ADVISORY COMMITTEE ON FINANCIAL MANAGEMENT, ACCOUNTING AND REPORTING
Committee Charter

Background Information

Minnesota Statutes, sections 123B.749 – 123B.83, establish legal requirements for school district budgeting, accounting, revenue, expenditure, borrowing, fund transfers and special operating plans.

Minnesota Statutes, section 123B.77, subdivision 1, requires each Minnesota school district to adopt the uniform financial accounting and reporting standards (UFARS) provided for in guidelines adopted by the Minnesota Department of Education.

Minnesota Statutes, section 124D.10, subdivision 8, requires charter schools to comply with the provisions of Minnesota Statutes, sections 123B.75 – 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner.

Minnesota Statutes, section 125B.05, requires the Minnesota Department of Education to develop and maintain a computerized information system for state information needs. Purposes of the system include providing comparable and accurate financial information in a timely and economical manner. A school district, charter school or cooperative unit must not implement a financial software system until the system has been reviewed by the department to ensure that it provides the required data elements and format.

Minnesota Statutes, section 127A.19, requires the department to provide financial management assistance and training to school districts and school sites, including charter schools.

The Division of Program Finance is responsible for administering these statutes, in cooperation with other department divisions. The Financial Management Section of the division has primary responsibility for implementing most of these provisions.

Committee Purpose

The committee's purpose will be to advise the department on matters of school accounting, reporting, budgeting and financial management, including:

1. Accounting structure and manual – Uniform Financial Accounting and Reporting Standards (UFARS)

2. School financial accounting practices and procedures – General Accepted Accounting Principles (GAAP)

3. Financial reporting practices and procedures
   - Year-end UFARS
   - Year-end audits
   - Compliance data
   - Fall budget report
4. Borrowing and credit enhancement practices and procedures
5. Permanent fund transfers practices and procedures
6. Special operating plans for districts in statutory operating debt, and management assistance to districts at risk of exceeding expenditure limitations
7. Financial management training programs for school district and charter school administrators, board members and school business personnel
8. Other financial management assistance to school districts and charter schools

Committee Membership

Committee membership will encompass the various segments of the school financial community of Minnesota as follows:

1. Eight persons who are representative of various sizes and locations of school districts and charter schools throughout the state, who are public school employees, and whose positions involve activities related to school financial management, accounting or reporting, including superintendents, business managers and accountants working in Minnesota school districts and charter schools, appointed by the Commissioner of Education.
2. One school board member, or an employee of the Minnesota School Boards Association whose position involves training or management assistance to school districts related to school financial management, accounting or reporting; appointed by the Commissioner of Education.
3. One employee of the Office of the State Auditor, appointed by the State Auditor.
4. One certified public accountant employed by a public accounting firm, whose position involves school district audits, appointed by the Commissioner of Education; and

5. Four persons employed by regional organizations or approved financial software vendors whose position involves work with school districts or charter schools on financial management, accounting or reporting, appointed by the Commissioner of Education.

The department will provide notice of vacancies on the committee through the department's school business management list serve, the MASBO list serve, the MASA list serve, and to professional organizations composed of persons eligible to be appointed to the committee. Individuals eligible to be appointed may apply for membership directly to the department. Several state education associations will also be asked to submit names for consideration. The department will seek members who are experienced, have appropriate training and have a keen interest in school financial management.

Membership on the committee will be for a period of three years.

Operating Procedures

Full committee regular meetings will be scheduled approximately every two months, and will be open to the public. Various ad hoc sub-committees may be appointed by the full committee as needed. Membership is voluntary (unpaid), and the department cannot reimburse members for their travel expenses. The committee will select a chair from its membership. The Division of Program Finance will provide staff support for the committee, and will prepare minutes and summary notes for each meeting, which will be posted to the department's website. Items will be placed on the agenda if requested by either the department or by committee members. The department will work with the committee chair to develop a proposed agenda for each meeting, which will be posted to the department's website prior to the meeting date.

Advice and recommendations from the committee will be reported to the supervisor of the Financial Management Section, the director of the Division of Program Finance and the assistant commissioner for Finance and Administrative Services and/or the commissioner.

For additional information, please contact:

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