

Advisory Committee on Financial Management, Accounting and Reporting

Minnesota Department of Education

Minutes of July 28, 2004

The agenda was approved with Chairperson Greg Hein calling for the question.

Dick Guevremont distributed a document on Expenditure Reporting by Buildings. The group provided advice on the document as was done at the last meeting. The discussions provided guidance on definitions as well as ways to display data on tables.

The web reporting timelines were reviewed. The timeline contains an opportunity for district reporting (as is done now), as well as an opportunity for districts to review their proposed web reporting and make appropriate corrections to the distribution of UFARS expenditures by organization code. MDE will refine the program and data in an attempt to finalize the reported financial information for the Report Card by the following July 1 the reported year (e.g., July 1, 2005 for FY 2004).

A motion passed unanimously to recommend consideration of amending current legislation to allow district costs that are reported by the district and allocated by site to be reflected in the state report card. Dr. Melcher is familiar with the issue and will transmit the motion to MDE governmental relations.

Transportation reporting was reviewed. With the new reporting requirements, transportation costs are allocated across the district and are reported by site based upon an average cost per pupil, multiplied by the site ADM. An issue arises when districts struggle with the fair and equitable reporting of non-public and charter student costs for transportation included in the total district public school transportation costs. It is actually a service for non-district students and should not be reported as part of the public school student costs. The group agreed that a methodology should be developed to:

1. Capture actual or average transportation costs of students by site, excluding the transportation of non-public school students and charter school students (either through direct reporting by site or organization 005); and still,
2. Retain the total cost of transportation in the reporting of district totals, to match general fund totals reported by the district.

Audrey Bomstad raised the issue of "Prior Year Adjustments" and associated accounting procedures. Ms. Bomstad suggested that in instances, for example, with

late tuition billing, there needs to be an revenue accounting procedure that will provide for tracking or monitoring to effect appropriate calculation, as contrasted with a technique of simply allowing for the adjusting a fund balance, before or after an audit.

A motion passed unanimously to recommend that the UFARS system be closed as of January 31. UFARS data adjustments from a reporting unit would require a prior period adjustment of an audit. That restated audit would trigger the opportunity for a reporting unit to reload data on the particular data element that required the prior period adjustment.

The issue of transportation reporting re: integration was recommended for review. Mr. Morgan Brown met with the group to review the desegregation aid requirements.

The group set the following meetings:

September 22, 2004 @ MDE, Conference Center Room CC-14 from 12 noon to 3:00 PM.

November 17, 2004 @ MDE, Conference Center Room CC-13 from 12 noon to 3:00 PM.

The group adjourned at 3:00 pm.