Minnesota Department of Education

SCHOOL BUSINESS BULLETIN

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Lisa DeRemee Leaves the Division of School Finance

Lisa DeRemee has resigned as supervisor of the financial management team to pursue other opportunities. We sincerely appreciate her leadership and expertise while she was in the Division of School Finance at MDE. She will be missed!

Maximum Allowable Wage Reclassification – Food Service FY 2012

Based on information published by the Bureau of Labor Statistics, the average hourly wage for public school food service directors is $24.05. This is the maximum rate at which the labor of a superintendent or fiscal manager performing the duties of a food service director can be charged back to the food service fund.

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

For questions regarding accounting entries to reclassify costs, please contact Greg Hein at 651-582-8460.

District/School ADM Report

An updated copy of the FY 2012 District/School ADM Report is posted on the Data Reports and Analytics web page under School Finance Reports > Minnesota Funding Reports (MFR). The October version of the report includes data from all MARSS files submitted by the end of the day on October 23, 2012. View documentation on how to read the report. The report will be updated again in early December about one week after the November 23, 2012, MARSS reporting deadline.

For questions regarding the District/School ADM Report, please contact Sharon Peck at 651-582-8811.

Authorized Computer Information Systems – UFARS Financial Data Submissions

It has come to the department's attention that some charter schools/school districts are not using approved financial software for UFARS data submissions. Minnesota Statutes, section 125B.05, Subdivision 3, states that "A school district, charter school, or cooperative unit may not implement a financial, student, or staff software system until the system has been reviewed by the department to ensure that it provides the required data elements and format." Current authorized financial software providers are listed in Figure 5 of the Overview section of the UFARS Manual. Only these authorized software providers may be used for UFARS data submissions.

For questions or information regarding the requirement of authorized computer information systems for UFARS data submissions, send inquiries to the MDE Accounting Helpdesk.

FY 2012 UFARS Financial Data Submission Update

At the September 17, 2012, statutory deadline for the submission of FY 2012 unaudited financial data, the *UFARS – District Status Report* showed 540 reporting entities submitted files to the agency, and of those 264 files contained no errors. Twenty districts/charters failed to meet the preliminary deadline.

The statutory deadline for the submission of FY 2012 audited final UFARS financial data is November 30, 2012 (Minn. Stat. § 123.77, Subd. 3). At the final submission, all turnaround edit errors must be corrected; warnings are acceptable.

The two most common UFARS turnaround edit errors are:

(1) Balance Sheet Code 422, *Unassigned Fund Balance*, is only permitted in Funds 01, 08, 20, 25, or 45.

(2) Source Codes 020 plus 299 must be zero.

November 16, 2012: UFARS District Status Report indicates 554 district/charters have submitted UFARS files, and of those, 480 have no errors. The report also shows that seven closed charter schools have not submitted UFARS files.

Overall, the submission process has performed as expected with limited process issues. Based on district and region feedback, MDE has been able to resolve submission issues more effectively. Thank you for your comments and timely FY 2012 UFARS submissions.

For questions or information regarding the FY 2012 UFARS Financial Data Submissions, contact Patti Scott at 651-582-8646.

FY 2013 - UFARS Code Dimension Update

The following **UFARS Dimensions** have been **added** effective for FY 2013:

ADDITIONS

Account	**Description**
PRO 578	**Optional Fee-Based Programs for Kindergarten-Age Students (Fund 04)**
	Record all costs for kindergarten-age students who attend optional fee-based programs outside the required kindergarten program provided by the school district as defined in Minnesota Statutes, section 120A.05, Subdivision 10(a), but during the school day of other students at the site. School age care costs should be reported in Program Code 570.
PRO 579	**Preschool – Instructional (Fund 04)**
	Record all costs for non-fee based preschool programs that provide educational opportunities to children three through five-years old that do not generate average daily membership with respect to MARSS. School age care costs should be reported in Program Code 570.
FIN 316	**General Education Revenue for Staff Development**
	Record revenues and expenditures to provide staff development programs according to Minnesota Statutes, section 122A.60. Use this finance code if there was no fund balance in Balance Sheet Code 403 on June 30, 2012. Use with Source Code 211 to record all revenues and expenditures Restricted/Reserved for Staff Development Fund Balance account 403 (Minn. Stat. § 121A.61).
	Payment Description – N/A
FIN 412/612	**Race-to-the-Top – Early Learning Challenge – Title I Prekindergarten Incentive (Fund 4)**
	For FY 2013, this award is limited to 13 eligible school districts and one Bureau of Indian Affairs (BIA) school. Record revenues and expenditures to provide Early Learning and Development (ELD) programs and to increase support and involvement in early childhood programs (CFDA No. 84.412, American Recovery and Reinvestment Act of 2009 (ARRA), Sections 14005, 14006, and 14013, Title XIV, Public Law 112-10). Use with Program Codes 201, 578, 579 and 581.
FIN 741	**State – Special Education, Birth through Two (Fund 01)**
	Record revenues and expenditures for state funded special education services for children/students age three through twenty-one (Minn. Stat. § 125A.7).
	***P**ayment Description – 01S360 SPEC EDUC FY*
FIN 797	**OPEB Pay-As-You-Go Levy (Fund 01, 02 and 04)**
	Record levy revenue under the authority of Minnesota Statutes, section 126C.41, Subdivision 2(b), and related annual disbursements for other postemployment benefit (OPEB) costs, including the implicit rate subsidy, for retired employees under qualifying contracts, not funded with another levy source. Use only with Object Code 291. Refer to Chapter 13 for additional OPEB accounting instructions.

The OPEB pay-as-you-go Levy authority will be adjusted for actual expenditure data. OPEB costs may qualify for levy authority under the health benefits levy, annual OPEB levy, various severance levies, or OPEB bonding authority. The district can receive levy revenue only once for any specific cost. If levy authority is received under a provision other than the OPEB pay-as-you-go levy for the costs described above, these costs should not be coded Finance Code 797 (Minn. Stat. § 126C.41, Subd. 2(b).

Payment Description – N/A

SRC 212 **Literacy Incentive Aid (Fund 01)**

Record state revenue for literacy incentive aid available to districts and charter schools (Minn. Stat. § 124D.98). Use Finance Code 000.

CRS 667 **School Improvement Implementation Set-Aside (Current Year Federal Award)**

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify funds set-aside for school improvement implementation. Use this code to report federal expenditures related to this set-aside for federal awards in which the current state fiscal year is the same as the current federal award year. State fiscal year 2013 equals the "current" federal award year (2012). The current federal award year, 2012, is the calendar year when the federal award was initially awarded (October 1, 2012 to September 30, 2013, though forward-funded back to July 1, 2012).

The following **Finance** Dimensions have been **deleted** effective for FY 2013:

DELETIONS

Account	**Description**
436/636	Individuals with Disabilities Education Act (IDEA) Part B, Section 619 Mandatory Coordinated Early Intervening Services (Fund 01)
441-641	Individuals with Disabilities Education Act (IDEA) Part B, Section 619 Interagency Activities Fund (01)
478/678	ARRA Targeted Funds – McKinney Vento Homeless Grants
485/465	ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA) Part B, Section 619 CEIS Mandatory
498/698	School Lunch Equipment Assistance (Fund 02)
804/904	ABE Statewide Supplemental Services – Competitive Leadership
805/905	Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Response to Intervention Grants (Fund 01)
807/907	Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary LEA Capacity Building Grants (Fund 01)
808/908	Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Assistive Technology Grants (Fund 01)
812/912	Individuals with Disabilities Education Act (IDEA), Part B, Section 611 American Indian Parent Involvement Grants (Fund 01)

815/915 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Orientation and Mobility Grants (Fund 01)

816/916 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Regional Project Search Transition Model (Fund 01)

819/919 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 VSA Arts (Fund 01)

820/920 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Parent Advocacy and Training Grant (Fund 01)

821/921 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Para E-Link Grant (Fund 01)

822/922 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Parent Training Mini-grants (Fund 01)

825/925 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary Alternatives to Suspension Grants (Fund 01)

The following **Program** Dimensions have had description **changes** effective for FY 2013:

CHANGES

Account	**Description**
202	**Education – Transition for Prekindergarten (Fund 04)**
	For eligible districts that receive Transition for Prekindergarten revenue (Minn. Stat. § 126C.10), record the costs of Prekindergarten classes, excluding Early Childhood Special Education, serving children who turn age four by September 1 and who will enter Kindergarten the following year. *This program code may only be used in combination with Finance Code 345 – Transition for Prekindergarten.*
581	**Prekindergarten (Fund 04)**
	Record all costs of prekindergarten classes as defined in Minnesota Statutes, section 120A.05, Subdivision 10(a), excluding early childhood special education, serving children who turn age four by September 1 that prepare them to enter kindergarten the following school year. Do not include costs recorded in the General Fund (01) under Program Code 202 Education-Transition for Prekindergarten or in the Community Service Fund (04) under Program Code 582 School Readiness.
	Note: When general education revenue is reallocated for a school readiness program for four-year olds, use both Program Code 581 and Finance Code 344 for reporting revenue and expenditures.

The following **Finance** Dimensions have had description **changes** effective for FY 2013:

CHANGES

Account	**Description**
151/251	**ARRA Stabilization Title VIII – Impact Aid (Fund 01, 02, 04 and 06)**
	Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this Finance code. **Only record revenue adjustments for overpayments or refunds** for allowable expenditures under Impact Aid (CFDA No. 84.394, Title VIII: Elementary and Secondary Education Act (ESEA), P.L. 107-110 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5).

200-299 Sub-Awards

The use of any 200 series finance code is for tracking of a federal sub-award grant from another district or agency where the receiving district has continual responsibility for the federal revenue. Corresponding numbers must be used between the 100 and 200 series codes. Example:

152/252 Education Jobs Fund (Fund 01, 02, and 04)

This accounting procedure will eliminate double accounting of federal revenue and expenditures.

306 Staff Development – Fifty Percent Site (Fund 01)

Fifty percent of total staff development expenditures must be spent by the educational site (Minn. Stat. § 122A.61, 122A.60, and 120B.22, Balance Sheet Code 403, Restricted/Reserved for Staff Development). Use this code only if there was a fund balance in Balance Sheet Code 403 on June 30, 2012.

Payment Description – N/A

307 Staff Development – Twenty-Five Percent Exemplary Site Grants (Fund 01)

Twenty-five percent of total staff development expenditures must be spent for exemplary grants to the educational sites (Minn. Stat. § 122A.61, 122A.60, and 120B.22), Balance Sheet Code 403, Restricted/Reserved for Staff Development). Use this code only if there was a fund balance in Balance Sheet Code 403 on June 30, 2012.

Payment Description – N/A

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

Twenty-five percent of total staff development expenditures may be spent district-wide (Minn. Stat. § 122A.61, 122A.60, and 120B.22), Balance Sheet Code 403, Restricted/Reserved for Staff Development). Use this code only if there was a fund balance in Balance Sheet Code 403 on June 30, 2012.

Payment Description – N/A

330 Learning and Development (Fund 01)

Record revenue and expenditures intended to reduce and maintain the district's instructor-to-learner ratio. This code is used with the Program Codes 201, 203 and Balance Sheet Code 428, Restricted/Reserved for Learning and Development Fund Balance. Revenue for this purpose is included in General Education Revenue (Minn. Stat. § 126C.12).

Payment Description – N/A

344 School Readiness (Fund 04)

Record revenues and expenditures for the purpose of providing comprehensive early childhood education that will prepare children to enter kindergarten. Program must assess children's cognitive skills at program entry and exit; provide research-based early childhood educational programming focused on children's cognitive skills and development; and prepare children for transition to kindergarten; arrange for early childhood screening; involve parents in program planning and decision-making; coordinate with relevant community-based services; and cooperate with adult basic education and other adult literacy programs. See Program Codes 582 and 581 for proper

activity coding. The revenue and expenditures in this code apply to Balance Sheet Code 444, Restricted/Reserved for School Readiness Fund Balance (Minn. Stat. § 124D.15 and § 124D.16).

Payment Description – 04F344 SCHOOL READ FY

351 Aid to Nonpublic Pupils – Textbooks, Tests and Technology (Fund 04)

Record expenditures for textbooks, individualized instructional or cooperative learning materials, standardized tests and software or other educational technology to include software, programs, applications, hardware, and any other electronic educational technology for nonpublic school pupils. The expenditures in this code apply to Balance Sheet Code 464, Restricted Fund Balance (Minn. Stat. § 123B.40 – 123B.48).

Payment Description – N/A

372 Medical Assistance/Third Party Revenue (Fund 01)

Record expenditures with this finance code related to additional special education activities funded **only** from the revenue recorded in Source Code 071 and/or Source Code 072. The expenditures of this money must follow the guidelines of Minnesota Statutes, section 125A.21, Subdivision 3, which states districts may:

1. retain an amount sufficient to compensate the district for its administrative costs of obtaining reimbursements;
2. regularly obtain from education and health-related entities training and other appropriate technical assistance designed to improve the district's ability to access third-party payments for individualized education program health-related services or
3. reallocate reimbursements for the benefit of students with individualized education programs or individual family service plans in the district.

Use this finance code in all charge back entries to achieve the conditions of the statute. If the expenditure is not eligible for state special education regular program aid, the district should code the expenditure to Finance Code 372, Program Code 400, and use the appropriate object code.

Payment Description – N/A

401/601 Title I, Part A – Improving the Academic Achievement of the Disadvantaged (Fund 01 and 04)

Record revenues and expenditures to expand and improve educational programs to meet the needs of educationally disadvantaged children in low-income areas (CFDA No. 84.010, Title I, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110). Use with Program Code 216 unless you are a recipient of the Race to the Top Early Learning Challenge (ELC) Grant.

If you are a recipient of the Race to the Top ELC Grant, you must use Program Codes 578, 579 and 581 for expenditures in excess of the amount spent in the previous year.

415/615 Title V, Part A – Innovative Programs (Fund 01)

This finance code is only available for expenditures by districts that qualify to REAP/Flex into this program. Funding for this award has expired and should not be used to report revenue. (CFDA No. 84.298, Title V, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110).

480/680 ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA) Part B 611

Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this finance code. **Only record revenue adjustments for overpayments or refunds** for Individuals with Disabilities Education 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).

481/681 ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA) Part B 611 CEIS

Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this finance code. **Only record revenue adjustments for overpayments or refunds** for Coordinated Early Intervening Services (CEIS) under the Individuals with Disabilities Education 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).

482/682 ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA) Part B 611 CEIS Mandatory

Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this finance code. **Only record revenue adjustments for overpayments or refunds** for mandatory Coordinated Early Intervening Services (CEIS) under the Individuals with Disabilities Education 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).

483/683 ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA) Part B 611 School-wide Title I

Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this finance code. **Only record revenue adjustments for overpayments or refunds** under the Individuals with Disabilities Education Act (IDEA), Part B, Section 611 for pupils with disabilities, ages 3-21 participating in a school-wide Title I program. Application required (P.L. 108-446; (CFDA No. 84.391 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5).

484/684 ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA) Part B 619 – Preschool Grant for Children with Disabilities

Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this finance code. **Only record revenue adjustments for overpayments or refunds** for Preschool Grants for Children with Disabilities. These grants are to assist states in providing a free appropriate public education (FAPE) to children with disabilities between the ages of three to five years (P.L. 108-446; CFDA No. 84.392, Individuals with Disabilities Education Act, Part B, Section 619 and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5).

486/686 **ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA), Part C Infants and Toddlers Programs – Ages Birth through Two (Fund 01)**

Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this finance code. **Only record revenue adjustments for overpayments or refunds** for grants to assist in planning development and expansion of interagency special education service activities for children from birth through two years of age (CFDA No.84.393, Individuals with Disabilities Education Act, Part C and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5).

487/687 **ARRA Targeted Funds – Individuals with Disabilities Education Act (IDEA), Part C Infants and Toddlers Programs – Ages Birth through Two – Low-Incidence Professional Development (Fund 01)**

Effective FY 2013, this is an expired ARRA award available only for recoveries due to audits, reconciliations and entitlement adjustments. Do not record expenditures using this finance code. **Only record revenue adjustments for overpayments or refunds** for grants to be used for the purpose of providing infant and toddler early intervention and preschool special education services consistent with state and federal statutes, rules and regulations (CFDA No.84.393, Individuals with Disabilities Education Act, Part C and the American Recovery and Reinvestment Act of 2009 (ARRA) P.L. 111-5).

740 **State – Special Education, Ages Three through Twenty-one (Fund 01)**

Record revenues and expenditures for state funded special education services for children/students age three through twenty-one (Minn. Stat. § 125A.76).

Payment Description – 01S360 SPEC EDUC FY

795 **Capital Projects Levy (Fund 01 and/or 06)**

Record proceeds of the Capital Projects Levy in the General Fund. These funds can be used only for purposes specified in Minnesota Statutes, section 126C.10, Subdivision 14. If the project activity is in Fund 6 then the proceeds equaling that amount must be transferred to the Building Construction Fund and all expenditures and revenues must use Finance Code 795. Interest income attributable to the capital projects account must be credited to the capital projects account. A district must meet the requirements of Minnesota Statutes, section 123B.71 for projects funded under this section. All activity in this finance code relates to Balance Sheet Code 407, Restricted/Reserved for Capital Projects levy (Minn. Stat. § 123B.63).

Payment Description – XXF795 CAP PROJ FY

862/962 **Title II, Part B – Mathematics and Science Partnerships (Fund 01)**

Record revenues and expenditures used in establishing Mathematics and Science Partnership Programs that increase the subject matter knowledge and teaching skills of Mathematics and Science Teachers. **For FY 2013, this finance code is only allowed for current grantees whose grants end August 12, 2012. For new awards, grantees will use Finance Code 499.** (CFDA 84.366, Title II, Part B: Elementary and Secondary Education Act (ESEA). P.L.107-110)

The following **Object** Dimensions have had description **changes** effective for FY 2013:

CHANGES

Account	**Description**
291	**Other Post-Employment Benefits (Pay-as-you-go)**

Record expenditures for health insurance or other post-employment benefits paid to retired employees on a pay-as-you-go basis. Districts authorized to levy for OPEB costs under Minnesota Statutes, section 126C.41, Subdivision 2(b) as a result of having an approved sunset clause in a current bargaining agreement must use this code in conjunction with Finance Code 797. Refer to Chapter 13 of the UFARS Manual for additional OPEB accounting instructions (Minn. Stat. § 471.611).

Note: *This code cannot be used as a direct charge to any federal program.*

295 **Interdepartmental Employee Benefits (Chargeback)**

Use this code to reclassify the costs recorded in the employee benefit program (Program Code 930, Employee Benefits) as costs to other program categories. A debit entry using this object code charges the prorated expenditures to the specific program code receiving the benefits. A credit entry using this object code with Program Code 930 creates a contra-expenditure account (credit amount) to "zero out" expenditure(s).

Note: Federal program reporting requires the use of actual employee benefit object codes. Chargeback Object Code 295 cannot be used with a federal finance code.

The following **Source** Dimensions have had description **changes** effective for FY 2013:

CHANGES

Account	**Description**
234	**Agricultural Market Value Credit**

Record payments from the state for Agricultural Market Value Credit. This revenue is allocated to all funds having a levy (Minn. Stat. § 273.1384).

Payment Description –XXS234 ED AGRICULT CR FY

370 **Other Revenue from Minnesota Department of Education**

Record state revenue received from MDE not defined above. This source code should be used only when a state finance code is not required. If a state finance code is required, Source code 300 should be used.

Payment Description - XXS370 FY

405 **Federal Aid Received through other State, Local or Fiscal Agencies**

Record federal revenues received through other state, local or fiscal agencies other than the Minnesota Department of Education. Districts must be knowledgeable as to whether they are sub-award grantees or a subcontractor of all federal funds received from another agency. The determination of sub-award or subcontractor will determine responsibility for the funds and how expenditures incurred for these funds will be coded.

Payment Description - N/A

The following **Balance Sheet Account** Dimensions have had description **changes** effective for FY 2013:

CHANGES

Account	**Description**
403	**Restricted/Reserved for Staff Development (Fund 01)**
	Represents unspent staff development revenues set aside from general education revenue that were Restricted/Reserved for Staff Development related to Finance Codes 306, 307, and 308 from previous years and Finance Code 316 from FY 2013 (Minn. Stat. § 122A.61, Subd. 1). *This restricted/reserved account is not allowed to go into deficit*.
407	**Restricted/Reserved for Capital Projects Levy (Fund 01 and 06)**
	Represents available resources from the capital projects levy to be used for building construction and other projects under Minnesota Statutes, section 126C.10, Subdivision 14. All interest income attributable to the capital projects levy must be credited to this account. Related to Finance Code 795, Capital Projects Levy (Minn. Stat. § 123B.63). *This restricted/reserved account may go into deficit to the extent of future levy authority.*

FY 2012 and FY 2013 – Staff Development Review

Finance Codes 306, 307, 308 and 316 - Staff Development

Changes for the staff development restriction under Minnesota Statutes 122A.61 within general education revenue were implemented in both the 2011 and 2012 Legislative Sessions. 2011 First Special Session, Chapter 10, Article 1, section 35, extended the FY 2010 and FY 2011 waiver of the requirement to reserve general education revenue for staff development for two years, to FY 2012 and FY 2013. Laws 2012, Chapter 206, Section 2, amending Minnesota Statute 122A.61, repealed the requirement to allocate 50% to sites, 25% to district-wide, and 25% to best practice sites. Each of these changes affects appropriate accounting for staff development expenditures.

Any existing fund balance in the restricted/reserved account for staff development (403) on June 30, 2012, must be used for appropriate staff development activities and coded to Finance Codes 306, 307 or 308. A district may also choose to make a fund transfer during FY 2013, under the authority provided in Minnesota Laws 2011, 1st Special Session, Chapter 11, Article 5, Section 11, as amended by Laws 2012, Chapter 239, Article 1, Section31.

In FY 2013, if the district has opted to reserve general education revenue in spite of the waiver, staff development revenue and expenditures will be coded to Finance Code 316. Do not use Finance Codes 306, 307 or 308.

In FY 2014 and later years, the district will record the required reserved revenue in Finance Code 316, with expenditures related to general education reserved revenue for FY 2013 and later years recorded in the same finance code.

For FY 2013 and later years, Balance Sheet Code 403 will continue to be used for unexpended amounts of the restricted revenue. Districts will track balances remaining for Finance Codes 306, 307, and 308, as well as Finance Code 316 within the same balance sheet code. Expending all amounts reserved in Finance Codes 306, 307 and 308 will eliminate the need to maintain additional detail.

FY 2013 Legislative Updates

Effective FY 2013 – Food Service Fund Update

Effective July 1, 2012 Minnesota Statutes, section 124D.111, Subdivision 3(d) was amended to simplify the process for capital expenditures. School districts will no longer be required to have the Minnesota Department of Education approve capital expenditures from the Food Service Fund. This is the only change to the law. No changes were made in the permissible uses of the food service funds. While this change simplifies the purchasing process, school districts must continue to follow federal and state requirements on allowable costs when purchasing food service equipment.

For questions or information regarding the amended state law for Food Service, please contact Debrah Firkus at 651-582-8775.

Career and Technical Education Levy

Under 2011 legislation (Minn. Stat. § 124D.4531), Career and Technical Education (CTE) state total levy may not have exceeded $17,850,000 for taxes payable in 2012, $15,520,000 for taxes payable in 2013, and $15,545,000 for taxes payable in 2014. 2012 legislation reduced the state total levy for taxes payable in 2014 to $15,393,000.

For taxes payable in 2012 – 2014, MDE must calculate the CTE levy using the old formula in effect for taxes payable in 2011:

Minnesota Statutes 2010, section 124D.4531, Subdivision 1, **Career and technical levy.**

(a) A district with a career and technical program approved under this section for the fiscal year in which the levy is certified may levy an amount equal to the **lesser** of:

1. $80 times the district's average daily membership in grades **10 through 12** for the fiscal year in which the levy is certified; or

2. **25 percent** of approved expenditures in the fiscal year in which the levy is certified for the following:
   - salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved career and technical education programs;
   - contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under Subdivision 7;
   - necessary travel between instructional sites by licensed career and technical education personnel;
   - necessary travel by licensed career and technical education personnel for vocational student organization activities held within the state for instructional purposes;
   - curriculum development activities that are part of a five-year plan for improvement based on program assessment;
   - necessary travel by licensed career and technical education personnel for non-collegiate credit-bearing professional development; and
   - specialized vocational instructional supplies.

(b) Up to ten percent of a district's career and technical levy may be spent on equipment purchases. Districts using the career and technical levy for equipment purchases must report to the department on the improved learning opportunities for students that result from the investment in equipment.

(c) The district must recognize the full amount of this levy as revenue for the fiscal year in which it is certified.

MDE must adjust the levy for each district proportionately to meet the statewide levy targets in effect for those years. For purposes of calculating the levy guarantee, the prior year levy is the levy before adjustments to meet the statewide levy target.

Taxes payable in 2015 and later changes the new CTE levy formula enacted in 2011 from the greater of $80 times Average Daily Membership (ADM) served in grades 9-12 or 35% of approved expenditures to simply 35% of approved expenditures.

With the new formula and no statewide levy cap for taxes payable in 2015, the levy is projected to increase from about $15.4 million for taxes payable in 2014 to about $23.4 million for taxes payable in 2015.

For questions regarding the Career and Technical Levy, please contact John Bulger at 651-582-8781 or Dan Smith at 651-582-8330.

FY 2012 and FY 2013 Budget Publication Form in Excel Format

The FY 2012 and FY 2013 Budget Publication Form ED-00110-36 is provided in an Excel format to include formulas for budget calculations. View the District Revenues and Expenditures Budget for FY 2012 and FY 2013.

IT Helpdesk

Submit technical questions or problems with the MDE website to MDE's Helpdesk.

UFARS Accounting Helpdesk

For UFARS accounting questions, please contact our MDE UFARS Accounting Helpdesk.