record revenues and expenditures for mandatory Coordinated Early Intervening Services under Part B, Section 619. This requirement is mandatory if the LEA has experienced significant disproportionality in special education in specific areas. P.L. 108-446; CFDA No. 84.391, Individuals with Disabilities Act, Part B, Section 619 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Codes 496/696**ARRA School Lunch Equipment Assistance**

Record revenues and expenditures related to the School Lunch Equipment Assistance grants. These competitive grants are for the purpose of purchasing, renovating or replacing equipment used for the National School Lunch Program. CFDA No. 10.579, the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Code 515**ARRA Impact Aid Construction Formula Grants**

Record revenues and expenditures for the impact aid construction formula grants that districts receive directly from the Federal Government. These grants are made available to fund school construction activities and are formulaic in nature. CFDA 84.404, ESEA Section 8007(b), Title VIII and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Code 516**ARRA Impact Aid Construction Competitive Grants**

Record revenues and expenditures for the impact aid construction grants that districts may receive directly from the Federal Government. These grants are made available to fund school construction activities and are competitive in nature. CFDA 84.401, ESEA Section 8007(b), Title VIII and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5.

New Finance Code 518

ARRA Head Start Grants

Record revenues and expenditures for the Head Start program expansion funded from the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). This expansion is made available to increase the number of pre-school age children served in Head Start. CFDA 93.708, Title VI, Subtitle A, Chapter 8, Subchapter B of the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35.

Transition from EDRS to Manual Reporting

Information used for the calculation of IEP Medical Assistance Rates for the Department of Human Services will need to be collected through UFARS since EDRS will not be available to collect the necessary personnel type codes. As a result, new object codes have been added for use in ARRA programs. In FY 2009, these object codes should **only** be used with the finance codes for ARRA listed above. In FY 2010, these object codes will be used in all programs.

Revised Object Code 140

Licensed Classroom Teacher

Includes salaries of licensed teaching personnel whose duties include direct student instruction on a regular and systematic basis. For substitute teacher salaries, refer to Object Code 145, Substitute Teacher Salaries. Salary amounts in addition to the basic classroom teaching salary should be recorded in Object Code 185, Other Salaries.

In FY 2009, expenditures related to the American Recovery and Reinvestment Act must not use this code for educational speech/language pathologists or DAPE specialists. For educational speech/language pathologist, refer to Object Code 152. For DAPE specialists, refer to Object Code 174.

In FY 2010, all educational speech/language pathologist expenditures must be reported as Object Code 152 and all DAPE specialist expenditures must be reported as Object Code 174.

Revised Object Code 141

Non-Licensed Classroom Personnel

Includes salaries of non-licensed personnel who, under the direct supervision of a licensed classroom teacher, assist in the instruction of students on a regular and systematic basis. These assistants may possess a teacher's license but are not required to be licensed in their present positions. For non-licensed personnel involved in instructional support but not under the direct supervision of a classroom teacher, refer to Object Code 144, Non-Licensed Instructional Support Personnel.

In FY 2009, expenditures related to the American Recovery and Reinvestment Act must not use this code for certified instructional paraprofessionals or personal care assistants that need to meet the requirements of the Individuals with Disabilities Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB). For certified paraprofessionals and personal care assistants under these requirements, refer to Object Code 161. For certified one-to-one paraprofessionals under these requirements, refer to Object Code 162. For mental health behavioral aides, refer to Object Code 159.

In FY 2010, all certified paraprofessionals, personal care assistants, one-to-one Paraprofessionals, or mental health behavioral aides that need to meet the requirements of the Individuals with Disabilities Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB) must be reported under the appropriate object code (listed in the paragraph above).

Revised Object Code 143

Licensed Instructional Support Personnel

Includes salaries of all licensed auxiliary personnel supporting the teacher/student learning relationship or assisting individual students. Examples of licensed auxiliary personnel are as follows: instructional assistance for elementary education, teachers involved with resource-curricular and in-service of staff, coordinators (see Object Code 120), media and resource center coordinators, and librarians.

In FY 2009, expenditures related to the American Recovery and Reinvestment Act must not use this code for physical therapists, occupational therapists, audiologists, school nurses, licensed nursing services, social workers, psychologists, foreign language interpreters, interpreters for the deaf, school counselors, child find facilitators, regional low incidence consultants, alcohol and chemical dependency counselors, certified orientation and mobility specialists and assistants, or social workers for interagency activities. For physical therapists, refer to Object Code 150. For occupational therapists, refer to Object Code 151. For audiologists, refer to Object Code 153. For school nurses, refer to Object Code 154. For

licensed nursing services, refer to Object Code 155. For social workers, refer to Object Code 156. For psychologists, refer to Object Code 157. For foreign language interpreters, refer to Object Code 163. For interpreters for the deaf, refer to Object Code 164. For school counselors, refer to Object Code 165. For child find facilitators, refer to Object Code 166. For regional low incidence consultants, refer to Object Code 167. For alcohol and chemical dependency counselors, refer to Object Code 169. For certified orientation and mobility specialists and assistants, refer to Object Code 173. For social workers for interagency activities, refer to Object Code 176.

In FY 2010, all physical therapists, occupational therapists, audiologists, school nurses, licensed nursing services, social workers, psychologists, foreign language interpreters, interpreters for the deaf, school counselors, child find facilitators, regional low incidence consultants, alcohol and chemical dependency counselors, orientation and mobility specialists and assistant, and social workers for interagency activities must be reported under the appropriate object code (listed in the paragraph above).

Revised Object Code 144

Non-Licensed Instructional Support Personnel

Includes salaries of all non-licensed auxiliary personnel supporting the teacher/student learning relationship or assisting individual students. Examples of non-licensed instructional support personnel include assistants to licensed employees defined in Object Code 143.

In FY 2009, expenditures related to the American Recovery and Reinvestment Act must not use this code for mental health behavioral aides and cultural liaisons. For mental health behavioral aide, refer to Object Code 159. For cultural liaisons, refer to Object Code 175.

In FY 2010, all mental health behavioral aide expenditures must be reported under Object Code 159 and all cultural liaisons must be reported under Object Code 175.

Revised Object Code 146

Substitute Non-Licensed Classroom/Instructional Salaries

Include the salaries of substitutes due to short term absences of the regular staff person coded to non-licensed classroom (Object Code 141) or instructional support (Object Code 144). Use this object code with the Program Codes 201, 203, 211, and 640 unless the substitute salaries need to be tracked by a categorical program (Special Education, Program 400's).

In FY 2009, expenditures related to the American Recovery and Reinvestment Act must not use this code for certified paraprofessionals or personal care assistants that need to meet the requirements of the Individuals with Disabilities Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB). For certified paraprofessionals and personal care assistants under these requirements, refer to Object Code 161. For one-to-one paraprofessionals under these requirements, refer to Object Code 162, One-to-One Paraprofessionals.

In FY 2010, all certified paraprofessionals, personal care assistants, or one-to-one paraprofessionals that need to meet the requirements of the Individuals with Disabilities Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB) must be reported under the appropriate object code (listed in the paragraph above).

New Object Code 150

Physical Therapist

Include salaries of registered physical therapists or physical therapy assistants licensed by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 4.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 151

Occupational Therapist

Include salaries of certified occupational therapists or certified occupational therapy assistants licensed by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 5.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 152**Educational Speech/Language Pathologist**

Include salaries of educational speech language pathologists licensed by the Minnesota Department of Education. For special education, these costs were reported in EDRS under personnel type code 7.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 153**Audiologist**

Include salaries of audiologists certified by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 14.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 154**School Nurse**

Include salaries of school nurses (LSN) licensed by the Minnesota Department of Education. For special education, these costs were reported in EDRS under personnel type code 6.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 155**Licensed Nursing Services**

Include salaries of nursing staff licensed by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 44.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 156**School Social Worker**

Include salaries of school social workers licensed by the Minnesota Department of Education. For special education, these costs were reported in EDRS under personnel type code 11.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 157**School Psychologist**

Include salaries of school psychologists licensed by the Minnesota Department of Education. For special education, these costs were reported in EDRS under personnel type code 13.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 158**Qualified Mental Health Professional**

Include salaries of mental health professionals licensed by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 49.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 159**Mental Health Behavioral Aide**

Include salaries of mental health behavioral aides working as paraprofessionals under qualified supervision. These aides are certified by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 50.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 160
Mental Health Practitioner

Include salaries of mental health practitioners licensed by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 52.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 161
Certified Paraprofessional and Personal Care Assistant

Include salaries of instructional paraprofessionals and personal care assistants that need to meet the requirements of the Individuals with Disability Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB). For special education, these costs were reported in EDRS under personnel type code 08. For Mental Health Behavioral Aides, refer to Object Code 159. For One-to-One Paraprofessionals, refer to Object Code 162. For other paraprofessionals that do not need to meet the requirements of IDEA, Minnesota Statutes 125A.08(b), or NCLB, refer to Object Code 141.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 162
Certified One-to-one Paraprofessional

Include salaries of one-to-one paraprofessionals that need to meet the requirements of the Individuals with Disability Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB). For special education, these costs were reported in EDRS under personnel type code 53. For Mental Health Behavioral Aides, refer to Object Code 159. For Certified Paraprofessionals and Personal Care Assistants, refer to Object Code 161. For other paraprofessionals that do not need to meet the requirements of IDEA, Minnesota Statutes 125A.08(b), or NCLB, refer to Object Code 141.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 163
Foreign Language Interpreter

Include salaries of foreign language interpreters. For special education, these costs were reported in EDRS under personnel type code 26.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 164
Interpreter for the Deaf

Include salaries of certified interpreters for the deaf. For special education, these costs were reported in EDRS under personnel type code 28.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 165
School Counselor

Include salaries of school counselors licensed by the Minnesota Department of Education. For special education, these costs were reported in EDRS under personnel type code 35.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 166

Child Find Facilitator

Include salaries of individuals who are responsible for child find. For special education, these costs were reported in EDRS under personnel type code 18.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 167

Regional Low Incidence Consultant

Include salaries of special education regional low incidence consultants and facilitators licensed by the Minnesota Department of Education. For special education, these costs were reported in EDRS under personnel type code 33 or 46.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 168

Security Specialist

Include salaries of appropriately trained staff employed to provide security services licensed by the Minnesota Department of Public Safety. For special education, these costs were reported in EDRS under personnel type code 38.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 169

Alcohol and Chemical Dependency Counselor

Include salaries of alcohol and chemical dependency counselors certified by the Minnesota Department of Health and Human Services and the Minnesota Department of Education.

This is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

Revised Object Code 170

Non-Instructional Support

Includes salaries of non-instructional support personnel. For example, include accountants, bookkeepers, secretaries, clerks, custodians, bus drivers, food service cooks, IEIC licensed parent educators, IEIC service coordinators, etc. Does not include administrators and supervisors.

In FY 2009, expenditures related to the American Recovery and Reinvestment Act must not use this code for qualified mental health professionals, mental health practitioners, personal care assistants, security specialists, or physicians doing evaluations. For qualified mental health professionals, refer to Object Code 158. For mental health practitioners, refer to Object Code 160. For personal care assistants, refer to Object Code 161. For security specialists, refer to Object Code 168. For physicians doing evaluations, refer to Object Code 172.

In FY 2010, all qualified mental health professionals, mental health practitioners, personal care assistants, security specialists, and physicians must be reported under the appropriate object code (listed in the paragraph above).

New Object Code 172

Physician (evaluation only)

Include salaries/wages for licensed medical doctors completing assessments or evaluations for an individual child. For special education, these costs were reported in EDRS under personnel type code 42.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 173

Certified Orientation & Mobility Specialist/Assistant

Include salaries of nationally certified orientation and mobility specialist or certified orientation and mobility specialist assistants. For special education, these costs were reported in EDRS under personnel type codes 29 and 37.

This is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 174

Therapeutic Recreational Service and DAPE Specialist

Include salaries of therapeutic recreational service specialist licensed by the Minnesota Department of Health and Human Services or the DAPE Specialist licensed by the Minnesota Department of Education. For special education, these costs were reported in EDRS under personnel type codes 15 and 57.

This is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 175

Cultural Liaison

Include salaries of cultural liaisons. For special education, these costs were reported in EDRS under personnel type code 12.

This is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 176

Social Worker for Interagency Activities

Include salaries of social workers for interagency activities. These social workers are licensed by the Minnesota Department of Health and Human Services. For special education, these costs were reported in EDRS under personnel type code 40.

This is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

Revised Object Code 303

Federal Sub Awards and Sub Contracts-Under \$25,000

When a district receives a federal grant (400 and 500 Finance Code Series) and has expenditures in that grant for a sub award or sub contract; the cost of the grant may have to be expensed in two different object codes. The first \$25,000 of contract expenditures must use this code. Any amount in excess over \$25,000 must use Object Code 304-Federal Sub Awards and Sub Contracts-Over \$25,000. This combination of codes should be used in lieu of the 390 object series when expenditures for a sub award or contract are from a federal grant. The reason for this coding is that only the first \$25,000 in expenditures of any federal grant may be allowed in the calculation and application of indirect cost rates. Please refer to Chapter 13 of the UFARS Manual for a description of Indirect Cost Rate Calculation and the OMB Circular A-133 for references to Federal Sub Awards or Contracts.

For Physical Therapist Services, refer to object code 371. For Occupational Therapist Services, refer to object code 372. For Educational Speech Therapist/Language Pathologist Services, refer to object code 373. For Audiologist Services, refer to object code 374. For School Nurse Services, refer to object code 375. For Licensed Nursing Services, refer to object code 376. For School Social Worker Services, refer to object code 377. For School Psychologist Services, refer to object code 378. For Qualified Mental Health Professional Services, refer to object code 379. For Mental Health Behavioral Aide Services, refer to object code 363. For Mental Health Practitioner Services, refer to object code 362. For Certified Paraprofessional/Personal Care Assistant Services, refer to object code 361. For Certified One-to-One Paraprofessional Services, refer to object code 359. For Foreign Language Interpreter Services, refer to object code 358. For Interpreter for the Deaf Services, refer to object code 357.

Revised Object Code 304

Federal Sub Awards and Sub Contracts-Over \$25,000

When a district receives a federal grant (400 and 500 Finance Code Series) and has expenditures in that grant for a sub award or sub contract; the cost of the grant may have to be expensed in two different object codes. The first \$25,000 of contract expenditures must use Object Code 303- Federal Sub Awards and Sub Contracts-under \$25,000. Any excess amount over \$25,000 must use this code. This combination of codes should be used in lieu of the 390 object series when expenditures for a sub award or contract are from a federal grant. The reason for this coding is that only the first \$25,000 in expenditures of any federal grant may be allowed in the calculation and application of indirect cost rates. Please refer to Chapter 13 of the UFARS Manual for a description of Indirect Cost Rate Calculation and the OMB Circular A-133 for references to Federal Sub Awards or Contracts.

For Physical Therapist Services, refer to object code 341. For Occupational Therapist Services, refer to object code 342. For Educational Speech Therapist/Language Pathologist Services, refer to object code 343. For Audiologist Services, refer to object code 344. For School Nurse Services, refer to object code 345. For Licensed Nursing Services, refer to object code 346. For School Social Worker Services, refer to object code 347. For School Psychologist Services, refer to object code 348. For Qualified Mental Health Professional Services, refer to object code 349. For Mental Health Behavioral Aide Services, refer to object code 351. For Mental Health Practitioner Services, refer to object code 352. For Certified Paraprofessional/Personal Care Assistant Services, refer to object code 353. For Certified One-to-One Paraprofessional Services, refer to object code 354. For Foreign Language Interpreter Services, refer to object code 355. For Interpreter for the Deaf Services, refer to object code 356.

New Object Code 341

Physical Therapy Services (Excess Amount over \$25,000)

Include contracted services of registered physical therapists or physical therapy assistants licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 371 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 4. Physical Therapy Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 342

Occupational Therapy Services (Excess Amount over \$25,000)

Include contracted services of certified occupational therapists or certified occupational therapy assistants licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 372 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 5. Occupational Therapy Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 343

Educational Speech/Language Pathologist Services (Excess Amount over \$25,000)

Include contracted services *only* for those educational speech language pathologists licensed by the Minnesota Department of Education. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 373 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 7. Educational Speech/Language Pathologist Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 344**Audiologist Services Purchased (Excess Amount over \$25,000)**

Include contracted services of audiologists certified by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 374 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 14. Audiologist Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 345**Licensed School Nurse Services (Excess Amount over \$25,000)**

Include contracted services of school nurses (LSN) licensed by the Minnesota Department of Education. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 375 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 6. Licensed School Nurse Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 346**Licensed Nursing Services (Excess Amount over \$25,000)**

Include salaries of nursing staff licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 376 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 44. Licensed Nursing Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 347**Licensed School Social Worker Services (Excess Amount over \$25,000)**

Include contracted services of school social workers licensed by the Minnesota Department of Education. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 377 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 11. Licensed School Social Worker Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 348**Licensed School Psychologist Services (Excess Amount over \$25,000)**

Include contracted services of school psychologists licensed by the Minnesota Department of Education. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 378 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 13. Licensed School Psychologist Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 349

Qualified Mental Health Professional Services (Excess Amount over \$25,000)

Include contracted services of mental health professionals licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 379 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 49. Licensed Mental Health Professional Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 351

Mental Health Behavioral Aide Services (Excess Amount over \$25,000)

Include contracted services of health behavioral aides working as paraprofessionals under qualified supervision. These aides are certified by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 363 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 50. Mental Health Behavioral Aide Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 352

Mental Health Practitioner Services (Excess Amount over \$25,000)

Include contracted services of health practitioners licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 362 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 52. Mental Health Practitioner Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 353

Certified Paraprofessional/Personal Care Assistant Services (Excess Amount over \$25,000)

Include contracted services of instructional paraprofessionals and personal care assistants that need to meet the requirements of the Individuals with Disability Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB). This code should only report the amount of the cost in excess of \$25,000. Refer to object code 361 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 08. Certified Paraprofessional/Personal Care Assistant Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 354

Certified One-to-One Paraprofessional Services (Excess Amount over \$25,000)

Include contracted services of one-to-one paraprofessionals that need to meet the requirements of the Individuals with Disability Education Act (IDEA) and Minn. Stat. § 125A.08(b) or the requirements of No Child Left Behind (NCLB). This code should only report the amount of the cost in excess of \$25,000. Refer to object code 359 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 53. Certified One-to-One Paraprofessional Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 355

Foreign Language Interpreter Services (Excess Amount over \$25,000)

Include contracted services of foreign language interpreters. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 358 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 26. Foreign Language Interpreter Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 356

Interpreter for the Deaf Services (Excess Amount over \$25,000)

Include contracted services of certified interpreters for the deaf. This code should only report the amount of the cost in excess of \$25,000. Refer to object code 357 to record the initial \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 28. Interpreter for the Deaf Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 357

Interpreter for the Deaf Services (Amount up to \$25,000)

Include contracted services of certified interpreters for the deaf. This code should only report the amount of the cost up to \$25,000. Refer to object code 356 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 28. Interpreter for the Deaf Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 358

Foreign Language Interpreter Services (Amount up to \$25,000)

Include contracted services of foreign language interpreters. This code should only report the amount of the cost up to \$25,000. Refer to object code 355 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 26. Foreign Language Interpreter Services paid for with state special education funds should be reported using the following object codes: Purchase of Service - 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 359**Certified One-to-One Paraprofessional Services (Amount up to \$25,000)**

Include contracted services of one-to-one paraprofessionals that need to meet the requirements of the Individuals with Disability Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB). This code should only report the amount of the cost up to \$25,000. Refer to object code 354 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 53. Certified One-to-One Paraprofessional Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 361**Certified Paraprofessional/Personal Care Assistant Services (Amount up to \$25,000)**

Include contracted services of instructional paraprofessionals and personal care assistants that need to meet the requirements of the Individuals with Disability Education Act (IDEA) and Minnesota Statutes 125A.08(b) or the requirements of No Child Left Behind (NCLB). This code should only report the amount of the cost up to \$25,000. Refer to object code 353 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 08. Certified Paraprofessional/Personal Care Assistant Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 362**Mental Health Practitioner Services (Amount up to \$25,000)**

Include contracted services of health practitioners licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost up to \$25,000. Refer to object code 352 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 52. Mental Health Practitioner Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 363**Mental Health Behavioral Aide Services (Excess Amount over \$25,000)**

Include contracted services of health behavioral aides working as paraprofessionals under qualified supervision. These aides are certified by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost up to \$25,000. Refer to object code 351 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 50. Mental Health Behavioral Aide Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 371**Physical Therapy Services (Amount up to \$25,000)**

Include contracted services of registered physical therapists or physical therapy assistants licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost up to \$25,000. Refer to object code 341 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 4. Physical Therapy Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 372**Occupational Therapy Services (Amount up to \$25,000)**

Include contracted services of certified occupational therapists or certified occupational therapy assistants licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost up to \$25,000. Refer to object code 342 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 5. Occupational Therapy Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 373**Educational Speech/Language Pathologist Services (Amount up to \$25,000)**

Include contracted services *only* for those educational speech language pathologists licensed by the Minnesota Department of Education. This code should only report the amount of the cost up to \$25,000. Refer to object code 343 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 7. Educational Speech/Language Pathologist Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 374**Audiologist Services Purchased (Amount up to \$25,000)**

Include contracted services of audiologists certified by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost up to \$25,000. Refer to object code 344 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 14. Audiologist Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 375**Licensed School Nurse Services (Amount up to \$25,000)**

Include contracted services of school nurses (LSN) licensed by the Minnesota Department of Education. This code should only report the amount of the cost up to \$25,000. Refer to object code 345 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 6. Licensed School Nurse Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 376

Licensed Nursing Services (Amount up to \$25,000)

Include salaries of nursing staff licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost up to \$25,000. Refer to object code 346 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 44. Licensed Nursing Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 377

Licensed School Social Worker Services (Amount up to \$25,000)

Include contracted services of school social workers licensed by the Minnesota Department of Education. This code should only report the amount of the cost up to \$25,000. Refer to object code 347 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 11. Licensed School Social Worker Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 378

Licensed School Psychologist Services (Amount up to \$25,000)

Include contracted services of school psychologists licensed by the Minnesota Department of Education. This code should only report the amount of the cost up to \$25,000. Refer to object code 348 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 13. Licensed School Psychologist Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 379

Qualified Mental Health Professional Services (Amount up to \$25,000)

Include contracted services of mental health professionals licensed by the Minnesota Department of Health and Human Services. This code should only report the amount of the cost up to \$25,000. Refer to object code 349 to record the amount in excess of \$25,000 of the cost.

For special education, these costs were reported in EDRS under personnel type code 49. Licensed Mental Health Professional Services paid for with state special education funds should be reported using the following object codes: Purchase of Service – 396 and 397; Contracted Service – 392, 393, 394, and 399.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all programs will use this code.

New Object Code 533**Other Equipment Purchased for Special Education Direct Instruction**

Include expenditures incurred for the purchase of furniture and any other equipment not classified in another object code of this series. Equipment purchased under this code must be used for special education direct student instruction. Technology equipment should be coded to Object Code 555 or 556. Include only equipment which meets the criteria for capital expenditures cited at the beginning of this series.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all special education programs will use this code.

New Object Code 556**Technology Equipment for Special Education Direct Instruction**

Record expenditures to purchase technology equipment used for direct instruction of special education students. Includes computers and peripheral equipment, interactive telecommunications equipment, cameras, monitors, and microphones. Also, include telecommunication transmission equipment such as fiberoptic cables, repeaters, transmitters, receivers, and antennas. Classroom management technological equipment should be coded to an instructional program.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all special education programs will use this code.

New Object Code 582**Principal on Capital Lease/Installment Sales Contracts Used for Direct Instruction of Special Education Students**

Record expenditures to reduce principal on outstanding capital lease agreements and installment sales contracts used for direct instruction of special education students.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all special education programs will use this code.

New Object Code 583**Principal on Capital Lease/Installment Sales Contracts Used for Vehicles used for Special Education Students**

Record expenditures to reduce principal on outstanding capital lease agreements and installment sales contracts used for vehicles for special education students.

This code is to be used in FY 2009 only for expenditures related to the American Recovery and Reinvestment Act. In FY 2010, all special education programs will use this code.

Federal Award Year Designation in UFARS

With the implementation of SERVS Financial, schools are required to identify whether they are requesting a draw of current funds or carry forward funds. Federal funds are given a federal award year assignment based on the year that the funds were awarded by the federal government. Though awarded in a given year, many federal awards will have carry forward provisions. Carry forward funds are the funds that are available for use beyond the initial award period. Even though funds are carried forward for use in another year, the initial federal award year assignment doesn't change.

The state fiscal year (SFY) runs from July 1 to June 30 of a given year (7/1/08 – 6/30/09 = SFY 2009).

The federal fiscal year (FFY) runs from October 1 to September 30 of a given year (10/1/08 – 9/30/09 = FFY 2009).

Federal awards granted for SFY 2009 are technically 2008 federal awards (calendar year when initially awarded - 2008). For purposes of UFARS reporting, the SFY is the same as the "current" FFY of the award.

Initially, MDE had discussed using the course code year assignments of 000-009 in order to match up with the federal award year. However, an alternative approach was decided upon in order to reduce the number of codes required for each program. In order to account for the appropriate federal award year assignment, use the following codes:

Revised Course Code 000**Non-Federal Projects that End during the Current Year or Current Federal Awards**

Record revenues and expenditures for non-federal projects that end during the current state fiscal year. Also use this code to report federal revenues and expenditures for federal awards in which the current state fiscal year is the same as the current federal award year. State fiscal year 2009 equals the "current" federal award year (2008). The current federal award year – 2008 – is the calendar year when the federal award was initially awarded though considered to be part of the

federal fiscal year 2009 budget for the federal government (October 1, 2008 to September 30, 2009, though forward funded back to July 1, 2008).

New Course Code 011

Prior Year Federal Awards

Record revenues and expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year – 2007 – is the calendar year when the federal award was initially awarded though considered to be part of the federal fiscal year 2008 budget for the federal government (October 1, 2007 to September 30, 2008, though forward funded back to July 1, 2007).

New Course Code 012

Second Prior Year Federal Awards

Record revenues and expenditures for federal funds awarded two years prior to the current state fiscal year. The second prior year federal award – 2006 – is the calendar year when the federal award was initially awarded though considered to be part of the federal fiscal year 2007 budget for the federal government (October 1, 2006 to September 30, 2007, though forward funded back to July 1, 2006).

New Course Code 013

Third Prior Year Federal Awards

Record revenues and expenditures for federal funds awarded three years prior to the current state fiscal year. The third prior year federal award – 2005 – is the calendar year when the federal award was initially awarded though considered to be part of the federal fiscal year 2006 budget for the federal government (October 1, 2005 to September 30, 2006, though forward funded back to July 1, 2005).

New Course Code 014

Fourth Prior Year Federal Awards

Record revenues and expenditures for federal funds awarded four years prior to the current state fiscal year. The fourth prior year federal award – 2004 – is the calendar year when the federal award was initially awarded though considered to be part of the federal fiscal year 2005 budget for the federal government (October 1, 2004 to September 30, 2005, though forward funded back to July 1, 2004).

New Course Code 015

Fifth Prior Year Federal Awards

Record revenues and expenditures for federal funds awarded five years prior to the current state fiscal year. The fifth prior year federal award – 2003 – is the calendar year when the federal award was initially awarded though considered to be part of the federal fiscal year 2004 budget for the federal government (October 1, 2003 to September 30, 2004, though forward funded back to July 1, 2003).

New Course Code 019

Early Federal Awards

Record revenues and expenditures for federal funds awarded in a state fiscal year before the current federal fiscal year. The federal award year – 2009 – is the calendar year when the federal award was initially awarded though considered to be part of the federal fiscal year 2010 budget for the federal government (October 1, 2009 to September 30, 2010, though some of these programs were forward funded back to April 2009). This applies to the American Recovery and Reinvestment Act (ARRA) funds disbursed in FY 2009.

For further information, contact Karen Dykoski at 651-582-8766 or karen.dykoski@state.mn.us.

8. Loading FY 2009 UFARS Data Files

Reporting entities will not be able to load any UFARS data files for FY 2009 until at least July 15th, 2009. An email will be sent to the business managers when the submission process is available.

If you have any questions, please contact Mary Weigel at 651-582-8700 or mary.weigel@state.mn.us or Karen Dykoski at 651-582-8766 or karen.dykoski@state.mn.us.

9. Summary of the FY 2009 Audit Requirements

Minnesota statutes require 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 2009 reporting cycle: audited final UFARS data and the Fiscal Compliance Table are due, November 30, 2009 and the hard copy Audit Report is due December 31, 2009. If the audit is mailed, it must be postmarked on or before December 31, 2009.

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.

Components of the audit

- 1. Financial statements in audits** must be 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, the 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 an FY 2009 audit would be labeled 2009-1.
- 2. 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.
- 3. 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 the 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, 2009.
- 4. 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 items that must be submitted to the 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
- 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 the MDE; Attn: Mary Weigel and **one electronic copy of the audit** to the State Auditor's Office at singelaudit@osa.state.mn.us no later than December 31, 2009. 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 Mary Weigel at 651-582-8770 or mary.weigel@state.mn.us.

10. Summary of FY 2008 Audit Reviews and Corrective Action Plans

The Minnesota Department of Education (MDE) reviewed all the 2007-2008 audits to ensure that the required components were submitted in a complete format (see previous article on audit requirements). The audit findings and corrective action plans (CAPs) reported in the 2007-2008 audits were reviewed to determine whether appropriate and timely corrective action had been taken as described in the Office of Management and Budgeting (OMB) Circular A-133.

In FY 2007, MDE reviewed the CAPs and determined them to be either an Approved CAP or an Incomplete CAP. During the FY 2008 review process, MDE added a new category called Accepted CAPs. Entities with Accepted CAPs have communicated to MDE that they recognize the cost benefit to eliminate the control weakness and are unable to completely eliminate it. The entity has accepted the responsibility of the control risk. As of April 30, 2009, the number of reporting entities with FY 2008 Incomplete or Accepted CAPs was as follows: 21 entities with Incomplete CAPs and 230 entities with Accepted CAPs.

Reporting entities that have Incomplete or Accepted CAPs 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 to determine future fiscal monitoring site visits of the various federal programs including, but not limited to: special education, title programs, discretionary grants, food service and adult basic education.

For information, please contact Mary Weigel at 651-582-8770 or mary.weigel@state.mn.us or Janna Duffy at 651-582-8788 or mde.ufars-accounting@state.mn.us.

11. FY 2009 Fiscal Compliance Table

The fiscal compliance table is completed by the reporting entity or the auditor at the conclusion of a reporting entity's audit and after the financial statements has been completed. This report provides a comparison between the UFARS data and the audited financial statements. The fiscal compliance table must be completed electronically and a print copy of the results, which include the comparison between audit data and UFARS data and any differences between the two, must be included with the reporting entity's audited financial statements. Instructions to complete the fiscal compliance table can be found at in the UFARS Manual, Overview Chapter. The fiscal compliance table can be found at: <http://education.state.mn.us> > Data > Data Submissions. It can also be found by going to the MDE Website home page at <http://education.state.mn.us>, then go to Data, and then Data Submissions, and scroll down to Fiscal Compliance Table.

For FY 2009, the fiscal compliance table has two reporting items in addition to the audited financial data - Safe School Levy Maintenance of Effort and Operating Capital Transfer \$51.

- Minnesota Statutes 126C.44 requires each district, whether the board levies the safe school levy or not, to annually certify it has met the maintenance of effort requirement in one of the following ways:
 - i. The district's total spending on services provided by licensed pupil support services employees from all funding sources other than the safe school levy is at least as great as its total expenditures for these purposes in the previous year from all funding sources other than the safe schools levy.
 - ii. The district's full-time equivalent number of employees for licensed pupil support services is not less than the number for the previous year.

The maintenance of effort provision becomes effective in FY 2010. The FY 2009 base year data will be collected via the fiscal compliance table submission. The reporting entity must provide both the FY 2009 total spending amount and the FY 2009 full-time equivalent number of employees.

- Districts may transfer money from its Reserved for Operating Capital (424) account to its Undesignated General Fund Balance account (422). The amount transferred by any school district must not exceed \$51 times the district's adjusted marginal cost pupil unit for the second preceding fiscal year. The FY 2009 fiscal compliance table will have three data elements: Per Pupil Amount, AMCPU (Adjusted Marginal Cost Pupil Units) and Total Transfer. These three data elements will result in a mathematical equation (the Per Pupil Amount times the AMCPU should equal the Total Transfer Amount). **These three data elements must be filled with zeros if no transfer was made.**

Since this is an online active database, each time entries are made, the numbers will change at the department level. The reporting entity or the auditor will be responsible for entering data to the fiscal compliance table and printing out a copy for submission with the audit report.

For further information, please contact Mary Weigel at 651-582-8770 or mary.weigel@state.mn.us.