



Uniform

Financial

Accounting and

Reporting

Standards

Fiscal Year 2019 Edition

Minnesota Department of Education

Division of School Finance

Financial Management Section

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Introduction

Introduction

This Uniform Financial Accounting and Reporting Standards (UFARS) Manual is the edition for Fiscal Year (FY) 2019. It contains changes reflecting legislation passed in the 2018 Legislative Session (ending June 2018).

Background

In 1976, the UFARS Advisory Council was established by the Minnesota Legislature. The 1976 Legislature also mandated that the local education agencies begin using the UFARS system for reporting Fiscal Year 1977 financial activity. The UFARS Advisory Council was charged with making recommendations to the State Board of Education for accounting standards consistent with Minnesota Statutes, sections 123B.75 through 123B.83, and with Generally Accepted Accounting Principles (GAAP).

In December of 1991, the UFARS Advisory Council passed a resolution for the revision of the UFARS Manual. The resolution directed that the revision provide simplification of the UFARS accounting structure, including a lesser number of accounting codes, to bring greater accuracy and uniformity in the use of the system by the local education agencies. The council directed that a report be provided recommending such changes to the account structure within present legislative requirements, as well as suggesting changes to the statutes which would permit elimination of unproductive accounting and reporting.

The council created a special task force on March 13, 1992. The special task force adopted as its mission statement:

"The UFARS and related reporting systems will be reviewed so as to increase the simplicity and accuracy of reporting and to improve the efficiency and effectiveness of local education agency (LEA) business operations."

During 1992, the special task force conducted an extensive review of the UFARS system. It concluded that the multi-dimensional account code structure and the crosswalk system were strengths of the system. In addition, the task force developed several recommendations which were implemented to increase the efficiency and effectiveness of the system:

1. That the UFARS concepts be refined to better focus the design and use of the account codes within the system.
2. That more than 200 existing dimension codes be deleted from the system.
3. That criteria be developed for approval of new code requests, including (when possible) at least six months of notice to Local Educational Agencies (LEAs) prior to the use of changes.

The Minnesota Department of Education (MDE) is committed to maintaining a GAAP-based accounting system that provides accurate and comparable data to the lawmakers and public, while remaining an effective tool for LEA operations.

During the summer of 2002, a subcommittee was formed to review the requirements of Governmental Accounting Standards Board (GASB) Statement 34. The GASB's purpose is to develop and improve financial reporting rules for state and local governments in the United States. GASB Statement 34 makes sweeping changes in the way public school districts report their financial information. A special section (chapter 13, section 3) was written to address implementation issues common to Minnesota public schools.

Revisions to the UFARS Manual

The Minnesota Department of Education's goal is to revise the manual prior to the beginning of each fiscal year; however, changes to the manual are often the result of legislative activity. In the case of an extended session or a special session, the publication of the manual will be delayed. During the year, accounting changes necessitated by various developments (e.g., federal legislation) will be provided to districts through the School Business Bulletin (published quarterly). View the [School Business Bulletins](#).

Other Provisions

In the 2004 session, the Legislature repealed the statute requiring school districts to allocate general education revenue amount by buildings and replaced it with new requirements for school districts to report expenditures by building and for MDE to post financial information by building on its website. Under this new law, districts are no longer required to track revenues by building; however, additional expenditure allocations to building sites are required. The legislation was effective for the fiscal year 2004 year-end reporting and thereafter.

Implementation Plans for General Fund Reporting

Website Reporting by the Minnesota Department of Education

1. The Minnesota Department of Education will annually report information showing school district general fund expenditures per pupil by program category for each building.
2. Expenditures that districts are not required to report by building site shall be allocated to sites on a uniform per pupil basis by MDE (see districtwide reporting above).
3. The Minnesota Department of Education will annually report estimated school district general fund revenue generated by pupils attending each building.
 - a. Basic skills revenue, secondary sparsity revenue and elementary sparsity revenue shall be allocated based on the amounts generated under the statutory formulas by students attending each building.
 - b. Other general education revenue shall be allocated in a uniform per pupil unit basis.
 - c. State and federal special education aid and Title I aid shall be allocated in proportion to district expenditures for these programs by building (including districtwide coordination expenditures for these programs allocated to buildings in proportion to direct program expenditures by building).

- d. Other general fund revenues shall be allocated on a uniform per pupil basis, except that MDE may allocate other revenues attributable to specific buildings directly to those buildings (e.g., fees and other revenues not included in a-c above that are reported by districts at the building level).

View [site based revenue](#) and [expenditure reports](#). (MDE homepage > Data Center > Data Reports and Analytics: School Finance Reports: Expenditures-District/Site Level Report or Revenues-District-Site Level Report.

[View “Financial Data” by district and school as part of the Minnesota Report Card.](#)

District Consolidated Financial Statements

The 2006 Legislature (Minn. Stat. § [123B.77, subd. 1a](#)) required MDE, in consultation with the Advisory Committee on Financial Management, Accounting and Reporting, to develop and maintain a school district consolidated financial statement format that converts UFARS data into a more understandable format. The consolidated financial statement must be published on the department’s website by February 15 of the next fiscal year (Minn. Stat. § [123B.77, subd. 3](#)).

[View consolidated financial statements](#). This link also provides a definition of terms for the consolidated financial statement and a link to School District Financial Profiles Data

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Overview of UFARS

The first Uniform Financial Accounting and Reporting Standards (UFARS) Manual was completed in 1974 for implementation by school districts in Fiscal Year (FY) 1977. UFARS became law in 1976 ([Minn. Stat. § 123B.77](#)). These standards were related to other new legislation for FY 1977 requiring districts to use modified accrual accounting for revenues and expenditures ([Minn. Stat. § 123B.75-76](#)). Computer information system requirements also became law in 1980 ([Minn. Stat. § 125B.05](#)). These changes were made to help ensure the submission of timely, accurate and uniform financial data from all reporting units.

The Advisory Committee on Financial Management, Accounting and Reporting was organized in 2003 to advise the Minnesota Department of Education (MDE) on matters of school accounting, reporting, budgeting and financial management. It is composed of representatives from school districts, charter schools, independent accounting firms, state agencies, and professional organizations to continually review the standards and make recommendations for improvements. The committee meets quarterly. View minutes from the [Advisory Committee](#).

Minnesota school districts, charter schools, cooperative districts, area learning centers, private alternative schools and nonpublic schools are required by law to prepare financial reports and annual budgets. The need for the accounting and reporting of financial data pertaining to school districts and the increasing number of charter schools has expanded in recent years and is expected to grow in the future. For all public entities, these financial reports include the detailed tracking of revenues and expenditures within UFARS fund classifications in order to meet legislative requirements for school districts and provide financial accountability for public fund allocations. This is due to the increasing demand for accurate financial reporting data and the growing need for legislative accountability, including:

- Providing better financial information for public review and evaluation.
- Demonstrating financial accountability for program implementation.
- Enabling compliance with state and federal financial reporting requirements.
- Improving decision-making capabilities for state and local agencies.

UFARS is an integral part of the accounting and reporting process for school districts. The accuracy of the school district financial reports to be used in funding opportunities and decision-making activities is the responsibility of the governing boards of Minnesota school districts, charter schools and its authorizers, and education cooperatives. The accuracy of the UFARS recording, reporting and classification procedures is the responsibility of the superintendent or director and the business manager.

The need for the accounting and reporting of financial data pertaining to local school districts has expanded in recent years and is expected to grow in the future. This is due to the increasing demand for an effective use of school district resources and an increasing interest in equalizing educational opportunities for all pupils, regardless of background or locale.

This overview of UFARS includes:

Part A: Chart of Accounts

Part B: UFARS System Uses

Part C: Dimension Descriptions

Part D: Legislative Requirements

A. Chart of Accounts

UFARS requires the revenue and expenditure account code structure to be multi-dimensional. Expenditure and revenue accounting and reporting is based on individual accounts. An account in a multi-dimensional system requires the use of codes in six dimensions, each of which has a distinct purpose as described in Chapters 1-7. The same dimensions are used in both revenue and expenditure accounts with the exception of the Object Dimension, which is used with expenditure accounts and the Source Dimension, which is used with revenue accounts. Five of these dimensions are represented by a three-digit code and one (the fund dimension) by a two-digit code. These dimensions are used in the following sequence:

FUND	ORG/SITE	PROGRAM	FINANCE	OBJECT/SOURCE	COURSE
XX	XXX	XXX	XXX	XXX	XXX

Each dimension identifies one aspect of a revenue or expenditure account. No single dimension could provide enough information for local and state reporting of financial information. Expenditures such as salaries, purchased services, supplies and materials need to be related to at least a program or site (organization). Revenue accounts may or may not be dedicated for specific purposes. The fund and possibly the program, site (organization), or finance dimension may be necessary to describe the specific activities for which the revenue is to be used. Therefore, the total account structure is required to provide a meaningful account description.

Districts have been required to report “site-based data” since FY 1999. The organization dimension must relate to Districtwide – 005, Home School Sites – 799, or Budgeted Learning Sites – 001 to 004, 006 to 798, 800 to 997 and 999, and Tuition Billing Sites – 998.

Since each code within a dimension could be associated with every code in every other dimension, a vast number of individual accounts can be defined. However, only a fraction of the possibilities are useful or would be legitimate accounts. For example, salary objects should not be associated with the Debt Redemption Fund (see Permitted Code Combinations – Chapter 10).

In defining accounts, districts need to consider two factors. First, is the information required for state and/or other reporting? Second, does the district need the information for management decisions? Each dimension of the UFARS system contains a catalog of state-defined codes that are required for state reporting purposes. All codes for which the state will request information are included in this manual. From this catalog, districts can select the codes from each dimension that pertain to their operations. For example, a district can use this

structure to define a salary expense for custodians at a secondary school site by selection of codes from each dimension as follows:

FUND	ORG/SITE	PROGRAM	FINANCE	OBJECT/SOURCE	COURSE
01	325	810	000	170	000
General	Bradbury High School	Operation and Maintenance	N/A	Non-Instructional Support Salary	N/A

Each district has somewhat different accounting and reporting requirements for local control and management. Additional accounts may be required for day-to-day operations. The UFARS reporting structure does not control or constrain local operations but rather provides flexibility for accounting structure. Districts may add codes in any dimension to accommodate local accounting needs; however, for state reporting, these codes must be cross-walked to codes existing in the UFARS manual. For example, a district can use a local code structure to define a salary expense for custodian overtime by the selection of locally defined codes in certain dimensions. Then, using the crosswalk feature, local codes can be reclassified to the appropriate UFARS codes as follows:

Example: District-Defined Codes

FUND	ORG/SITE	PROGRAM	FINANCE	OBJECT/SOURCE	COURSE
01	325	810	000	177	016
General	Bradbury High School	Operation and Maintenance	N/A	Custodian Overtime	Cleaning

Example: District-Defined Codes Crosswalked to UFARS Codes

FUND	ORG/SITE	PROGRAM	FINANCE	OBJECT/SOURCE	COURSE
01	325	810	000	177	016
>	>	>	>	>	>
01	325	810	000	170	000

The sequence or arrangement of the dimensions as presented in this manual is for state reporting purposes only. In the automated multi-dimensional statewide finance system, the arrangement of dimensions varies from district to district. Input documents may have dimensions arranged in one sequence, be manipulated internally by the computer software in a different sequence, and be rearranged for reporting purposes in a third sequence. Detailed explanations of each dimension may be found preceding the list of codes in the chapter devoted to each dimension. Figures 1 and 2 on the following pages illustrate the type and content of the six dimensions for revenue and expenditure accounts. Part C of this overview provides a more extensive description of each dimension.

B. UFARS System Uses

UFARS is used at the district level for: (1) budgeting and budget projections; (2) financial management; and, (3) for reporting to district administrators, the school board and the public. At the state level, MDE requires information on a uniform basis from all the school districts and charter schools for the following purposes:

- State funding programs that provide state aid or levy authority based on expenditure data.

- Federal programs (such as Title I, adult basic education and national school lunch) which are administered through MDE and require financial information for entitlement.
- The preparation by MDE of the “Profiles” report, an annual financial condition report, and general data regarding the finances of each district.
- To provide the governor and the Legislature with financial and statistical data relating to proposed aid formulas, past payments made, and other research regarding historical and projected costs.
- To provide financial information to the National Center for Education Statistics (NCES) and the Bureau of the Census. This information includes financial data for federal programs that are administered outside MDE.
- The 2009 Legislature made changes to the publication of financial information (Minn. Stat. § 123B.10, subd. 1). “Every board must publish revenue and expenditure budgets for the current year and the actual revenues, expenditures, fund balances for the prior year, and projected fund balances for the current year within one week of the acceptance of the final audit or November 30, whichever is earlier. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made.” The statute states that a district must post the materials in a conspicuous place on the district’s official website with a link to the school report card information (Data Center > Minnesota Report Card) on MDE’s website; and publish a summary of the information in a qualified newspaper of general circulation within the district. These changes ensure that the budget publication reflects final audited data for the previous fiscal year.

According to Minnesota Statutes, section 124E.16, subdivision 2, “A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school may combine this report with the reporting required under Minnesota Statutes, section 120B.11. A charter school must post the annual report on the school’s official website. A charter school must also distribute the annual report by publication, mail, or electronic means to, its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school. The reports are public data under chapter 13.”

Figure 1
Expenditure Accounts

	FD	ORG	PRO	FIN	OBJ	CRS
X = Number of Digits in UFARS Dimension	XX	XXX	XXX	XXX	XXX	XXX
FUND – Provides for a segregation of expenditures which are generally established in accordance with statutory requirements and GAAP. Includes the general, food service, community services, trust, agency, debt service, construction and internal service funds.						
ORG/SITE – Provides separation of expenditures by budgeted learning site or district-wide. The learning sites have the same numbers as in the Minnesota Accounting and Reporting Student Systems (MARSS).						
PROGRAM – Provides separation of expenditures for all aspects of school district operations, including direct instructional, administrative and various support activities. Examples include school administration, mathematics, staff development and facilities.						
FINANCE – Provides detailed information on expenditures for which funding is restricted and also identifies expenditures which relate to a restricted/reserved fund balance. In some cases, this dimension is used to link expenditures to revenue. Examples include Title I, basic skills education, and the national school lunch program. If the Finance Dimension is not needed, <i>Code 000</i> is used.						
OBJECT – Provides expenditure detail as to the service or commodity purchased. Examples include teacher salaries, food, bond interest and technology equipment.						
COURSE – The course code dimension is that segment of the UFARS account code which makes it possible to further describe or identify an activity within another dimension to achieve more detailed information. This dimension is used in state reporting to track federal expenditures by award year.						

Figure 2
Revenue Accounts

	FD	ORG	PRO	FIN	SRC	CRS
X = Number of Digits in UFARS Dimension	XX	XXX	XXX	XXX	XXX	XXX
FUND – Provides for a segregation of revenues which are generally established in accordance with statutory requirements and GAAP. Includes the general, food service, community services, trust, agency, debt service, construction and internal service funds.						
ORG/SITE – Provides separation of revenues by budgeted learning site or district-wide. The learning sites have the same numbers as in the Minnesota Automated and Reporting Student System (MARSS).						
PROGRAM – Provides separation of revenues for all aspects of school district operations, including direct instructional, administrative and various support activities. Examples include school administration, mathematics, staff development and facilities.						
FINANCE – Provides detailed information on revenues for which funding is restricted and also identifies expenditures which relate to a restricted/reserved fund balance. In some cases, this dimension is used to link expenditures to revenue. Examples include Title I, basic skills education, and the national school lunch program. If the Finance Dimension is not needed, <i>Code 000</i> is used.						
SOURCE - Provides for a separation of revenues by source of funding. Identifies revenues of a general nature such as property tax levies or general education aid, or for specific categorical programs. Serves as a means of summarizing by major revenue classifications (e.g., local, state, or federal). Required for all revenues received. <i>Code 000</i> is not valid and must not be used.						
COURSE – This dimension is used in state reporting to track federal revenues by award year. An optional use of this dimension is to classify revenues by locally defined relationships.						

C. Dimension Descriptions

Fund Dimension

A fund is a fiscal entity with a set of accounts that record financial resources, liabilities and equities. Each fund is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Fund Dimension has the largest aggregation of transactions. Transfers between funds are allowed only when authorized in statute ([Minn. Stat. § 123B.79](#)). Such transfers require school board action. There are generally two different methods to classify the various funds depending on to whom the district is reporting:

1. Audited financial statements must use Generally Accepted Accounting Principles (GAAP).
2. UFARS is the classification method used to report to MDE.

For accounting and reporting in accordance with GAAP, and as presented in the audited financial statements, the funds described in this manual consist of Governmental Funds, Proprietary Funds, Fiduciary Funds and Account Groups in accordance with standards established by the Governmental Accounting Standards Board (GASB). The Governmental Funds are further divided into General (01), Special Revenue (02 and 04), Building Construction (06), Debt Service (07) and Postemployment Benefits Debt Service Fund (47). The Fiduciary Funds are Trust (08), Agency (09), and Postemployment Benefits Irrevocable Trust Fund (45). The Proprietary Funds are Internal Service (20), and Postemployment Benefits Revocable Trust Fund (25). The Account Groups are General Fixed Assets (designated in the Fund Dimension as 98) and General Long-Term Debt (designated in the Fund Dimension as 99).

For UFARS reporting to the state of Minnesota, funds are divided into Operating Funds (Funds 01, 02 and 04), Non-Operating (Funds 06, 07 and 47), Fiduciary (08, 09 and 45), Proprietary (Funds 20 and 25), and Account Groups (98 and 99).

Organization/Site Dimension

The Organization/Site Dimension is the portion of the total account code that makes it possible to identify expenditures and revenues as districtwide or by budgeted learning site.

For state reporting purposes, revenues and expenditures must be coded either to a budgeted learning site or as districtwide. All revenues or expenditures which cannot be directly related to a learning site are reported to MDE as districtwide. The local district may also use separate site codes for local needs such as administration buildings, bus garages, distribution centers or warehouses, etc. These must be cross walked for state UFARS reporting.

Individual site codes are not used for departments, sections, or other cost centers within the district, budgeted learning site, or instructional level. This subdivision is accomplished by use of the appropriate program category code. Individual site codes are also not used for defining geographic areas, administrative projects, or intra-district reporting hierarchies.

Program Dimension

This dimension is used to separate sets of activities within a fund. The Program Dimension describes all instructional and support service activities associated with public schools. For example, Program Code 810, Operations and Maintenance, is used to report all expenditures associated with operating and maintaining a district's facilities. By combining the Organization/Site with Program Code 810, it is possible for the district to report on operations and maintenance costs on a site-by-site basis.

Each program code describes the complete set of activities pertaining to that program except for those activities for which another program code exists. Thus, the program "Office of the Superintendent" is used for all expenditures for that office including the salary of all staff (the superintendent and his/her staff), benefits, supplies and any other expenses incurred directly by that office. However, maintenance costs are not allocated to this activity, since Program Code 810 exists.

The codes in this dimension are divided into 10 categories: Administration (000 Series); District Support Services (100 Series); Elementary and Secondary Regular Instruction (200 Series); Vocational Education (300 Series); Special Education Instruction (400 Series); Community Education and Services (500 Series); Instructional Support Services (600 Series); Pupil Support Services (700 Series); Sites, Buildings and Equipment (800 Series); Fiscal and Other Fixed Costs Programs (900 Series); and other 800/900 programs.

Finance Dimension

The Finance Dimension is used to establish the revenue and expenditure relationship for financial accounting and reporting. This linkage is maintained for accounting and reporting by establishing unique finance codes and using them in conjunction with the other dimensions in both revenue and expenditure accounts. Detailed or summary reports of revenues and expenditures for reporting financial information for aids or grants may be obtained through use of the finance dimension.

The series in this dimension are Districtwide (000), State (300), Federal (400, 500, 600, 800 and 900), Child Nutrition (701-710), Transportation (711-739), Special Education (740-760), State Placement (761-770), Levy Supported Programs (771-799) and Secondary Vocational (830 and 835).

The term in the description for federal programs "Catalog of Federal Domestic Assistance (CFDA) Number (No.) XX.XXX" requires special notice. This refers to a federal identification number listed in the Catalog of Federal Domestic Assistance. For projects funded by MDE, each finance code definition includes the warrant description for aid or grant payments.

Object Dimension

The Object Dimension identifies the generic service or commodity obtained as the result of an expenditure. This is the most detailed level of expenditure reporting. A specific object code is required for each expenditure account. Therefore, "000" may not be used in the Object Dimension. The descriptions in the Object Dimension chapter define the type and nature of the expenditures appropriate for each object code.

The Object Dimension is subdivided into eight series: Salaries and Wages (100); Employee Benefits (200); Purchased Services (300); Supplies and Materials (400); Capital Expenditures (500); Debt Service (700); Other Expense (800); and Other Financing Uses, including Transfers (900).

Source Dimension

The Source Dimension identifies the origin of revenues. A specific source code is required in each revenue account therefore, “000” may not be used in the Source Dimension.

The descriptions in the Source chapter identify the sources of revenue in the following series: Local Sources (001-099); State Sources (200-399); Federal Sources (400-599); and Sales/Other Conversions (600-699).

Course Dimension

For state reporting purposes, use of the Course Dimension is to report revenues and expenditures for projects that overlap school district fiscal years.

The Course Dimension Code can be used to track Long-Term Facilities Maintenance (LTFM) project expenditures authorized under [Minnesota Statutes, section 123B.595](#).

Course Dimension Codes 011-015, are used to track federal funds that 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 does not change. The use of these codes will allow tracking of expenditures throughout the entire grant award period.

For local management purposes, the course dimension is that segment of the total UFARS account code that makes it possible to further describe or identify an activity within another dimension to achieve more detailed information.

Chapter 14 of the manual contains a 900 series of course code numbers. These codes may be used by local districts for the recording of student activity accounts, with or without the Manual for Activity Fund Accounting (MAFA).

GAAP and UFARS Fund Structures

Figures 3 and 4 below illustrate the two methods of classifying school district funds. For audit reports, independent auditors must use GAAP. When districts report their financial data to the state, the UFARS classification for funds is used.

Figure 3
Fund Classification GAAP Reporting

	FUND TYPE						
	Governmental				Fiduciary	Proprietary	Account Groups
Fund Name and Number	General	Special Revenue	Capital Projects	Debt Service			
General (01)	X						
Food Service (02)		X					
Community Service (04)		X					
Building Construction (06)			X				
Debt Service (07)				X			
Trust (08)					X		
Agency (09)					X		
Internal Service (20)						X	
Postemployment Benefits Revocable Trust Fund (25)						X	
Postemployment Benefits Irrevocable Trust Fund (45)					X		
Postemployment Benefits Debt Service Fund (47)				X			
General Fixed Assets (98)							X
General Long-Term Debt (99)							X

Figure 4
UFARS Fund Classification State Reporting by Fund Type

	FUND TYPE			
Fund Name and Number	Operating	Non-Operating	Proprietary	Account Groups
General (01)	X			
Food Service (02)	X			
Community Service (04)	X			
Building Construction (06)		X		
Debt Service (07)		X		
Trust (08)		X		
Agency (09)		X		
Internal Service (20)			X	
Postemployment Benefits Revocable Trust Fund (25)			X	
Postemployment Benefits Irrevocable Trust Fund (45)		X		
Postemployment Benefits Debt Service Fund (47)		X		
General Fixed Assets (98)				X
General Long-Term Debt (99)				X

D. Legislative Requirements

Authorized Computer Information Systems

[Minnesota Statutes, section 125B.05](#), requires MDE to develop and maintain a computerized information system for state information needs. Another purpose of the computerized information system is to meet the management needs of school districts. The department maintains a list of certified service providers for administrative data processing software and support. To be certified, a service provider must provide the department with a written statement identifying software products and support functions that will be provided to school districts and state its intent to meet state standards for software, data elements, edits and support services. The standards ensure the quality of the data reported to the state. Refer to Figure 4 for the current list of certified service providers.

Audit Requirements

[Minnesota Statutes, section 123B.77](#), subdivision 3, requires reporting entities to submit audited financial data to the commissioner of the Minnesota Department of Education (MDE) and to the Office of the State Auditor (OSA). Minnesota Statutes, section 123B.77, also states the required timelines for the reporting of financial data to the commissioner (MDE). The statutory deadline for the FY 2019 Audited Final Uniform Financial Accounting and Reporting Standards (UFARS) Data Submission and Fiscal Compliance Table Data Submission reporting is November 30, 2019, and Audit Reports are due by December 31, 2019. However, the statutory deadline falls on a Sunday; therefore, submissions are timely if submitted on the next succeeding day which is not a Saturday, Sunday, or legal holiday (Minn. Stat. § 474A.025).

- Audited Final UFARS Data Submission – due November 30, 2019
- Fiscal Compliance Table Data Submission – due November 30, 2019
- Audit Reports – due December 31, 2019 (for FY 2019)

Note: Refer to “Submission Options” Section of this document.

Each audit must include components identified within points 1-4 listed below. MDE reviews each audit and will require the reporting entity to submit any identified missing components. Failure to submit missing components will result in a report citing noncompliance for failure to provide necessary components, and is forwarded to fiscal monitors of federal programs to be used in the risk assessment criteria for future site visits.

1. The Minnesota Department of Education requires financial statement audits be conducted in accordance with Generally Accepted Government Auditing Standards (GAAP or Yellow Book), the Federal Single Audit Act and the Minnesota Legal Compliance Guide as issued by the OSA. In a Single Audit engagement, please refer to the Office of Management and Budget (OMB) document “2 Code of Federal Regulations (C.F.R.) chapter I, and chapter II, parts 200, et al. – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (OMB Omni Circular) implemented December 26, 2014, for reporting requirements. The audited financial statement must also provide a statement of assurance pertaining to UFARS compliance.

The Minnesota Department of Education also requires a Corrective Action Plan (CAP) to be submitted as a component of all findings cited as a result of state, federal, or legal audit finding. The CAP must be included

within the Local Educational Agency (LEA) audit for MDE review. Audit findings should be numbered with the fiscal year and audit finding number (for example: 2019-1, 2019-2, etc.) and follow the CAP format listed in item 4 below.

The Minnesota Department of Education will review the audit report submitted by the auditor on behalf of each Local Education Agency (LEA). As part of the OMB Omni Circular, MDE is required to provide a management decision for audit findings that relate to Federal Awards. If the auditor and/or LEA do not receive a follow up communication from MDE within six months of the submission of the audit report or by June 30 of the subsequent year, the management decision is complete.

2. The MDE Manual for Activity Fund Accounting (MAFA) requires the student activity audit 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 fact must be included in the financial notes.

School districts without student activity accounts must enclose a separate written memo or letter stating the school district does not have any student activity accounts. These steps will assist with verification a student activity audit has been completed or that the student activities are all under board control and were audited with the general fund. MDE requires any findings resulting from the audit have a CAP included for each finding. Audit findings should be numbered with the fiscal year and audit finding number (for example: 2019-01, 2019-02, etc.).

3. The LEA must complete and include a comparative fiscal compliance report with the audit report. The Fiscal Compliance Report must include the comparison between audited data and reported UFARS data and include column displaying the variance(s). The Fiscal Compliance Report is to be included in the table of contents of the Audit Report.

The LEA or auditor must enter the audited data into the Fiscal Compliance Table located on the MDE's website (Districts, Schools and Educators > Business and Finance > Data Submissions, Fiscal Compliance Table). After the audited data has been entered, run the Fiscal Compliance Table Comparison Report and review the results. Any differences between the UFARS data and the audited financial data must be corrected. The entry of the audited data to the Fiscal Compliance Table must be completed by November 30, 2019.

MDE reporting requirements expects that at the fund level: 1) prior year ending fund balances will equal current year beginning fund balances; and 2) current year beginning fund balances, plus total revenues and transfers in, minus total expenditures and transfers out, will result in the calculated current year ending fund balance. The calculated ending fund balance should equal the current year ending fund balance. Any discrepancies identified should be reported to MDE.

4. Checklist of reports that are required to be submitted to MDE and the OSA include:
 - a. Report on financial statements.
 - b. List of school board members for the reporting year.
 - c. Management's discussion and analysis (prepared by the finance officials of the LEA).
 - d. Report on entity's internal control structure.
 - e. Report on entity's compliance with laws and regulations.
 - f. Corrective Action Plan for all written findings (including student activity audit).
 - g. Corrective Action Plans should contain the following elements for each finding:
 - i. Explanation of any disagreement with the finding.
 - ii. Actions planned in response to the finding.
 - iii. Official responsible for ensuring the corrective action.
 - iv. Plan to monitor completion of corrective actions.

- h. Student activity audit or statement that funds are audited with the general fund.
- i. UFARS Fiscal Compliance Table.
- j. Single audit reports, if applicable.
- k. Management letter (if no management letter was issued to the district, a separate and additional memo stating that fact is to be included with the audit submission).

FY 2019 – Charter School Reporting Requirements

According to Minnesota Statutes, section 124E.16, charter schools are required to submit audit reports and other annual public reports as outlined in subdivisions 1 and 2:

Subdivision 1. **Audit report.**

- a. A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under this subdivision. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section [6.65](#). A charter school is subject to and must comply with sections [15.054](#); [118A.01](#); [118A.02](#); [118A.03](#); [118A.04](#); [118A.05](#); [118A.06](#); [471.38](#); [471.391](#); [471.392](#); and [471.425](#). The audit must comply with the requirements of sections [123B.75](#) to [123B.83](#), except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections [123B.81](#) to [123B.83](#) must submit a plan under section [123B.81](#), [subdivision 4](#).
- b. The charter school must submit an audit report to the commissioner and its authorizer by December 31 each year.
- c. The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information, a copy of management agreements with a charter management organization or an educational management organization and service agreements or contracts over the lesser of \$100,000 or 10 percent of the school's most recent annual audited expenditures. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.
- d. A charter school independent audit report shall include audited financial data of an affiliated building corporation or other component unit.
- e. If the audit report finds that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the material weakness will be resolved. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school's financial audit to the commissioner and authorizer upon request.

Subdivision 2. **Annual public reports.**

- a. A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school may combine this report with the reporting required under section 120B.11. A charter

school must post the annual report on the school's official website. A charter school must also distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school. The reports are public data under chapter 13.

- b. The commissioner shall establish specifications for an authorizer's annual public report that is part of the system to evaluate authorizer performance under [Minnesota Statutes, section 124E.05, subdivision 5](#). The report shall at least include key indicators of school academic, operational, and financial performance.

Charter Schools

This section is a clarification of the charter schools reporting requirement to provide copies of agreements with service providers.

The term agreement is defined as, but not limited to, contracts, letters of intent, memos of understanding, etc.

The following supplemental information requirements are in addition to the required annual audit report and must be submitted to MDE and the school's authorizer by December 31 (January 2, 2019, for FY 2018 reporting) of each year. Required charter school supplemental information is NOT a requirement of the OSA and is not to be submitted to the OSA.

Required documents are for the period of the fiscal year being reported. This year the period for fiscal reporting is 7/1/2017- 6/30/2018. An agreement overlapping the fiscal year will require both agreements to be submitted.

Examples:

1. Management contract with effective dates of 1/1/2018-12/31/2018 and 1/1/2019-12/31/2019, requires both contracts to be submitted.
2. Management contract which cover multiple years would submit the contract for the fiscal reporting period. (Contract 7/1/2016-6/30/2019 would submit the same contract in the years of 2017, 2018 and 2019.)

Required Charter School Submissions:

1. Copies of all agreements for corporate management services with the charter school. Corporate management service agreements include, but are not limited to:

Agreements for Management Services:

Examples: Education Management Organization (EMO)
Charter Management Organization (CMO)

General Definitions

An Education Management Organization, or EMO, is usually defined as a private organization or firm (for profit) that manages public schools, including district and charter public schools. A Charter Management Organization, or CMO, is a non-profit equivalent of an EMO.

A contract details the terms under which administrative authority to operate one or more schools is given to an EMO/CMO in return for a commitment to produce measurable outcomes within a given time frame. The term “Education/Charter Management Organization” and the acronyms “EMO/CMO” are most commonly used to describe these private/non-profit organizations that manage public schools under contract. However, other names or labels, such as “education service providers,” are sometimes used to describe these companies.

An important distinction should be made between EMOs/CMOs, which have administrative authority to operate a school, and service contractors, often referred to as “vendors.” Vendors provide, for a fee, specific services such as accounting, payroll and benefits administration, transportation, financial and legal advice, personnel recruitment, professional development, and special education.

2. Copies of service agreements or contracts over the lessor of the following:

- Total annual amount paid is greater than \$100,000.

or

- Total annual amount paid is greater than 10 percent of the year-end audited expenditures.

Agreements for Other Services (Vendors):

Examples: Business Services
 Food Services
 Transportation
 Teaching Staff

The agreements must detail the terms of the agreement and must identify the services provided along with annual cost for the services identified in the agreement.

Note: Charter schools without management services contracts or agreements meeting the \$100,000 / \geq 10 percent of year end audited expenditures should include with their submission, a letter to MDE, signed by the School’s Director, stating: “The XYZ Charter school does not have a contract with a management company or contracts which exceeds \$100,000 / or greater than 10 percent of year end audited expenditures.”

School Auditors

1. Independent audit reports for charter schools must include the audited data from the affiliated building corporation or other component units ([Minn. Stat. § 124E.16, subd. 1\(d\)](#)).
2. Submission of Supplemental Information – Assist school with submitting agreement information.
3. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school’s financial audit to the commissioner and authorizer upon request ([Minn. Stat. § 124E.16, subd. 1\(e\)](#)).

Supplemental information is recommended to be submitted to MDE via email using the file naming convention and submitted to the email address below:

Fiscal Year	District ID	District Type	District Name	Report Name
4 characters	4 characters	2 characters	Up to 12 characters	Management Service

Each element must be separated by a “.” (period).

Note: Submit a separate file for each of these reports (see examples below):

1. Management Agreements suffix convention (mgmt.agree)
2. Service Agreements suffix convention (service.agree)

Examples: 2019.4113.07.FraserAcad.mgmt.agree
2019.4113.07.FraserAcad.service.agree

If multiple files will be submitted in each category, number the files beginning with 1.

Examples: 2019.4113.07.FraserAcad.mgmt.agree1
2019.4113.07.FraserAcad.mgmt.agree2

2019.4113.07.FraserAcad.service.agree1
2019.4113.07.FraserAcad.service.agree2

The email address for electronic submission is mde.finnmgt@state.mn.us.

If electronic format is unavailable, required information may be submitted via U.S. Mail or by other courier; please submit printed (hard) copy of the required documents to:

Minnesota Department of Education
Division of School Finance
Attn: Financial Management
1500 Highway 36 West
Roseville, MN 55113

If you have questions about the *Changes to Charter School Reporting Requirements*, please contact the [UFARS Accounting Helpdesk](mailto:mde.ufars-accounting@state.mn.us) (mde.ufars-accounting@state.mn.us).

Submission Options

2019 Submission

1. Districts may submit completed financial audits and required supplemental information in standard printed and bound format via United States Mail or other courier service; however, the recommended submission method is to submit all documents in electronic format.
2. Districts may submit completed financial audits and required supplemental information via email with attached files in a Portable Document Format (PDF) format using the naming convention identified here.

To Submit E-files to MDE

Each management letter (or “COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE”) must be transmitted in a separate pdf file.

Naming Conventions

Audit reports may be submitted using the MDE email address provided below and must use the following naming convention. A separate file for each of these reports (see examples below):

Audited District Financial Statements	convention: FinStmt.District
District Management Letters	convention: MgtLtr.District
Student Activity Audits	convention: FinStmt.Student
Student Activity Management Letter	convention: MgtLtr.Student
Other Reports	convention: Other

“Other reports” may be conveyance of letters, letters indicating a management letter was not issued, additional files, etc.

The naming convention for required files:

Fiscal Year	District Number	District Type	District Name	Report Name
4 characters	4 characters	2 characters	Up to 12 characters in length	FinStmt.District MgtLtr.District FinStmt.Student MgtLtr.Student Other

Each element must be separated by a “.” (period).

Naming Convention Examples:

2019.0001.03.Minneapolis.FinStmnt.District

2019.0001.03.Minneapolis.FinStmnt.Student

2019.0001.03.Minneapolis.MgtLtr.District

2019.0001.03.Minneapolis.MgtLtr.Student

2019.0001.03.Minneapolis.Other

[Minnesota Statutes, section 123B.77, subdivision 3](#), also requires each district to send a copy of the audit and all supplemental report to the OSA. The Office of the State Auditor requests all copies to be in electronic format and must be received no later than December 31, 2019.

The email addresses for electronic submission are:

MDE: [MDE Financial Management Team](mailto:MDE.FinMgt@state.mn.us) (MDE.FinMgt@state.mn.us.).

OSA: [Office of the State Auditor](mailto:SingleAudit@osa.state.mn.us) (SingleAudit@osa.state.mn.us).

Districts Submitting via USPS or Courier

Submit one printed (hard) copy of the audit and other required documents to:

Minnesota Department of Education
Division of School Finance
Attn: Financial Management
1500 Highway 36 West
Roseville, MN 55113-4266

If you have any questions, please contact [Financial Management](mailto:mde.finmgt@state.mn.us) (mde.finmgt@state.mn.us) at 651-582-8312.

The Summary of Audit Requirements is also posted on the MDE website (Districts, Schools and Educators > Business and Finance > School Finance > Financial Management > [Independent Financial Audits](#)). As indicated above, MDE must receive all audit reports by December 31, 2019. If reports are received after December 31, 2019, the postmark must be on or before December 31, 2019.

MDE Fiscal Compliance Table Website

The fiscal compliance report 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 is a comparison between the UFARS data and the audited financial statements. The fiscal compliance data entry form must be completed electronically and a copy of the Fiscal Compliance Report, which includes 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. [View the Fiscal Compliance Table](#)

(Districts, Schools and Educators > Business and Finance > Data Submissions > Fiscal Compliance Table, select Enter the Fiscal Compliance Table.)

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.

Important Note: Effective since FY 2011 reporting year, UFARS balance sheet accounts and the fiscal compliance table were revised to accommodate Governmental Accounting Standards Board Statement (GASB) 54, Fund Balance Reporting and Governmental Fund Type Definitions. A sample of the FY 2017 Report is provided in Figure 3.

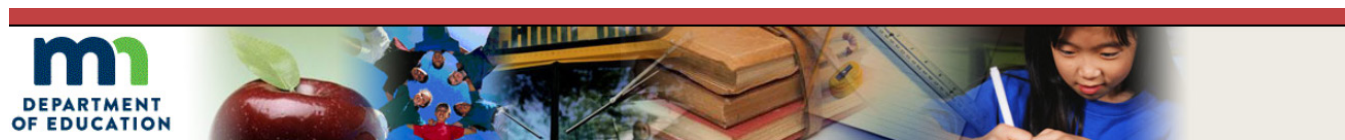
The report organizes fund balances for each of the governmental funds by the GASB 54 reporting categories: nonspendable, restricted, which includes restricted/reserved, committed, assigned, and unassigned. Another new feature is the Reconciliation of Fund Balance line, which totals all fund balances within each of the governmental funds to ease comparison of UFARS data—which may not strictly follow GASB 54—with the audited financial statement data. The difference between the reconciliation totals of the UFARS column and the Audit column should be zero. UFARS reporting requires any deficit in a restricted/reserved account that may report a deficit to be reported in that account. For example, a deficit in the restricted/reserved for Community Education account 4.31 would be reported on UFARS in that account; under GASB 54, the deficit would be reported as a deficit unassigned fund balance on the audited financial statements. For further discussion, see UFARS Manual Chapter 8 – Balance Sheet Accounts.

For more information, please contact [Molly Koppes](mailto:molly.koppes@state.mn.us) (molly.koppes@state.mn.us) at 651-582-8249.

The Minnesota Department of Education Fiscal Compliance website is located at Districts, Schools and Educators > Business and Finance > Data Submissions > [Fiscal Compliance Table](#), select Enter the Fiscal Compliance Table. The next screen has four pages: Log In, District Selection, Data Entry and Fiscal Compliance Table.

Log In

You will enter the Fiscal Compliance user name and password to access the website. The user name is comp and the password is Gr3en. The user name and password are case sensitive.



User Name:
Password:

District Selection

You may select your district by district name or district number, and then choose Search or Run Report. The Search button will direct you to the data entry page. The Run Report button will generate the comparison report between the audited financial data and submitted UFARS data.

Fiscal Compliance Search/Reporting - 6/30/2017 [Help](#)

District Name:

District Number:

Data Entry

Enter your audited financial information into the Fiscal Compliance Table on this page. When typing in the financial data keep in mind these points: 1) type in the amount as a whole number excluding cents; 2) do not use dollar signs or commas; When all the financial data has been entered, choose the submit button. This will start an edit process. If an error occurs, a note in red letters will display at the top of the page. Please make the appropriate adjustments and re-submit. After successful submission, run the Fiscal Compliance Table by choosing Run Report. The Fiscal Compliance Table will automatically show up on the screen.


Fiscal Compliance Data Entry - 6/30/2017 [Help](#) [Logoff](#)

District: AITKIN (1-1)

01 GENERAL FUND		06 BUILDING CONSTRUCTION	
Total Revenue	<input type="text"/>	Total Revenue	<input type="text"/>
Total Expenditures	<input type="text"/>	Total Expenditures	<input type="text"/>
Non Spendable:		Non Spendable:	
4.60 Non Spendable Fund Balance	<input type="text"/>	4.60 Non Spendable Fund Balance	<input type="text"/>
Restricted / Reserved:		Restricted / Reserved:	
4.03 Staff Development	<input type="text"/>	4.07 Capital Projects Levy	<input type="text"/>
4.06 Health and Safety	<input type="text"/>	4.13 Project Funded by COP	<input type="text"/>
4.07 Capital Projects Levy	<input type="text"/>	4.67 LTFM	<input type="text"/>
4.08 Cooperative Revenue	<input type="text"/>	Restricted:	
4.13 Project Funded by COP	<input type="text"/>	4.64 Restricted Fund Balance	<input type="text"/>
4.14 Operating Debt	<input type="text"/>	Unassigned:	
4.16 Levy Reduction	<input type="text"/>	4.63 Unassigned Fund Balance	<input type="text"/>
4.17 Taconite Building Maint	<input type="text"/>	07 DEBT SERVICE	
4.24 Operating Capital	<input type="text"/>	Total Revenue	<input type="text"/>
4.26 S25 Taconite	<input type="text"/>	Total Expenditures	<input type="text"/>
4.27 Disabled Accessibility	<input type="text"/>	Non Spendable:	
4.28 Learning & Development	<input type="text"/>	4.60 Non Spendable Fund Balance	<input type="text"/>
4.34 Area Learning Center	<input type="text"/>	Restricted / Reserved:	
4.35 Contracted Alt. Programs	<input type="text"/>	4.25 Bond Refundings	<input type="text"/>
4.36 State Approved Alt. Program	<input type="text"/>	4.51 QZAB Payments	<input type="text"/>
4.38 Gifted & Talented	<input type="text"/>	Restricted:	
4.40 Teacher Development and Evaluation	<input type="text"/>	4.64 Restricted Fund Balance	<input type="text"/>
4.41 Basic Skills Programs	<input type="text"/>	Unassigned:	
4.45 Career Tech Programs	<input type="text"/>	4.63 Unassigned Fund Balance	<input type="text"/>
4.48 Achievement and Integration	<input type="text"/>	08 TRUST	
		- - -	
		<input type="button" value="Submit"/> <input type="button" value="Run Report"/> <input type="button" value="Back"/>	

Fiscal Compliance Table

On the Fiscal Compliance Table screen you will view the results of the comparison between the audited financial data and submitted UFARS data. If there are discrepancies noted, you will need to identify and correct these items. The error is corrected by repeating the data entry steps and the run report step. You may repeat these steps as many times as necessary until all discrepancies have been resolved.

									
Fiscal Compliance Report - 6/30/2017 Help Logoff District: AITKIN (1-1) Back Print									
	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS		
01 GENERAL FUND					06 BUILDING CONSTRUCTION				
Total Revenue		\$12,594,184	(\$12,594,184)		Total Revenue	\$0	\$0		
Total Expenditures		\$14,909,489	(\$14,909,489)		Total Expenditures	\$0	\$0		
Non Spendable					Non Spendable	\$0	\$0		
4.00 Non Spendable Fund Balance		\$239,854	(\$239,854)		4.00 Non Spendable Fund Balance	\$0	\$0		
Restricted / Reserved					Restricted / Reserved	\$0	\$0		
4.03 Staff Development		\$305,548	(\$305,548)		4.07 Capital Projects Levy	\$0	\$0		
4.08 Health and Safety		(\$17,832)	\$17,832		4.13 Project Funded by COP	\$0	\$0		
4.07 Capital Projects Levy		\$0	\$0		4.87 LTFM	\$0	\$0		
4.08 Cooperative Revenue		\$0	\$0		Restricted	\$0	\$0		
4.13 Project Funded by COP		\$0	\$0		4.84 Restricted Fund Balance	\$0	\$0		
4.14 Operating Debt		\$0	\$0		Unassigned	\$0	\$0		
4.18 Levy Reduction		\$0	\$0		4.85 Unassigned Fund Balance	\$0	\$0		
4.17 Taconite Building Maint		\$0	\$0						
4.24 Operating Capital		(\$9,182)	\$9,182		07 DEBT SERVICE				
4.28 525 Taconite		\$0	\$0		Total Revenue	\$128,885	(\$128,885)		
4.27 Disabled Accessibility		\$0	\$0		Total Expenditures	\$121,475	(\$121,475)		
4.28 Learning & Development		\$0	\$0		Non Spendable	\$0	\$0		
4.34 Area Learning Center		\$0	\$0		4.00 Non Spendable Fund Balance	\$0	\$0		
4.35 Contracted Alt. Programs		\$0	\$0		Restricted / Reserved	\$0	\$0		
4.38 State Approved Alt. Program		(\$50,493)	\$50,493		4.25 Bond Refundings	\$0	\$0		
4.38 Other & Tailored		\$63,859	(\$63,859)		4.51 OZAB Payments	\$0	\$0		
4.40 Teacher Development and Evaluation		\$67,492	(\$67,492)		Restricted	\$0	\$0		
4.41 Basic Skills Programs		\$715,842	(\$715,842)		4.84 Restricted Fund Balance	\$18,888	(\$18,888)		
4.45 Career Tech Programs		\$0	\$0		Unassigned	\$0	\$0		
4.48 Achievement and Integration		\$0	\$0		4.85 Unassigned Fund Balance	\$0	\$0		
4.49 Safe School Crime - Crime Levy		\$14,141	(\$14,141)						
4.50 Pre-Kindergarten		\$0	\$0		08 TRUST				
4.51 OZAB Payments		\$0	\$0		Total Revenue	\$13,389	(\$13,389)		
4.52 OPEB Liab Not In Trust		\$0	\$0		Total Expenditures	\$3,614	(\$3,614)		
4.53 Unfunded Sev & Retirement Levy		\$0	\$0		4.22 Unassigned Fund Balance (Net Assets)	\$884,158	(\$884,158)		
4.67 LTFM		(\$54,838)	\$54,838						
4.72 Medical Assistance		\$49,658	(\$49,658)		20 INTERNAL SERVICE				
Restricted		\$0	\$0		Total Revenue	\$57,818	(\$57,818)		
4.84 Restricted Fund Balance		\$0	\$0		Total Expenditures	\$110,548	(\$110,548)		
Committed		\$0	\$0		4.22 Unassigned Fund Balance (Net Assets)	\$55,389	(\$55,389)		
4.18 Committed for Separation		\$0	\$0						
4.81 Committed Fund Balance		\$0	\$0		25 OPEB REVOCABLE TRUST				
Assigned		\$0	\$0		Total Revenue	\$0	\$0		
4.82 Assigned Fund Balance		\$1,185,541	(\$1,185,541)		Total Expenditures	\$0	\$0		
Unassigned		\$0	\$0		4.22 Unassigned Fund Balance (Net Assets)	\$0	\$0		
4.22 Unassigned Fund Balance		\$2,882,788	(\$2,882,788)						
					45 OPEB IRREVOCABLE TRUST				
02 FOOD SERVICES					Total Revenue	\$82,250	(\$82,250)		
Total Revenue		\$840,810	(\$840,810)		Total Expenditures	\$180,002	(\$180,002)		
Total Expenditures		\$882,884	(\$882,884)		4.22 Unassigned Fund Balance (Net Assets)	\$1,190,525	(\$1,190,525)		
Non Spendable									
4.00 Non Spendable Fund Balance		\$21,237	(\$21,237)		47 OPEB DEBT SERVICE				
Restricted / Reserved		\$0	\$0		Total Revenue	\$0	\$0		
4.52 OPEB Liab Not In Trust		\$0	\$0		Total Expenditures	\$0	\$0		
Restricted		\$0	\$0		Non Spendable	\$0	\$0		
4.84 Restricted Fund Balance		\$50,878	(\$50,878)		4.00 Non Spendable Fund Balance	\$0	\$0		
Unassigned		\$0	\$0		Restricted	\$0	\$0		
4.85 Unassigned Fund Balance		\$0	\$0		4.25 Bond Refundings	\$0	\$0		
					4.84 Restricted Fund Balance	\$0	\$0		
04 COMMUNITY SERVICE					Unassigned	\$0	\$0		
Total Revenue		\$489,148	(\$489,148)		4.85 Unassigned Fund Balance	\$0	\$0		
Total Expenditures		\$485,244	(\$485,244)						
Non Spendable									
4.00 Non Spendable Fund Balance		\$9,830	(\$9,830)						
Restricted / Reserved		\$0	\$0						

The print button located on the top of the Fiscal Compliance Report screen will give you a hard copy of the report information.

Figure 4

Approved Finance Systems Certified for UFARS Reporting July 2018

The following software service providers/vendors are approved for the reporting of school district financial information in accordance with [Minnesota Statutes, section 125B.05, subdivision 3](#).

Service Providers/Vendors	Contact	Phone and Email
Regional Management Information Center (RMIC) 1 SMART SOFTWARE	Wayne Miller Region 1 3031 17th Street South Moorhead, MN 56560	218-284-3104 218-236-2368 (fax) wmiller@Region1.k12.mn.us
Regional Management Information Center (RMIC) 2 SMART SOFTWARE	Jeff Yeager A.R.C.C. Region 2 5 West First Street, Suite 300 Duluth, MN 55802-2070	218-723-1700, ext. 110 218-723-1923 (fax) jyeager@arcc.org
Regional Management Information Center (RMIC) 3 SMART SOFTWARE	Tracey Fiereck CMERDC- Region 3 570 1st Street SE St. Cloud, MN 56304	320-257-1924 320-252-8569 (fax) tfiereck@erdc.k12.mn.us
Regional Management Information Center (RMIC) 4 SMART SOFTWARE	Barb Raske Region 4 SW/WC Service Coop 1420 East College Drive Marshall, MN 56258	507-537-2263 507-537-6985 (fax) barb.raske@swsc.org
Regional Management Information Center (RMIC) 5 SMART SOFTWARE	Dianna Groskreutz Region 5 314 Chestnut Street Mankato, MN 56001	507-386-4804 507-388-5978 (fax) diannag@regionv.k12.mn.us
Regional Management Information Center (RMIC) 7	Char Wemple TIES 1667 Snelling Avenue North St. Paul, MN 55108	651-999-6405 651-999-6099 (fax) charlotte.wemple@ties.k12.mn.us financesupport@ties.k12.mn.us

Service Providers/Vendors	Contact	Phone and Email
Skyward Software Inc.	Lori Mohs Skyward Software, Inc. 868 3 rd Street South Suite 101 Waite Park, MN 56387	320-259-6115 320-259-5256 (fax) lorim@skyward.com randyk@skyward.com amyk@skyward.com
Microsoft Dynamics Great Plains	Amy Aschenbrenner Avastone Technologies LLC 1700 Stephen Street Little Chute, WI 54140	920-687-4797 920-687-4600 (fax) aaschenbrenner@avastonetech.com joshm@stenmarkinc.com
SAP Public Services, Inc.	Richard Beggs Consulting Engagement Manager State and Local Government SAP Public Service, Inc. 4 Van De Graff Drive Burlington, MA 01803	512-299-3442 512-233-5366 (fax) richard.beggs@sap.com
SAP Public Services, Inc.	Glen Krapf 20 Perimeter Summit Blvd. Atlanta, GA 30319	404-943-6528 404-943-4290 (fax) glen.krapf@sap.com
SAP Public Services, Inc.	Don Seaman 3999 West Chester Pike Newtown Square, PA 19073	770-521-7598 610-492-9495 (fax) 404-457-9578 (mobile) don.seaman@sap.com
PowerSchool – eFinancePLUS	Tamie Swain 3 West Broad Street, Suite 1 Bethlehem, PA 18018	610-849-7361 tamie.swain@powerschool.com
Infinite Campus	Amy Keister David Van Meter Kraig Goodman 4321 109 th Avenue NE Blaine, MN 55449	amy.keister@infinitecampus.com david.vanmeter@infinitecampus.com kraig.goodman@infinitecampus.com 800-850-2335 (toll free) 651-631-000 (local) 651-697-1203 (fax) http://www.infinitecampus.com

Figure 5 – Fiscal Compliance Sample Comparison Between UFARS and Audited Financial Statement Fiscal Year End 6/30/2019

	Audit	UFARS	Audit UFARS
01 GENERAL FUND			
Total Revenue	\$389,638,239	\$389,638,239	\$0
Total Expenditures	\$390,895,938	\$390,895,940	(\$2)
<i>Non Spendable:</i>			
4.60 Non spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserve:</i>			
4.03 Staff Development	\$1,557,007	\$1,557,007	\$0
4.06 Health and Safety	(\$307,593)	(\$307,593)	\$0
4.07 Capital Projects Levy	\$0	\$0	\$0
4.08 Cooperative Revenue	\$0	\$0	\$0
4.11 Severance Pay	\$3,794,214	\$3,794,214	\$0
4.13 Project Funded by COP	\$0	\$0	\$0
4.14 Operating Debt	\$0	\$0	\$0
4.16 Levy Reduction	\$0	\$0	\$0
4.17 Taconite Building Maint	\$0	\$0	\$0
4.23 Certain Teacher Programs	\$0	\$0	\$0
4.24 Operating Capital	\$4,961,940	\$4,961,940	\$0
4.26 \$25 Taconite	\$0	\$0	\$0
4.27 Disabled Accessibility	\$0	\$0	\$0
4.28 Learning & Development	\$1,710,407	\$1,710,407	\$0
4.34 Area Learning Center	\$866,257	\$866,257	\$0
4.33 Maximum Effort Loan Aid	0	0	\$0
4.35 Contracted Alt. Programs	\$0	\$0	\$0
4.36 State Approved Alt. Program	\$0	\$0	\$0
4.38 Gifted & Talented	\$357,222	\$357,222	\$0
4.41 Basic Skills Programs	\$0	\$0	\$0
4.45 Career Tech Programs	\$0	\$0	\$0
4.49 Safe School Crime/Crime Levy	\$318,231	\$318,231	\$0
4.50 Prekindergarten	\$0	\$0	\$0
4.51 QZAB Payments	\$0	\$0	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0
4.53 Unfunded Sev & Retrmnt Levy	\$0	\$0	\$0
4.59 Basic Skills Extended Time	\$0	\$0	\$0
4.67 Long Term Fac. Maint. (LTFM)	\$0	\$0	\$0
4.72 Medical Assistance	\$0	\$0	\$0
4.75 Title VII-Impact Aid	\$0	\$0	\$0
4.76 Pmts in Lieu of Taxes (PILT)	\$0	\$0	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$0	\$0	\$0
<i>Committed:</i>			
4.18 Committed for Separation	\$0	\$0	\$0
4.61 Committed Fund Balance	\$0	\$0	\$0
<i>Assigned:</i>			
4.62 Assigned Fund Balance	\$0	\$0	\$0
<i>Unassigned:</i>			
4.22 Unassigned Fund Balance	\$0	\$0	\$0
Reconciliation of Fund Balance			
- General fund	\$13,257,635	\$13,257,635	\$0
02 FOOD SERVICES			
Total Revenue	\$18,173,645	\$18,173,645	\$0
Total Expenditures	\$17,555,985	\$17,555,986	(\$1)
<i>Non Spendable:</i>			
4.60 Non spendable Fund Balance	\$0	\$0	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$0	\$0	\$0
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$3,739,876	\$3,739,876	\$0
Reconciliation of Fund Balance			
- Food Services	\$3,739,876	\$3,739,876	\$0
04 COMMUNITY SERVICE			
Total Revenue	\$19,212,772	\$19,212,771	\$1
Total Expenditures	\$18,708,948	\$18,708,949	(\$1)
<i>Non Spendable:</i>			
4.60 Non spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserve:</i>			
4.26 \$25 Taconite	\$0	\$0	\$0
4.31 Community Education	\$2,169,672	\$2,169,672	\$0
4.32 E.C.F.E	\$436,498	\$436,498	\$0
4.44 School Readiness	\$179,128	\$179,128	\$0
4.47 Adult Basic Education	\$549,481	\$549,481	\$0
4.52 OPEB Liab Not In Trust	\$0	\$0	\$0
<i>Restricted:</i>			

	Audit	UFARS	Audit UFARS
4.64 Restricted Fund Balance	\$0	\$0	\$0
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance:	(\$15,739)	(\$15,739)	\$0
Reconciliation of Fund Balance			
- Community Service	\$3,319,040	\$3,319,040	\$0
06 BUILDING CONSTRUCTION			
Total Revenue	\$135,162	\$135,162	\$0
Total Expenditures	\$7,505,820	\$7,505,821	(\$1)
<i>Non Spendable:</i>			
4.60 Non spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserve:</i>			
4.07 Capital Projects Levy	\$0	\$0	\$0
4.13 Project Funded COP	\$7,350	\$7,350	\$0
4.67 Long Term Fac. Maint.(LTFM)	\$330,020	\$330,020	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$0	\$0	\$0
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$65,677	\$65,677	\$0
Reconciliation of Fund Balance			
- Building Construction	\$403,407	\$403,407	\$0
07 DEBT SERVICE			
Total Revenue	\$21,083,079	\$21,083,080	(\$1)
Total Expenditures	\$23,326,761	\$23,326,761	\$0
<i>Non Spendable:</i>			
4.60 Non spendable Fund Balance	\$0	\$0	\$0
<i>Restricted / Reserve:</i>			
4.25 Bond Refunding	\$19,198,934	\$19,198,934	\$0
4.33 Maximum Effort Loan	\$0	\$0	\$0
4.51 QZAB Payments	\$0	\$0	\$0
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$0	\$0	\$0
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$6,797,002	\$6,797,002	\$0
Reconciliation of Fund Balance			
- Debt Service	\$25,995,936	\$25,995,936	\$0
08 TRUST			
Total Revenue	\$223,608	\$223,608	\$0
Total Expenditures	\$194,650	\$194,650	\$0
<i>Unassigned:</i>			
4.22 Net Assets	\$0	\$0	\$0
20 INTERNAL SERVICE			
Total Revenue	\$46,191,673	\$46,191,673	\$0
Total Expenditures	\$44,349,404	\$44,349,405	(\$1)
<i>Unassigned:</i>			
4.22 Net Assets	\$0	\$0	\$0
25 OPEB REVOCABLE TRUST			
Total Revenue	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0
<i>Unassigned:</i>			
4.22 Net Assets	\$0	\$0	\$0
45 OPEB IRREVOCABLE TRUST			
Total Revenue	\$144,144	\$144,144	\$0
Total Expenditures	\$681,109	\$681,109	\$0
<i>Unassigned:</i>			
4.22 Net Assets	\$0	\$0	\$0
47 OPEB DEBT SERVICE			
Total Revenue	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0
<i>Non Spendable:</i>			
4.60 Non spendable Fund Balance	\$0	\$0	\$0
<i>Restricted:</i>			
4.25 Bond Refunding	\$0	\$0	\$0
4.64 Restricted Fund Balance	\$0	\$0	\$0
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance:	\$0	\$0	\$0
Reconciliation of Fund Balance			
- OPEB Debt Service	\$0	\$0	\$0

Figure 6 Required UFARS Data Format

(For service providers/vendors with approved software in accordance with [Minn. Stat., § 125B.05, subd. 3.](#))

	Unaudited	District	District		Fiscal	Submission	Submission	Users	Accounting	Total	Total Exp.	Total Rev.
	Audited	Number	Type	Region	Year	Date	Time	Blank	Period	GNL	Records	Records
Header Record	U or A	9999	99	9	06-07	091507	1057	Empty	99	999999	999999	999999
Number of Characters	1	4	2	1	5	6	4	17	2	6	6	6

Example: UXXXXX05-060915061057 |01000001000001000001

	General	District	District	Fund	GNL	Plus or	Beginning	Plus	Year-to-Date	Plus	Year-to-Date
	Ledger	Number	Type	Number	Number	Minus	Balance	Sign	Debit	Sign	Credit
General Ledger	G	9999	99	99	999	+/-	9999999999	+	9999999999	+	9999999999
Records											
Number of Characters	1	4	2	2	3	1	11	1	11	1	11

Example:
GXXXXX01101+12345678999+12345678999+12345678999

	Revenue	District	District	GNL	Fund	Org/Site	Program	Finance	Source	Course	Plus	Adopted	Plus	Revised	Plus	Next Year	Plus	Year-to-Date
		Number	Type	Sum.	Number	Number	Number	Number	Number	Number	Sign	Budget	Sign	Budget	Sign	Budget	Sign	Amount
Revenue Records	R	9999	99	999	99	999	999	999	999	999	+	9999999999	+	9999999999	+	9999999999	+	9999999999
Number of Characters	1	4	2	3	2	3	3	3	3	3	1	11	1	11	1	11	1	11

Example: RXXXXX51901005000000060000+12345678999+12345678999+12345678999+12345678999

	Expenditure	District	District	GNL	Fund	Org/Site	Program	Finance	Object	Course	Plus	Adopted	Plus	Revised	Plus	Next Year	Plus	Year-to-Date
		Number	Type	Sum.	Number	Number	Number	Number	Number	Number	Sign	Budget	Sign	Budget	Sign	Budget	Sign	Amount
Expenditure Records	E	9999	99	999	99	999	999	999	999	999	+	9999999999	+	9999999999	+	9999999999	+	9999999999
Number of Characters	1	4	2	3	2	3	3	3	3	3	1	11	1	11	1	11	1	11

Example: EXXXXXX53901005110000110000+12345678999+12345678999+12345678999+12345678999

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Chapter 1 – Fund Dimension

General Description

The Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, section 1300, defines a fund as:

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds are established in the Uniform Financial Accounting and Reporting Standards (UFARS) in accordance with statutory requirements and Generally Accepted Accounting Principles (GAAP). Transfers between funds are allowed only as specified in Minnesota Statutes, sections 123B.79 and 123B.80. In general, revenues may be transferred from the General Fund to any operating fund only to eliminate a deficit. Such a transfer requires school board action.

Under Minnesota Laws 2011, First Special Session, Chapter 11, Article 5, Section 11 as amended by Laws 2012, Chapter 239, Article 1, Section 31, temporary authority was granted for Fiscal Year (FY) 2014 through FY 2015 to request and receive commissioner approval of a Permanent Fund Transfer. Refer to Source Code 651 and Object Code 911 for further guidance.

For state UFARS accounting and reporting, the funds and account groups are divided into categories and are numbered as listed below. Neither an appropriate reclassification, chargeback nor an allocation of expenditures is considered to be a fund transfer.

Funds and Account Groups

Operating Funds

- 01 General Fund
- 02 Food Service Fund
- 04 Community Service Fund

Non-Operating Funds

- 06 Building Construction Fund
- 07 Debt Service Fund
- 47 Post-Employment Benefits Debt Service Fund

Fiduciary Funds

- 08 Trust Fund
- 09 Agency Fund
- 45 Post-Employment Benefits Irrevocable Trust Fund

Proprietary Funds

- 20 Internal Service Fund
- 25 Post-Employment Benefits Revocable Trust Fund

Account Groups

- 98 General Fixed Assets Group
- 99 General Long-Term Debt Group

Code Title and Definition

01 General Fund

Overview

The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere. The General Fund is used to account for educational activities, district instructional and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and legal school district expenditures not specifically designated to be accounted for in any other fund. A district may use General Fund balances for capital purposes except when the requirements for a specific categorical revenue state that it may not be used for capital purchases.

The General Fund is used to show the financial activities of a school district's pupil transportation program; however, chargebacks must be made against other operating funds when appropriate.

Revenue for operating capital and revenue from bonds for certain capital facilities must be recorded in the Restricted/Reserved Account for Operating Capital in the General Fund. Revenue for Long-Term Facilities Maintenance must be recorded in the Restricted/Reserved Account for these purposes in the General Fund.

Capital expenditures may be made from either the Unassigned Fund Balance 422 in the General Fund, or from one of the appropriate Restricted/Reserved accounts in the General Fund. To indicate that the expenditure is made from the Unassigned General Fund, Finance Code 000, Districtwide, should be used. To indicate that the expenditure is made from the Restricted/Reserved Account for Operating Capital, use Finance Code 302, Operating Capital. To indicate that the expenditure is made from the Restricted/Reserved Account for Long-Term Facilities Maintenance, use these Finance Codes: 347, Physical Hazards; 349, Other Hazardous Materials; 352, Environmental Health and Safety Management;

358, Asbestos Removal; 363, Fire Safety; 366, Indoor Air Quality; 368, Building Envelope; 369, Building Hardware and Equipment; 370, Electrical; 379, Interior Surfaces; 380, Mechanical Systems; 381, Plumbing; 382, Professional Services and Salary; 383, Roofing Systems; or 384, Site Projects.

When the sale of bonds is consummated with the proceeds to be used for school building construction, a Building Construction Fund must be established (see Building Construction Fund 06).

If the Restricted Fund Balance in the Food Service or the Restricted/Reserved Account Community Service Fund is in deficit, the deficit may be eliminated by a transfer from the General Fund ([Minn. Stat. § 123B.79](#)). See the following description of each fund to determine when a fund transfer is required. Such a transfer requires school board action.

When providing services for other funds, the General Fund must credit a chargeback account to reflect expenditures for the benefit of the other funds and debit the chargeback account in the other funds using the proper Finance code. Examples of this situation would be transportation services provided for community education or for food service.

Extra-curricular activities under the control of the school board must be recorded in the General Fund ([Minn. Stat. § 123B.49, subd. 2](#)). If the extra-curricular activities are not under school board control, only the direct salary costs and indirect costs for use of school facilities are to be recorded in this fund. Other revenues and expenditures for extra-curricular activities not under board control should not be reported as part of UFARS reporting ([Minn. Stat. § 123B.49, subd. 4](#)).

02 Food Service Fund

The Food Service Fund is used to record financial activities of a school district's food service program. Food service includes activities for the purpose of preparation and service of milk, meals, and snacks in connection with school and community service activities.

All expenditures relating to meal preparation must be recorded in the Food Service Fund. Eligible expenditures include application processing, meal accountability, food preparation, meal service, and kitchen custodial service ([Minn. Stat. § 124D.111, subd. 3](#)).

Generally excluded from the Food Service Fund are the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, or any other administrative costs that are the responsibility of the General Fund. These costs may only be included if a surplus exists in the Food Service Fund at the end of a fiscal year for three successive years. The district may then reclassify these costs for the third fiscal year, not to exceed the amount of the surplus in the Food Service Fund ([Minn. Stat. § 124D.111, subd. 3](#)).

Capital expenditures for the purchase of food service equipment must be made from the General Fund and not the Food Service Fund unless the restricted balance in the Food Service Fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased. ([Minn. Stat. § 124D.111, subd. 3\(d\)](#)).

If a deficit in the Food Service Fund exists on June 30, and if that deficit is not eliminated by operations during the following year, it must then be eliminated by a permanent fund transfer from the General Fund. However, if a district had contracted with a food service management company during the period in which the deficit accrued, the deficit must be eliminated by a payment from the food service management company ([Minn. Stat. § 124D.111, subd. 3\(f\)](#)).

As an alternative to a fund transfer, a district may incur a deficit for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year ([Minn. Stat. § 124D.111, subd. 3\(g\)](#)).

Federal Food Service Excess

The school food authority shall limit its net cash resources to an amount that does not exceed three (3) months average expenditures for its nonprofit school food service or such other amount as may be approved by the state agency in accordance with U.S. Code (USC), section 210.19(a). This amount is calculated using nine (9) months as a service year.

04 Community Service Fund

The Community Service Fund is used to record all financial activities of the Community Service program. The Community Service Fund is comprised of five components, each with its own fund balance:

Community Education, Restricted/Reserved Fund Balance 431

Community Education, Restricted Fund Balance 464

Early Childhood Family Education (ECFE), Restricted/Reserved Fund Balance 432

School Readiness, Restricted/Reserved Fund Balance 444

Adult Basic Education (ABE), Restricted/Reserved Fund Balance 447

Community Education includes only those activities authorized in [Minnesota Statutes, section 124D.19](#). The focus of these activities is enrichment programs for any age level that are not part of the K-12 education program. This section may also be used for K-12 summer school enrichment activities which, although educational in nature, are not for credit and are not required for graduation. A district may spend up to 10 percent of its community education revenue (levy, aids, and fees) to purchase or lease computers and related items, equipment for instructional programs, and library books used exclusively for community education ([Minn. Stat. § 124D.20, subd. 8](#)).

Early Childhood Family Education includes only activities authorized in [Minnesota Statutes, section 124D.13](#). The focus of these activities is to improve parenting skills of new and expectant parents, and to provide learning experiences for parents and children. The fund balance for Early Childhood Family Education is limited by [Minnesota Statutes, section 124D.135, subdivision 8](#).

School Readiness includes activities authorized in [Minnesota Statutes, section 124D.15](#). Activities in this reserve fund should be based on the needs of children, identified through a screening process. These activities will include social services, a development and learning plan, health referral services, a

nutrition component and parental involvement. The fund balance for School Readiness is limited by [Minnesota Statutes, section 124D.16, subdivision 5](#).

The Adult Basic Education Restricted/Reserved Fund Balance 447 will include all activities in the Adult Basic Education (Minn. Stat. § 124D.52).

The Community Service Fund includes all other community programs not described above, such as Preschool Screening and Nonpublic Pupil Aid programs. The fund balance for these community programs is recorded in Restricted Fund Balance Account Code 464.

When federal monies are expended for community service purposes as a part of a program primarily for elementary/secondary children, the General Fund is used. Federal programs, such as Adult Basic Education, which are predominately or totally directed toward adult groups, are recorded in the appropriate account of the Community Service Fund.

Funds may be transferred from the General Fund to the Community Service Fund for the employer contributions for Teachers Retirement Association (TRA) and FICA-Medicare for members of TRA who are paid from the Community Service Fund and who are not paid for by a fully funded grant or special project. The funds transferred must be recorded in the specific program areas from which the employer contribution expenditures were incurred

([Minn. Stat. § 123B.79, subd. 3.](#)) If a deficit exists in the Restricted/Reserved Fund Balance 431 of the Community Service Fund, a transfer may be made from the General Fund. Such transfer requires school board action.

06 Building Construction Fund

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds, capital loans, or major capital projects costing \$2,000,000 or more.

Construction for buildings and additions may be comprised of the following: expenditures for general construction; advertisement for contracts; payments on contracts of construction; installations of plumbing, heating, lighting, ventilating and electrical systems; expenditures for lockers, elevators, and other equipment; architectural and engineering services; travel expenses; paint and decorating expenses, technology and technology upgrades; and any other related costs. Include the costs of floating the bond issue in this fund by reclassification from the General Fund. Note: This is a partial list of items.

All revenues and expenditures for projects being funded under the Capital Loan Program, must be reported in this fund. If levy dollars are received for capital loan projects by the “pay-as-you-go” method, instead of bonds, then a transfer must be made from the General Fund to the Building Construction Fund for the amount of the levy received in the General Fund.

Certificates of Participation (C.O.P.) issued for construction must be recorded here.

Long-Term Facilities Maintenance (LTFM) Program ([Minn. Stat. § 123B.595](#)) expenditures that are funded by bonds or major capital projects costing \$2,000,000 or more must be recorded in the Building Construction Fund.

Where a balance from a bond issue remains in the Building Construction Fund after the project has been completed and all claims against the Building Construction Fund have been paid, the balance must be permanently transferred (residual equity transfer) by official board resolution to the Debt Service Fund and used to pay the bonded indebtedness incurred in the project ([Minn. Stat. § 475.65](#)). There can be no borrowing from the Building Construction Fund. Any cash balance or investment in a Building Construction Fund is held in trust for authorized building projects for which the bonds were sold and must not be used to support cash deficits in other funds ([Minn. Stat. § 123B.78, subd. 4](#)).

07 Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction or operating capital, and whether for initial or refunding bonds.

When a bond issue is sold, the school board must levy a direct general tax upon the property of the district for the payment of principal and interest on such bonds as due. The revenue from such a tax and related state aid must be separately accounted for in the Debt Service Fund ([Minn. Stat. § 475.61](#)).

When an excess is accumulated in a Debt Service Fund due to interest earnings, lower than anticipated tax delinquency, or excess building funds, the levy for debt service may be reduced in whole or in part as dictated by fund balances and debt retirement requirements. When there are accumulations in the fund as the process of debt repayment nears an end, the accumulations should be used to reduce debt levies. When there is any balance left in the Debt Service Fund after all obligations have been discharged, such balance shall be permanently transferred to the General Fund, with an equal levy reduction to the General Education Levy ([Minn. Stat. § 475.61](#)).

Net revenue is included in this fund (revenue minus operating expenditures) from rental or lease of property not currently being used for school purposes when there is outstanding debt on the property. The net revenue should be used to reduce the Debt Service Levy in accordance with [Minnesota Statutes, section 123B.51, subdivision 4](#). Revenue from sale or reimbursement from loss of property shall be deposited in this fund if the property has outstanding bonds. Amounts in excess of the amount required to retire the bonds may remain in the Debt Service Fund or be deposited in the Balance Sheet Code 424, Restricted/Reserved for Operating Capital, in the General Fund according to [Minnesota Statutes, section, 123B.51, subdivision 6](#). There can be no borrowing from the Debt Service Fund. Any cash balance or investment in the Debt Service Fund is held in trust for the bondholders and must not be used to support cash deficits in other funds ([Minn. Stat. § 123B.78, subd. 4](#)).

08 Trust Fund

The Trust Fund is used to record the revenues and expenditures for trust agreements where the school board has accepted the responsibility to serve as trustee. The property in the trust agreement typically comes to the district by gift. For example, a community member may create a scholarship trust to be awarded to an outstanding student every year or the local parent group may establish a trust to purchase computer equipment.

Trust funds are composed of two types: expendable and nonexpendable. Expendable trust funds are used where both principal and earnings may be spent. Nonexpendable trust funds are used to account for trusts which require that only earnings and not principal be spent.

To be in accordance with GAAP, expendable trust funds must use the modified accrual basis of accounting used by governmental funds. Nonexpendable trust funds use the full accrual basis of accounting, the same as proprietary funds.

09 Agency Fund

The Agency Fund is used to account for assets where the school district has a formal agency agreement with other governmental units, employees, students or others. As an agent, the district holds property for others and performs duties as directed. Therefore, **this fund does not report operations, only asset and liability account balances**. Examples of the use of an Agency Fund include deferred compensation and activity fund accounting. It is inappropriate for school districts to maintain accounts in their general ledger for boosters, foundations, or other third parties.

20 Internal Service Fund

An internal service fund is used to account for the financing of goods or services provided by one department to another within the school district or to other governmental units on a cost-reimbursement basis. School districts are not required to use internal service funds. The most common use of an internal service fund by school districts is for self-insurance programs.

An internal service fund is designed to provide cost-reimbursement; thus, the fund must not maintain a material surplus or deficit. The definition of “cost” includes depreciation expense on equipment purchased; therefore, the fund uses the full accrual method of accounting. This concept of full-cost reimbursement requires that the Internal Service Fund only be used when the school district intends to recover the full cost of providing the service (including depreciation expense) through user charges. If the fund has a material deficit or surplus without demonstrable intent and ability to eliminate the balance through user fees over a reasonable period of time, the amount of deficit or surplus must be charged back to the participating funds.

Internal service funds may charge for asset use in excess of historical cost depreciation to ensure that adequate funds (historical cost plus inflation) are available for replacement of assets. This method of providing for replacement cost is allowed because the surpluses in the fund are only temporary. Districts should be aware of potential overcharges from internal service funds and their impact on federal grants

and fund balances. If the Internal Service Fund retained earnings are excessive by federal standards, some costs may be disallowed on federal grants.

The use of an internal service fund does result in duplication of expenses within the school district. The expense is first reported in the Internal Service Fund to recognize the cost of providing goods and services. This same expense is then duplicated in the form of user charges to other funds. The advantage in using the Internal Service Fund is the isolation of expenses in the fund where the character of the transactions is clearer to the users of financial statements.

If a school district uses an internal service fund for self-insurance purposes, the expenses or claims are charged as expenditures in the other funds and recognized as revenue in the Internal Service Fund. Also, any excess of premiums over actual losses must represent a reasonable provision for anticipated catastrophic losses or be the result of a systematic funding method designed to match revenues and expenses over a reasonable period of time.

25 Post-Employment Benefits Revocable Trust Fund

This trust fund is used for reporting resources set aside and held in a revocable trust arrangement for post-employment benefits. District contributions to this fund must be expensed to an operating fund.

45 Post-Employment Benefits Irrevocable Trust Fund

This trust fund is used for reporting resources set aside and held in an irrevocable trust arrangement for post-employment benefits. District contributions to this fund must be expensed to an operating fund.

47 Post-Employment Benefits Debt Service Fund

Activity to record levy proceeds and the repayment of the Other Postemployment Benefits (OPEB) bonds will be accounted for in this fund.

Account Groups

Two different account groups are defined in this section of the manual. Account group classifications are established to account for the district's general fixed assets and general long-term indebtedness. An account group is not a fund, but rather comprises a self-balancing group of accounts. The account groups are numbered as follows:

Code Title and Definition

98 General Fixed Assets Group

The General Fixed Assets account group is comprised of the accounts (Balance Sheet Accounts 140-149 and 171-174) maintained for a district's investment in land, buildings, equipment, and construction work in progress. These assets are recorded in this account group at historical cost, including all costs to ready

the asset for its intended use. However, where the items have been received as gifts, the fixed asset should be recorded at the appraised value at the date of receipt.

99 General Long-Term Debt Group

The General Long-Term Debt account group is comprised of the accounts (Balance Sheet Accounts 150-162) maintained for outstanding bonds, state loans payable, separation pay, and severance payables.

Fund Dimension Changes – FY 2019

Additions

Account	Description
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Deletions

Account	Description
---------	-------------

Changes

Account	Description
---------	-------------

Fund 04	Community Service Fund
---------	------------------------

Chapter 2 – Organization/Site Dimension

General Description

The organization/site dimension is a three-digit number that is the portion of the total account code which makes it possible, at the local level, to identify expenditures and revenues by a specific budgeted learning site or districtwide. A budgeted learning site is an organizational unit where students attend. It is established for a specific purpose and registered with the Minnesota Department of Education (MDE). A typical budgeted learning site is an elementary, middle or secondary school (whether or not it is in a separate building) or a budgeted learning site that is located in several buildings and is identified in the Minnesota Automated Reporting Student System (MARSS) and Staff Automated Reporting (STAR) systems.

Each school district must use the same numbers in the Uniform Financial Accounting and Reporting Standards (UFARS) reporting system as they use in MARSS and STAR. In MARSS, the school number is used to link school file records with student file records for the purpose of calculating Average Daily Membership (ADM) and assigning fall enrollment counts to a school. The three-digit numbers registered with MDE are the official identification of the learning sites within a district. For state reporting purposes, the K-12 learning sites used for MARSS and STAR reporting must be used in the organization/site dimension. However, MARSS and STAR learning sites may be grouped into “budgeted learning sites.”

Revenue Accounting

Districtwide revenues should be coded to Organization/Site Code 000 or 005. Revenues earned at specific learning sites should be coded to the organization/site code using the designated number for the respective learning site.

Expenditure Accounting

Expenditures are identified by either budgeted learning sites (cost centers) or as districtwide.

Code	Title and Definition
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005	Districtwide or Not Otherwise Identified By Budgeted Learning Site
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	This code is used for all activities that cannot be related to an individual learning site. Program Codes which should be coded districtwide are 010, 020, 030, the 100 series (district support services), the 500 series (community education and services) and the 900 series (fiscal and other fixed costs). The Community Service Fund should be charged to districtwide with the exception of nonpublic schools that have their own unique organization/site code number. In accordance with instructions provided for
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MARSS and STAR, expenditures that occur at more than three sites may be designated as districtwide. This code cannot be used as a budgeted learning site number.

001-004 006-798, 800-997, 999 Budgeted Learning Sites

Record transactions that relate to budgeted learning sites. This must include, but is not limited to, expenditures for basic skills education, expenditures pursuant to a site-based management agreement, and area learning center expenditures.

The following UFARS Program Codes should have a budgeted learning site number as the organization/site code: 050, and the 200 and 300 series. Exceptions may exist depending on the district organization; however, every effort should be made to allocate expenditures in these series to budgeted learning sites. The following program series should be coded with the organization/site dimension as either districtwide (005) or budgeted learning site (001-004, 006-999) depending on the district organization: 400 series (special education), 600 series (instructional support), 700 series (pupil support) and 800 series (site, buildings and equipment). Every effort should be made to allocate expenditures to budgeted learning sites when this accords with actual site association.

Do not use the same number for a public school as designated for a non-public school. Record expenditures made by the school district for pupils attending a non-public school using the same school number as in MARSS. If any budgeted learning site number is the same as a nonpublic school number, it is recommended that the nonpublic school number be changed to a unique number by contacting the [MDE Financial Management Team](mailto:mde.ufars-accounting@state.mn.us) (mde.ufars-accounting@state.mn.us).

799 Home School Sites

Record expenditures made by all home school sites. This organization/site code cannot be used as a budgeted learning site number.

998 Tuition Billing Sites

Only record expenditures for individual tuition payments for students served outside of the district (e.g., academic pairing, care and treatment, and special education) using the Organization Site Code 998. The serving district reports the Average Daily Membership (ADM) of these students through MARSS. Only the following MARSS State Aid Category (SAC) codes are used to identify a student chargeable to the 998 Organization Site – 05, 06, 10, 14, 19, 27 and 28. In all these cases, the serving district reports the students with the general education revenue going to the resident district.

MARSS SAC Codes:

- 05 Interdistrict Cooperative Agreement
- 06 Cooperative Facilities
- 10 Joint Powers Agreement
- 14 Enrollment in another state (resident district reports MARSS)
- 19 Tuition Agreement/District Placement

- 27 Care and treatment, public
- 28 Nonpublic Placed Individualized Education Program (IEP)/Individual Family Service Plan (IFSP) or care and treatment

Include SAC 01, 03, 04 or 11 when the student has an IEP and the resident district is responsible for unreimbursed special education cost via tuition billing. Use 03 when an Alternative Learning Center (ALC) is in a cooperative with a fiscal host.

MARSS SAC Codes:

- 01 Enrollment Options/Open-Enrolled – excess special education costs only
- 03 Graduation Incentives (in a joint powers without a fiscal host)
- 04 Enrollment Choice – 11th and 12th graders
- 11 Non-tuition Parent Initiated Agreement

Do Not Report the Following Expenditures in this Code

Concurrent Students

If the tuition is paid by the district, the expenditures will be charged to the district/high school site where the student is enrolled. This is true no matter where the instruction takes place, at the high school or on the college campus.

Postsecondary Enrollment Options (PSEO)

Student tuition paid directly to the college by the state of Minnesota is not a cost of the district and is not reflected in the district expenditures.

Cost-Sharing Agreements

Cost-Sharing Agreements are expenditures shared among districts/cooperatives based on a percentage of program costs and not on individual tuition billings. This pertains to part-time arrangements. An example would be where four students attend chemistry class in another district. They are considered full-time students in their resident district. The resident district would pay a pro-rated share of the expenditures of that class to the serving district.

Organization/Site Dimension Changes – FY 2019

Additions

Account	Description
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Deletions

Account	Description
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Changes

Account	Description
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Chapter 3 – Program Dimension

The program dimension designates the programmatic use for which financial activity is taking place. In Minnesota, the program dimension encompasses all aspects of school district operations, including instructional, administrative and various support activities.

The program dimension codes are separated into a series of 10 categories. Further definition of each category is found at the beginning of each listing. The 10 categories of the program series are:

Administration	010-099
District Support Services	100-199
Elementary and Secondary Regular Instruction	200-299
Vocational Education Instruction	300-399
Special Education Instruction	400-499
Community Education and Services	500-599
Instructional Support Services	600-699
Pupil Support Services	700-799
Sites and Buildings	800-899
Fiscal and Other Fixed-Cost Programs	900-999

Several aspects of accounting procedures should be noted:

1. All expenditures must have a program code; however, revenues often do not relate to a specific program and are therefore coded to Program Code 000, Districtwide. (The finance dimension is usually used to tie together revenues and their allowed expenditures. Districts may choose to use a program code to further identify various categorical revenues.)
2. Codes in this manual represent the minimum set of codes which are necessary for state reporting. For management purposes, districts may also construct and use many other program codes and crosswalk them to the set of state reporting codes.
3. The program dimension has historically not been used to identify expenditures for pupil transportation cost reporting. Instead, the finance dimension has been used to report the components of transportation expenditures.
4. Expenditures made for capital items may use any appropriate program code; however, expenditures from the Operating Capital Restricted/Reserved (Fund Balance Account 424) must also use Finance Code 302, Operating Capital.
5. Occasionally an expenditure will have several possible program dimension codes; for example, legal expenses (110) for special education (400 series). In these circumstances, the rule is to always use the non-instructional code (000 through 199) if it applies. Thus, in this example, use Program Dimension Code 110, Business Support Services. Another example would be for a director of vocational education whose primary tasks are administrative. Use Program Dimension Code 030, Instructional Administration rather than Program Dimension Codes 300 to 399, Vocational Instruction.
6. All employee benefits at year-end are to be allocated to the program that generated the benefit. Program Code 930 is a “clearing account” that may be used during the year for employee benefit expenditures before the end-of-year allocation to appropriate programs.

Code Title and Definition

000 Districtwide Revenue

Program Code 000 is not a valid code for expenditure accounts. Code 000 may be used as a revenue program code when it is desired to not associate the revenue with a specific program. (It may be used as a "filler" for filling out the 17-digit code when program is not relevant for coding a revenue.)

Administration (010 to 099)

These programs include all costs for general administration, instructional administration and school site administration for the school district. Administrative services are defined as those provided by head administrators who are in charge of instructional or instruction-related units. This includes the school board, superintendent, principals, assistant superintendents, and directors of instructional areas. Included are the costs of their immediate offices, including those individuals in direct support of the administrator. This series does not include administrators of non-instructional activities such as the business manager, food service manager, or director of buildings and grounds. Include these individuals in their respective programs.

Code Title and Definition

010 Board of Education

Activities related to the board of education, its members, and professional and support staff reporting directly to the board. Includes travel, conventions and memberships in school board organizations, and other expenses related to the board's official duties. Also use this code for boards of Regional Management Information Center (RMIC), service cooperatives, education districts, charter schools, and joint powers entities.

020 Office of the Superintendent

Activities performed by the superintendent and immediate staff in the general management of affairs of the chief executive officer.

030 Instructional Administration

Activities of administrators, and their offices, responsible for a group of schools or an instructional area. For example: director of elementary education, assistant superintendent for secondary, area directors, and directors of career and technical education. Also include federal program administrators. Do not include administrators of offices which deal with the non-instructional aspects of operations, or for which another program series exists; include these individuals with their respective programs.

050 School Administration

Activities relating to the administration of local schools, including the cost of one licensed principal, or a pro-rated amount if the principal is shared between sites and his/her immediate office. Do not include personnel for whom a separate series is provided. Also do not include assistant principals (see Program Code 605). Include expenditures for administrative site councils.

District Support Services (100-199)

Code	Title and Definition
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105 General Administrative Support

Activities related to general administrative support not included in the offices of the superintendent, assistant superintendent, principals, instructional administrators, or business services. Include activities associated with:

- Federal Program Administration Support.
- Miscellaneous District Administration not otherwise classified.
- Human Resources – Acquiring and maintaining staff; includes recruiting, employing, assigning, maintenance of personnel records, and management of benefit programs.
- Government Relations – Providing coordination and liaison with governmental agencies at all levels and with citizens' groups.
- School Elections – Preparation, conducting, and reporting of elections for bonding, local levies, reorganization and school board membership.
- Credit entry for the federal indirect cost allocation using Object Code 895, Federal Indirect Cost Chargeback. Debit entries should be charged to the appropriate federal program.

107 Other Administrative Support

Activities related to assistant superintendents (not in Program Code 030 – Instructional Administration) and activities associated with:

- Community Relations – Writing, editing and other preparations necessary to disseminate educational and administrative information to the public through various news media or personal contact.
- Census – Enumeration and collection of data to determine the number of children of certain ages as residents in the district and to secure other information pertinent to education.
- Research and Evaluation – Conducting and managing programs for research, evaluation, planning and development.
- Membership and attendance recording and reporting.

108 Administrative Technology Services

Activities concerned with supporting the school district's information technology systems, including supporting administrative networks, maintaining administrative information systems, and processing data for administrative and managerial purposes. These activities include expenditures for internal technology support, as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related administrative costs.

Technology service supervision and administration – Activities concerned with directing, managing and supervising data-processing services.

Systems analysis and planning—activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever, possible, on quantitative methods. Where applicable, these activities pertain to the development of data-processing procedures or application to electronic data-processing equipment.

Systems application development—activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.

Systems operations—activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data-processing machines.

Network support.

Hardware maintenance and support.

Professional development costs for administrative technology personnel. Report these expenditures in program 640.

Other technology services—activities concerned with data processing not described above.

110 Business Support Services

Consists of activities included in the fiscal operation and business management aspects of the school district including finance, budgeting, accounting and other related areas. Include payments made to RMIC's and service cooperatives for business services provided.

- Finance – Budgeting, accounting, auditing, payroll, purchasing, property management, warehousing, inventory distribution and other fiscal services.
- Data Processing – Internal data processing activities which include collecting and organizing data, converting data to machine usable form, and the preparation of financial, property, pupil, personnel, program, community, and statistical reports. Data processing expenditures which are an integral part of the student learning process are recorded in the appropriate instructional program.

- Legal Services – Counseling services relative to existing laws and statutes, research of legal questions, and defense of the district in legal proceedings. Also, include the purchase of these same activities.
- Printing – Printing, publishing and duplicating administrative materials, such as annual reports, school directories, school bulletins and notices. Printing done for a specific educational program should be charged to that program.
- Credit entry for the federal indirect cost allocation using Object Code 895, Federal Indirect Cost Chargeback. Debit entries should be charged to the appropriate federal program.
- Record interest expense on short-term borrowing using Object Code 740.

120 Cooperative Purchasing and Services (Service Cooperatives Only)

All costs and activities associated with cooperative purchasing and services rendered in a service cooperative.

Elementary and Secondary Regular Instruction (200-299)

Regular Instruction includes all activities dealing directly with the teaching of pupils, the interaction between teachers and pupils in the classroom and co-curricular activities at the kindergarten, elementary and secondary levels. Do not include special education instruction. The instructional subject areas are included under regular instruction and are not included under Vocational Education (300 series), Special Education Instruction (400 series), or Community Education (500 series). It includes activities of aides or assistants of any type (paraprofessionals, clerks, graders, etc.) who assist in the educational process, except special education aides.

Subjects should be recorded under their primary purpose. Thus, if an English course is taught on the subject of business writing, the course is properly recorded as Program Code 220 –English. However, if a business course in business communications is taught where the emphasis is on business communication skills, the course is properly recorded in Program Code 215 – Business.

When coding expenditures at the secondary level, every effort should be made to identify the subject area rather than using Program Code 211 (Education – Secondary General).

Code Title and Definition

200 Voluntary Prekindergarten

For districts with an approved voluntary prekindergarten program as defined in [Minnesota Statutes, section 124D.151](#) to prepare children for success as they enter kindergarten in the following year. Only the LEA's approved for this program can record expenditures to this program code. Please see Program Code 581 for prekindergarten offered through Community Education.

201 Education – Kindergarten

Consists of all aspects of mainstream kindergarten education (i.e., except special education instruction). This account is to include Object Code 145, Substitute Teacher Salaries, and Object Code 430 or 433, Instructional Supplies.

203 Education – Elementary General

Consists of all aspects of mainstream elementary education, grades 1 through 6. This category is not required to be divided by either subject matter or grade level for state reporting purposes. However, subject program codes beginning with 212 may be used if more detail is preferred in any elementary program. This account is to include Object Code 145, Substitute Teacher Salaries, and Object Code 430 or 433, Instructional Supplies.

204 Title II, Part A – Teacher and Principal Training and Recruiting Fund

Federal education program is to increase the academic achievement of all students by helping schools and districts improve teacher and principal quality through professional development and support mechanisms. Combines the Eisenhower and Federal Class Size Reduction of Public Law (P.L.) 103-182 (Catalog of Federal Domestic Assistance Number (CFDA No.) 84.367, Title II, Part A Elementary and Secondary Education Act (ESEA), P.L. 107-110).

205 Title III, Part A – English Language Acquisition, Language Enhancement and Academic Achievement (Fund 01)

Federal education program designed to help ensure that children who are English Learners, including immigrant children and youth, attain English proficiency (Title III Elementary and Secondary Education Act ESEA), P.L. 107-110).

206 Title IV, Part A – Safe and Drug-Free Schools and Communities

Federal programs of formula grants based on approved applications to provide drug and violence prevention activities that meet the “Principles of Effectiveness” required by law (CFDA No. 84.186, Title IV, Part A, Elementary and Secondary Education Act (ESEA), P.L. 107-110).

207 Title V, Part A – Innovative Programs

Federal education program designed to support local education reform efforts that are consistent with and support statewide education reform efforts (Title V, Part A, Elementary and Secondary Education Act (ESEA), P.L. 107-110).

210 Title II, Part D – Enhancing Education through Technology

The focus of these funds is to promote local and state initiatives for using technology to increase academic achievement, increase access to technology, and expand teacher professional development in

technology. Funds allocated to Minnesota by the federal government will be distributed to school districts on a 50/50 basis, with 50 percent of the allocation to be distributed based on formula determined by Title I shares and 50 percent to be disbursed based on competitive grant competitions. Competitive grant processes must give priority to schools that meet federal definitions of high-need and high-poverty and schools that do not generate sufficient funds from the formula distribution to effectively implement technology. Districts must spend at least 25 percent of funds from either the formula allocation or a competitive grant competition on professional development (CFDA No. 84.318, Title II, Part D, sections 2401-2404, Elementary and Secondary Education Act (ESEA), P.L. 107-110).

211 Education – Secondary General

Consists of educational activities not identified as kindergarten or elementary, and which cannot be otherwise identified by subject matter areas. This account is to include Object Code 145, Substitute Teacher Salaries unless the salaries are reimbursed by categorical programs. In this instance, the appropriate program code of the categorical program would be used.

212 Visual Art

Courses involving visual expression, including drawing, painting or printmaking, sculpture or pottery, other spatial disciplines such as architecture, and the history and theory of art.

215 Business

Courses designed to develop the pupil's perspectives, knowledge and skills concerned with the principles and practices of business, both personal and professional.

216 Title I Improving the Academic Achievement of the Disadvantaged

Record revenue and expenditures to expand and improve educational programs to meet the needs of educationally disadvantaged children in low-income areas (Elementary and Secondary Education Act (ESEA), P.L. 107-110)). Finance Code 317, Basic Skills, can be used with this program.

217 Assurance of Mastery

Record expenditures for activities conducted under the Assurance of Mastery Program. This program is a subset of the Basic Skills Revenue Component of General Education Revenue ([Minn. Stat. § 126C.10, subd. 4](#) and [Minn. Stat. § 124D.66](#)).

218 Gifted and Talented

Special learning experiences for individuals, who, by virtue of outstanding abilities, are capable of high performance. The high performance may be in general intellectual ability, specific academic aptitude; creative or productive thinking, leadership ability, psychomotor abilities, visual or performing arts, and others that require differentiated educational programs and/or services beyond those normally required by the regular school programs.

219 English learner (EL)

Record expenditures for English as a Second Language (ESL) and/or Bilingual Education Programs. EL is a subset of the Basic Skills Revenue Component of General Education Revenue ([Minn. Stat. § 124D.58](#), [Minn. Stat. § 124D.65](#) and [Minn. Stat. § 126C.10, subd. 4](#)).

220 English (Language Arts)

Courses which assists the pupil in acquiring proficiency in listening, speaking, reading, writing, the conducting of structural analysis of the English language, appreciating a variety of literary forms, and understanding and appreciating various aspects of past and present cultures as expressed in literature.

226 Title II – State Activities for School Leaders

Record expenditures related to Title II, State Activities for School Leaders, to provide support for school leaders (principals). This program code must be used with Finance Code 414/614, Title II, Part A – Teacher and Principal Training and Recruiting.

230 Foreign Language/Native Language

Courses for a variety of foreign and native languages, including English as a Second Language. The courses are organized to assist the pupil in acquiring proficiency in listening, speaking, reading, writing, structural analysis, and in having a knowledge of the culture, history and attitudes of the people whose language is being learned.

240 Health, Physical Education and Recreation

Courses in health, physical education and recreation concerned with developing knowledge, attitudes, appreciation, and conduct essential to individual and group health. Includes physical and mental growth and fitness by means of activities designed to improve the muscles, coordination, attitudes and behaviors of students.

250 Family Living Science

Courses relevant to personal, home, and family life. The subject matter includes concepts drawn from the humanities and the natural and social sciences.

255 Industrial Education

Courses for the development of understanding the occupational, recreational, organizational, social, historical and cultural aspects of industry and technology.

256 Mathematics

Courses pertaining to carrying on learning experiences concerned with the science of numbers and their operations, interrelations, combinations and abstractions.

257 Computer Science/Technology Education

Courses for the purpose of enabling pupils to acquire knowledge, understanding and skills relevant to the use and development of computer hardware and software.

258 Music

Courses to impart the skills and knowledge necessary for the creation, understanding, and performance of music.

260 Natural Sciences

Courses concerned with knowledge of the physical and biological world and the process of discovering and validating this knowledge.

270 Social Sciences/Social Studies

Courses organized to impart knowledge, develop skills, and identify goals concerning elements and institutions of society in the disciplines of history, economics, political science, sociology, anthropology, geography, psychology and philosophy.

291 Co-Curricular Activities (Non-Athletics)

Co-curricular activities means school sponsored and directed activities designed to provide opportunities for pupils to participate, on an individual or group basis, in school and public events for the improvement of skills ([Minn. Stat. § 123B.49](#)). Co-curricular activities are not offered for school credit, cannot be counted toward graduation and have one or more of the following characteristics:

1. They are conducted at regular and uniform times during school hours, or at times established by school authorities.
2. Although not offered for credit, they are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit.
3. They are partially funded by public funds for general instructional purposes under direction and control of the board.

292 Boys/Girls Athletics

Co-educational physical sports or contests. Athletics differs from physical education (see Program Code 240) in that:

1. The majority of time is other than regular school hours.

2. Teachers, coaches, or supervisors normally receive remuneration beyond base salary for these activities.
3. Physical sports events or contests occur outside of the usual instructional class environment.

Boys/Girls Athletics includes that part of the total athletic program that is shared by male and female participants or cannot be easily separated for either boys' or girls' athletic activities (see Boys Athletics – Program Code 294, and Girls Athletics – Program Code 296).

294 Boys Athletics

Athletic activities (see Program Code 292) in which 90 percent or more of the participants are male.

296 Girls Athletics

Athletic activities (see Program Code 292) in which 90 percent or more of the participants are female.

297 Community Service Projects

Activities relating to community service projects done by pupils as part of instruction for credit coursework.

298 Extra-Curricular Activities

A resolution by the School Board determines if extra-curricular student activities are to be “under board control” or “not under board control” ([Minn. Stat. § 123B.49](#)).

All activities under board control for public school pupils that are managed and operated under the guidance of an adult or staff member. Extra-curricular activities have all of the following characteristics:

1. They are not offered for school credit nor required for graduation.
2. They are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants and approved by school authorities.
3. The content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

Career and Technical Education Instruction (300-399)

Courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability. This series pertains only to courses which are approved by the Department and operated in accordance with [Minnesota Rules, part 3505](#).

Code	Title and Definition
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301	Agriculture Education
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Courses providing learning experiences concerned with developing knowledge, understanding, and skills in agricultural, agribusiness and agricultural science subjects.

311	Distributive Education
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Courses and learning experiences pertaining to employment that directs the flow of goods and services from the producer to the consumer. Emphasis is on the development of attitudes, skills and understanding related to marketing, merchandising and management.

321	Health Science Technology Education
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Courses and learning experiences designed to develop knowledge and skills required in the supportive services to the health professions. Instruction is organized to prepare pupils for assisting qualified personnel in providing diagnostic, therapeutic, preventative, restorative and rehabilitative services. Includes care and health services to patients.

331	Family and Consumer Science
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Courses of instruction concerned with work in a home environment. Includes relationships among family members and the managing of family resources.

341	Business and Office Education
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Courses of instruction in selected office or business occupations in public and private enterprises or organizations.

361	Trade and Industrial Education
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This program is involved in a wide range of trades and industrial occupations, both skilled and semiskilled, and may involve apprenticeships.

365 Service Occupations

Courses of instruction in child care/guidance and education occupations, fashion and apparel, foods, grooming, housing, public safety, and tourism occupations. Programs include instruction in safety, decisions in the use of energy, self-concept, work attitudes and behaviors.

371 Related Subjects/Diversified and Interrelated Occupations

Related subjects include those which cannot be assigned to any of the above programs, as they serve all programs (e.g., industrial communications). Diversified and Interrelated Occupations include combinations of subject matter and learning experiences related to the performance of various skills in a variety of career objectives. Emphasis is on the development of attitudes, skills, and understanding related to the career objectives of the pupils.

380 Special Needs

Activities which serve disabled pupils in career and technical education. This program code must be used with Finance Code 835, Career and Technical Programs – Children with Disabilities.

385 Special Needs Non-Disabled

Activities which serve students who are non-disabled but are economically or academically disadvantaged in career and technical education. Activities include both special programs and support services for pupils enrolled in a regular career and technical education program.

399 Career and Technical – General

Consists of all learning experiences related to career and technical education unable to be classified to the specific programs defined above.

Special Education Instruction (400-499)

Activities providing learning experiences for pupils of any age who, because of certain atypical characteristics or conditions, have been identified as requiring, or who would benefit by, educational programs differentiated from those provided for pupils in regular or vocational instruction.

Code Title and Definition**400 General Special Education**

This program code is to be used only for the following two purposes:

Revenue: Use this code to receipt all special education revenue. When this code is used to record local special education tuition revenue, do not use in combination with Finance Code 740.

Expenditures: Use this code for expenditure activities that are associated with special education but that are not reimbursable for state or federal aid and cannot be included in the tuition billing purposes (e.g., special education litigation costs). For coding special education expenditures, this program code must be used with Finance Code 000. Do not use Finance Code 740 with this program.

401 Speech/Language Impaired

Specialized instruction and services for pupils with a communication disorder, such as stuttering, impaired articulation, language impairment, or voice impairment which adversely affects an individual's educational performance; includes speech-impaired, speech-disabled and communicatively impaired (field usage). This program corresponds to the Special Education Disability Code 01 used in Minnesota Automated Reporting Student System (MARSS) reporting.

402 Developmental Cognitive Disabilities: Mild-Moderate

Consists of special instruction and services for the mild to moderately disabled individual whose development rate is two-thirds to one-half of the average rate in the intellectual and adaptive behavior domains. Formerly known as educable mentally handicapped. Includes the terms educable mentally retarded, mentally handicapped and mildly mentally handicapped. This program corresponds to the Special Education Disability Code 02 used in MARSS reporting.

403 Developmental Cognitive Disabilities: Severe-Profound

Special instruction and services for the individual whose development rate is one-half to one-third of the average rate in the intellectual and adaptive behavior domains. Formerly known as trainable mentally handicapped. Includes trainable mentally retarded, mentally retarded, mentally handicapped, moderately mentally handicapped and sometimes severely multiply impaired. This program corresponds to the Special Education Disability Code 03 used in MARSS reporting.

404 Physically Impaired

Specialized instruction and services for pupils with a severe physical impairment which adversely affects an individual's educational performance. The term includes impairments caused by congenital anomaly (e.g., clubfoot, absence of some member, etc.), and impairments caused by disease or injury (e.g., cerebral palsy, amputations, fractures or burns which cause contractures). Includes physically handicapped, orthopedically handicapped and orthopedically impaired. This program corresponds to the Special Education Disability Code 04 used in MARSS reporting.

405 Deaf/Hard-of-Hearing

Hearing loss ranging from so severe that the child is impaired in processing linguistic information through hearing, with or without amplification; to hearing impairment, whether permanent or fluctuating, that adversely affects a child's education performance but which is not included under the

definition of deafness. This program corresponds to the Special Education Disability Code 05 used in MARSS reporting.

406 Visually Impaired

Specialized instruction and services for a partially sighted individual having a visual condition with a best correction in the better eye of 20/70 or less which adversely affects an individual's educational performance. Includes blind individuals and individuals who exhibit a limited visual field of 20 degrees or less. Includes the terms blind, visually impaired, visually disabled, and partially sighted. This program corresponds to the Special Education Disability Code 06 used in MARSS reporting.

407 Specific Learning Disability

Special instruction and services to pupils with disorders in the basic psychological processes involved in understanding or using spoken or written language which may impair their ability to listen, think, speak, read, write, spell or to do mathematical calculations. Includes such conditions as perceptual disabilities, brain injury, minimal brain dysfunction, dyslexia, and development aphasia. Does not include individuals who have learning problems that are primarily the result of visual, hearing or motor disabilities, or due to environmental, cultural, or economic disadvantage. Includes the terms special learning disabilities, learning disabled, exceptional learning disabilities and specific learning disabilities. This program corresponds to the Special Education Disability Code 07 used in MARSS reporting.

408 Emotional/Behavioral Disorder

Special instruction and services for a condition exhibiting the following characteristics over a period of time and to a marked degree that adversely affects educational performance: an inability to learn which cannot be explained by intellectual, sensory or health factors; an inability to build or maintain satisfactory interpersonal relationships with peers and teachers; a general pervasive mood of unhappiness or depression; or a tendency to develop physical symptoms or fears associated with personal or school problems. Does not include individuals who are socially maladjusted, unless it is determined that they are seriously emotionally disturbed. This program corresponds to the Special Education Disability Code 08 used in MARSS reporting.

409 Deaf-Blind

Concomitant hearing and visual impairments, the combination of which causes such severe communication and other developmental and educational problems that they cannot be accommodated in special education programs solely for children with deafness or children with blindness. This program corresponds to the Special Education Disability Code 09 used in MARSS reporting.

410 Other Health Disabilities

Special instruction and services which address limited strength, vitality, or alertness, due to chronic or acute health problems which adversely affects educational performance. Such conditions include: heart

condition, tuberculosis, rheumatic fever, nephritis, asthma, sickle cell anemia, hemophilia, epilepsy, lead poisoning, leukemia or diabetes. This program corresponds to the Special Education Disability Code 10 used in MARSS reporting.

411 Autistic Spectrum Disorders

Special instruction and services to individuals diagnosed with the disorder of autism. This program corresponds to the Special Education Disability Code 11 used in MARSS reporting.

412 Developmentally Delayed

Developmentally Delayed education includes activities for children from birth through age 6. Includes special education instruction or services for individuals who are hearing impaired; physically, neurologically or other health impaired; seriously emotionally disturbed; have an identifiable syndrome known to hinder normal growth or development; have significant delay or impairment in cognitive speech or language development. This program corresponds to the Special Education Disability Code 12 used in MARSS reporting.

414 Traumatic Brain Injury

Special learning experiences for children with brain injuries caused by external physical force, or by internal occurrence such as stroke or aneurysm, resulting in impairments that adversely affect educational performance. Does not include children with brain injuries that are congenital or degenerative or caused by birth trauma. This program corresponds to the Special Education Disability Code 14 used in MARSS reporting.

416 Severely Multiply Impaired

Special instruction and services for a pupil who has severe learning and developmental problems resulting from two or more disability conditions determined by assessment. The assessment team shall determine that a pupil is eligible as being severely multiple impaired if the pupil meets the entrance criteria for two or more of the following disabilities: hearing impaired, physically impaired, moderate-severe mentally impaired, visually impaired, emotional or behavioral disorders or autism. This program corresponds to the Special Education Disability Code 16 used in MARSS reporting.

420 Special Education – Aggregate (three or more disabilities)

Use this program for personnel or contracted services, excluding teachers, who provide or coordinate special education or related services when three or more disability categories are served and the disability categories cannot be disaggregated. Also use this program for materials that are purchased for specialized instruction or related services for three or more disability areas when the disability categories cannot be easily disaggregated. Excludes the educationally disadvantaged (Program Code 216) and gifted and talented (Program Code 218). Activities of directors and assistant directors, supervisors are coded to this program.

422 Special Education – Students without Disabilities

Enter revenue and expenditure activity for Special Education services provided to students without disabilities under the following situations:

[Minnesota Statutes, section 125A.75, subdivision 3](#) – Full state payment for students without a disability whose district of residence has been determined by [Minnesota Statutes, section 125A.17](#) or [125A.51 \(b\)](#) and who is temporarily placed in a state institution, a licensed residential facility or foster facility for care and treatment. The regular education program at the facility must be an approved program according to [Minnesota Statutes, section 125A.515](#). Use with Finance Code 761.

[Minnesota Statutes, section 125A.50](#) – Alternative delivery of specialized instructional services to serve low-performing pupils who have not been identified with a disability but, who without intervention, may be expected to qualify for special education service in the future. Use with Finance Codes 317 and 740.

34 Code of Federal Regulations (C.F.R.), section 300.226, Early Intervening Services – To develop and implement coordinated, early intervening services for students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade 3) who have not been identified as needing special education or related services, but who need additional academic and behavioral support to succeed in a general education environment. Use with Finance Codes 425 and 481.

Community Education and Services (500-599)

Programs, activities, and events beyond the scope of regular K-12 schooling that enable people of all ages to develop skills and abilities, to find and use local resources and services, and to work toward improvements in their lives and their communities. Includes jointly planned and developed programs under terms of a cooperative agreement with a city council, park board, recreation department, or similar agency.

The 2013 Legislative Session allows basic skills revenue to be used for the education of preschool children and their families. Report these expenditures using Program Codes 579 – Preschool Instructional, 581 – Prekindergarten, and 582 – School Readiness in Fund 01 instead of Fund 04.

Code Title and Definition

505 General Community Education

Courses, activities, and other learning events that enable individuals of any age to develop skills and abilities to enhance their own or their family's life. Included in this category are general enrichment, cultural, and skill development programs intended for individuals and not accounted for below.

510 Adults with Disabilities

Programs operated through community education that enable adults with physical and developmental disabilities to participate fully in the mainstream of community life. Included in this program are:

activities specifically for adults with disabilities; services to assist adults with disabilities to join already existing activities; outreach activities to identify and communicate with adults needing services; and activities to increase public awareness of the roles of people with disabilities.

520 Adult Basic and Continuing Education

K–12 level basic skills learning opportunities for functionally illiterate people 16 years of age or older who are not enrolled in elementary or secondary school. Enables participants, according to their individual needs, to: identify, plan for, and achieve their individual goals; master basic academic problem solving; learn interpersonal skills needed to function in society; find and use community resources that address their needs; and continue education to the level of high school completion, further education or training that will make them more employable and productive citizens.

570 School-Age Care

Consists of childcare cooperatives, regular day care, and latchkey programs that provide educational, recreational, or custodial experiences for children from kindergarten through grade 6 that are beyond the scope of regular school programming ([Minn. Stat. § 124D.19, subd. 11](#)).

579 Preschool – Instructional (Fund 04)

Record all costs for non-fee based preschool programs that provide educational opportunities to children 3 through 5 years old that do not generate average daily membership with respect to MARSS. Childcare costs should be reported in Program Code 570.

580 Early Childhood and Family Education

Record revenue and expenditures for activities, classes and events in schools, community centers and homes for children, aged birth to kindergarten, their parents and other relatives, and for expectant parents. This code includes programs that educate parents (and other relatives) so they may understand and enhance a child's learning and development. Other services include providing resource materials, parenthood education in secondary schools, and outreach work. The state-funded Community Education Early Childhood and Family Education (ECFE) program is included in this category. The district must use Program Code 580 for all revenues when Finance Code 325 is not used. It may also use the program code with Finance Code 325 if the district wishes. Program Code 580 must be used for all ECFE expenditures.

581 Prekindergarten

Record all costs of prekindergarten classes as defined in [Minnesota Statutes, section 120A.05, subdivision 10\(a\)](#) and [Minnesota Statutes, section 126C.126](#) excluding early childhood special education, serving children who turn age 4 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 200, Voluntary

Prekindergarten. Do not include costs 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 4-year olds, use both Program Code 581 and Finance Code 344 for reporting revenue and expenditures ([Minn. Stat. § 126C.126](#)).

582 School Readiness

Record all costs of providing a school readiness program that prepares children to enter kindergarten and serves children 3 years of age to kindergarten entry. Program activities include assessment of children's cognitive skills at program entry and exit; provision of research-based early childhood educational programming focused on children's cognitive skills and development and transition to kindergarten; arrangement for early childhood screening; involvement of parents in program planning and decision-making; coordination with relevant community-based services; and cooperation with adult basic education and other adult literacy programs ([Minn. Stat. § 124D.15](#)).

Except where general education revenue is reallocated for a school readiness prekindergarten program serving 4 year olds, Program Code 582 must be used for all school readiness expenditures and revenue activity ([Minn. Stat. § 126C.126](#)).

583 Early Childhood Screening

Report expenditures incurred by the district for providing a mandatory early childhood developmental screening program per [Minnesota Statutes, section 121A.17](#). The district is entitled to state aid of \$75 for each child it screens at age 3; \$50 for each child it screens at age 4; \$40 for each child screened by the district at age 5 or 6 prior to kindergarten; and \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened. If this amount of aid is insufficient, the district may make a permanent transfer from the General Fund ([Minn. Stat. § 121A.19](#)). See Finance Code 354.

584 School Readiness Plus (Funds 01 and 04)

A district, a charter school, or a group of districts and charter schools may establish a school readiness plus program for children age 4 up to kindergarten entrance per Laws of Minnesota 2017, 1st Special Session, chapter 5, article 8, section 8. The purpose of a school readiness plus program is to prepare children for success as they enter kindergarten in the following year. Record expenditures and revenues in Fund 01 for at-risk children not paying a fee. Record expenditures and revenues in Fund 04 for fee generated School Readiness Plus activity. The revenues and expenditures in this code apply to Balance Sheet Code 422 (Fund 01) and Balance Sheet Code 464, Restricted Fund Balance (Fund 04).

585 Youth Development/Youth Services/After School Enrichment

A process for involving youth and adults in planning and implementing programs that meet the needs of youth in their local communities. These programs provide services within the school (e.g., tutoring, peer

helper programs), and services to meet needs in the larger community (e.g., services for younger children or the elderly, environmental projects). See Finance Codes 332 and 362 for sources of revenue.

590 Other Community Programs

Record revenue and expenditures for activities, events and other services provided through the school system that benefit the community and are not coded elsewhere (Program Code 590 should not be used with Finance Code 344). This code includes Crime-Watch, food shelves, community counseling, chemical abuse and family violence prevention programs, public forums, community welfare activities, job skills training, services to nonpublic schools, non-tuition payments to other districts for community services, parent-teacher association activities and other community uses for school facilities.

Program Code 590 is also used to record the costs of child care programs for preschool children and for any preschool programs serving children younger than 5 years of age that are operated separate from the district's early childhood family education, Program Code 580, and school readiness, Program Code 582. Use Program Code 581 to record activity for prekindergarten programs separately from school readiness that prepares children who are age 4 by September 1 to enter kindergarten the following year.

Instructional Support Services (600-699)

Instructional support services include activities for assisting the instructional staff with the content and process of providing learning experiences for pupils in kindergarten through grade 12.

Code Title and Definition

605 General Instructional Support

Activities associated with general instructional support including the activities of assistant principals and other intermediate professional and administrative staff. Not included are offices reported elsewhere, including those of superintendent, principal and instructional administrators, and more specialized supportive activities (e.g., curriculum development, educational media, human relations and staff development).

610 Curriculum Consultant and Development

Professional and/or technical assistance in curriculum consultation and development. This includes preparing and utilizing curriculum materials, training in the various techniques of stimulating and motivating pupils, and instruction-related research and evaluation done by consultants.

620 Library Media Center

An organized collection of printed and/or audiovisual and/or computer resources which is administered as a unit, is located in a designated place or places, and makes resources and services available to

students, teachers and administrators. A library media center may also be called a library, media center, resource center, information center, instructional materials center, learning resource center or some other name.

Note: Definition comes from School Library Media Centers, December 2004 (NCES 2005-302), repeated in 2007-2008 School Library Media Center Questionnaire, NCES (National Center for Education Statistics).

630 Instruction-Related Technology

This program encompasses all technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs that relate to the support of instructional activities. Specifically, costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, instructional networks and similar operations should be captured in this code. Technology that is used by students in the classroom or that has a student instruction focus should be coded to instruction.

Student computer centers – Activities concerned with supporting and maintaining computer centers (outside the classroom) that are established to support the instructional environment. These centers may be located in the library or in other locations but are not primarily dedicated to student-teacher learning. Computer centers that are primarily dedicated to instruction should be coded to instruction.

Technology service supervision and administration-activities concerned with directing, managing and supervising data-processing services.

Systems analysis and planning-activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment, and wherever, possible, on quantitative methods. Where applicable, these activities pertain to the development of data-processing procedures or application to electronic data-processing equipment.

Systems application development-activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.

Systems operations-activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data-preparation devices, and data-processing machines.

Network support-services that support the networks used for instruction-related activities.

Hardware maintenance and support.

Professional development for instruction-focused technology personnel costs that are incurred when staff acquire knowledge and skills to support instructional technologies. Report these expenditures in program 640.

Technology training for instructional staff should be reported in program 640.

640 Staff Development

Activities designed to contribute to professional growth of instructional staff members during their service to the school district. Includes costs associated with workshops, in-service training, site visits, courses for college credit, and sabbatical and travel leaves.

Pupil Support Services (700-799)

This includes all services provided to pupils which do not qualify as instructional services.

Code	Title and Definition
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710	Secondary Counseling and Guidance Services
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Activities involved in counseling secondary (7-12) pupils, parents and staff members on learning problems, career planning, and behavioral problems. Services include the evaluation of the abilities of pupils, assistance to pupils in personal and social development, provision of referral assistance, and work with other staff members in planning and conducting guidance programs for pupils.

712	Elementary Counseling and Guidance Services
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Activities involved in counseling elementary (1-6) pupils, parents and staff members on learning problems, career planning, and behavioral problems. Services include the evaluation of the abilities of pupils, assistance to pupils in personal and social development, provision of referral assistance, and work with other staff members in planning and using guidance programs for pupils.

720	Health Services
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Physical and mental health services which are not involved with direct instruction. Included are: health appraisal, vision screening, communicable disease control, appraisal of speech and hearing, periodic health exams, emergency health care, appropriate medical, dental and nursing services, and communication with parents and medical officials.

730	Psychological and Mental Health Services
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This code consists of those activities related to administering psychological and mental health services, including those services necessary to perceive, clarify, solve and resolve interpersonal relationships, emotional problems and disorders.

740 Social Work Services

Social work activities include investigating and diagnosing pupil problems arising out of the home, school or community; casework and group work services for pupils and parents; interpreting the problems of pupils for other staff members; and promoting change in the circumstances surrounding the individual pupil. Services include activities promoting attendance and preventing dropping out.

760 Pupil Transportation

Activities concerned with the transporting, by public or private carrier, of pupils to and from school or between schools for instructional purposes. Expenditures related to instructional programs and not authorized for transportation aid reimbursement should be charged to the appropriate instructional program. This code includes transportation safety coordination, training and information activities. The Finance Dimension is used to detail the categories of transportation expenditures. Despite transportation formula changes, this detailing will continue to be needed for the calculation of targeted needs transportation allowances.

770 Food Services

Activities concerned with providing, preparing and serving regular and incidental meals, milk, or snacks in conjunction with school activities.

790 Other Pupil Support Services

Activities related to pupil support services that cannot be classified above.

Sites, Buildings and Equipment (800-899)

Activities related to the acquisition (including leasing), operation, maintenance, repair, and remodeling of all physical plant, facilities, and grounds of the school district. Equipment purchases should be charged to the program area utilizing the equipment.

Code Title and Definition**805 Equipment Repair Services for Other Clients**

Repair services offered to clients (e.g., typewriter repair and computer repair). Includes provision of services to other districts or organizations.

810 Operations and Maintenance

Activities related to maintaining and sustaining the utility, economic and aesthetic value of existing real property. For buildings, this includes custodial care and ordinary upkeep. For equipment, it consists of repairs and maintenance of equipment that sustains the original condition of completeness and efficiency.

850 Capital Facilities

Expenditures incurred under the school district's capital expenditure facilities program. The school district should annually adopt a capital expenditure program which would include plans for repair and restoration of existing district-owned facilities and plans for new construction. Excludes Programs 865, 866 and 867 for Long-Term Facilities Maintenance (LTFM) Expenditures. Total Operating Capital Revenue may only be used for the purposes specified in [Minnesota Statutes, section 126C.10, subdivision 14](#).

Charter schools must code all eligible lease aid expenditures including any additional rent payments for property taxes (excluding special assessments) to Program Code 850, Finance Code 348, and Object Code 370. Ineligible lease aid expenditures such as custodial, utilities, and maintenance should be coded to Program Code 810, Finance Code 000 and the appropriate object codes(s).

865 Long-Term Facilities Maintenance (LTFM) – Excluding Costs in Program Codes 866, 867 and 868 (Fund 01 and/or Fund 06)

Record costs for LTFM projects not included in Program Codes 866 or 867, which includes projects less than \$100,000 in all LTFM Finance Codes. This Program Code includes Health and Safety and Deferred Maintenance projects costing less than \$2,000,000 per site. This Program Code excludes projects costing \$100,000 to \$1,999,999 for Finance Codes 358 – Asbestos, 363 – Fire Safety and 366 – Air Quality (see Program Code 866), and excludes any projects costing \$2,000,000 per site or more (see Fund 06, Program Code 867). For more information regarding Long-Term Facilities Maintenance please see [Minnesota Statutes, section 123B.595](#).

866 Long-Term Facilities Maintenance (LTFM) – \$100,000-\$1,999,999.99 per Site for Finance Codes 358, 363 and 366 (Fund 01 and/or Fund 06)

Record costs for LTFM projects for Finance Codes 358, 363 and 366 (Asbestos, Fire Safety and Indoor Air Quality) that are \$100,000 or more per site up to \$1,999,999.99.

867 Long-Term Facilities Maintenance (LTFM) Projects that are \$2,000,000 or More per Site and Bond Financed (Fund 06)

This Program Code can only be used with Fund 06, Building Construction Fund. Use Program Code 868 for projects that are \$2,000,000 or more per site and financed by pay-as-you-go basis.

868 Long-Term Facilities Maintenance (LTFM) Projects that are \$2,000,000 or More per Site and Financed on a Pay-As-You-Go Basis (Fund 06)

This Program Code can only be used with Fund 06, Building Construction Fund. Use Program Code 867 for projects that are \$2,000,000 or more per site and bond financed.

870 Building Construction (Fund 06 Only)

All activities related to the acquisition, addition or improvement of real property, including grounds, buildings and equipment. To be used only in conjunction with Fund 06 and funded by the sale of bonds.

Fiscal and Other Fixed Cost Programs (900-999)

Fiscal and fixed cost activities that are not recorded elsewhere.

Code Title and Definition**910 Retirement of Long-Term Obligations**

All payments of interest and principal to retire properly approved bond issues.

920 Retirement of Nonbonded Obligations

All payments of interest and principal for current nonbonded obligations.

930 Employee Benefits (CLEARING ACCOUNT ONLY)

Activities relating to employer costs of maintaining employee insurance programs (including reemployment compensation) and retirement plans for employees. At year-end all costs associated with benefits, reemployment compensation, and workers' compensation are to be allocated to the program which generated the benefit. This program code must not be used in Fund 20.

935 Post-Employment Benefits

Expenditures in this program are for post-employment benefits paid from the district's trust funds. This code should be used only in Fund 25—Revocable Postemployment Trust Fund or Fund 45—Irrevocable Postemployment Trust Fund. Please refer to Chapter 13 of the Uniform Financial Accounting and Reporting Standards (UFARS) Manual for additional Other Postsecondary Employment Benefits (OPEB) accounting instructions.

940 Insurance

Consists of all insurance activities relating to property and liability (excluding transportation), surety, and fidelity bond insurance programs.

950 Transfers

All recurring expenditure transfers between funds to supplement resources of another fund. Also consists of expenditures that reflect a loss of assets to the district excluding payments for tuition and maintenance payments to other districts.

960 Other Nonrecurring Items

All nonrecurring costs such as judgments or liens levied against the district not covered by insurance with a provision for contingent liabilities and miscellaneous charges. Use in Trust Fund (08) with Object Code 898 for scholarships expenditures.

Program Dimension Changes – FY 2019

Additions

Account	Description
868	Long-Term Facilities Maintenance (LTFM) Projects that are \$2,000,000 or More per Site and Financed on a Pay-As-You-Go Basis (July 2018)

Deletions

Account	Description
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Changes

Account	Description
865	Long-Term Facilities Maintenance (LTFM) – Excluding Costs in Program Codes 866, 867 and 868 (July 2018)
866	Long-Term Facilities Maintenance (LTFM) – \$100,000-\$1,999,999.99 per Site for Finance Codes 358, 363 and 366 (July 2018)
867	Long-Term Facilities Maintenance (LTFM) Projects that are \$2,000,000 or More per Site that are Bond Financed (July 2018)

Chapter 4 – Finance Dimension

General Description

The finance dimension is generally used to record revenues and expenditures that relate to an activity funded with a categorical aid or levy, or relate to a restricted/reserved fund balance.

The finance dimension is also that segment of the total Uniform Financial Accounting and Reporting Standards (UFARS) account structure used to define specific local, federal, or state projects (e.g., food service meal programs and transportation categories).

General Accounting Information

At the district's discretion for local purposes, finance codes may be used for both revenues and expenditures. However, each finance code explanation states whether or not the finance code needs to be used for UFARS revenue reporting. The following are standards for using a finance code for revenue reporting:

1. If the program is entirely state funded, federally funded, or relates to a restricted/reserved fund balance, use the appropriate finance code, if established, for both revenues and expenditures.
2. If state aid payments for a program are combined with state aid for other purposes, and/or revenue for a program consists in whole or in part from property tax levy revenue, the finance dimension need not be used to identify these revenues. In this case, only expenditures will be identified using the finance code. However, a finance code needs to be used in all cases for revenues and expenditures which relate to a Restricted/Reserved Fund Balance.
3. Individual restricted/reserved codes are listed in the description of a finance code when the activities of that code necessitate the need for separation of the balance amount in that account. If no restriction/reserve is listed, the activities should be summarized in Unassigned Fund Balance Sheet Account Code 422 (Fund 01), Committed Fund Balance Sheet Account Code 461 (Fund 01), Assigned Fund Balance Sheet Code 462 (Fund 01), Unassigned Fund Balance Sheet Code 463 (Appropriate Fund other than Fund 01) or Restricted Fund Balance Sheet Code 464.

General Information

Included in the narrative of state and federal finance dimension codes is a payment description. The payment description defines the payment being made by check or by electronic transfer and consists of three components: the fund and dimension to be credited; the description; and the fiscal year of payment. For example, "01S211 GEN ED AID FY 18 " indicates that the payment should be credited to the General Fund (01) Source Dimension (S211) and Fiscal Year (FY) 2018 (18). In this text, when an "XX" is used in either the fund or the description, it denotes that the information may vary.

The Finance Dimension has the following categories:

Districtwide	000
Federally Supported Property Tax Replacement Sources	175-176
State Supported Programs	302-399
Federal Program Aid Received Through Department of Education for Formula Grants	401-499 and 601-699
Federal Aid Received Directly From Federal Sources	501-599
Child Nutrition	701-710
Transportation	711-739
Special Education	740-760
State Placement	761-770
Levy Supported Programs	771-799
Career and Technical Education and Federally Funded Competitive Grants	801-899 and 901-999

Code Title and Definition

000 Districtwide

Record revenues and expenditures when a specific finance dimension code is not required. This fills out the 17-digit code needed for each transaction.

Federally Supported Property Tax Replacement Sources (175-176)

175 Title VII – Impact Aid (Fund 01 and Fund 06)

Record revenues and expenditures for Impact Aid Program. Many local school districts across the United States include within their boundaries parcels of land that are owned by the Federal Government or that have been removed from the local tax rolls by the Federal Government, including Indian lands. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt Federal property, or that have experienced increased expenditures due to the enrollment of federally connected children, including children living on Indian lands (CFDA No. 84.041 Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). (34 Code of Federal Regulations (C.F.R.) § 200.35(a)(i)(B)(2)). This finance code is used to identify revenues and expenditures against Balance Sheet Code 475, Restricted for Title VII-Impact Aid.

176 Payments in Lieu of Taxes (PILT) (Fund 01)

This code is used to record all **federal** revenues and expenditures of PILT. PILT are payments to local governments that help offset losses in property taxes due to non-taxable **federal** lands within their boundaries. (34 C.F.R. § 200.35 (a)(i)(B)(2)). This finance code is used to identify revenues and expenditures against Balance Sheet Code 476, Restricted for Payments in Lieu of Taxes (PILT).

State Supported Programs (300)

302 Operating Capital (Fund 01)

This code is used to record all revenues and expenditures of Total Operating Capital Revenue (a component of General Education Revenue), which closes to Balance Sheet Code 424, Restricted/Reserved for Operating Capital Fund Balance ([Minn. Stat. § 126C.10](#), subd. 13a, 13b). Total Operating Capital Revenue may be used only for the purposes specified in [Minnesota Statutes, section 126C.10](#), subdivision 14. These purposes include: personnel costs directly related to the acquisition, operation and maintenance of telecommunications systems, computers, related equipment, network and applications software, purchase or lease vehicles; to pay the costs directly associated with closing a school facility, including moving and storage costs; to purchase or lease computers and related hardware, software, and annual licensing fees; to purchase textbooks as defined in Minnesota Statutes, section 123B.41, subdivision 2. This finance code is used to identify revenues and expenditures against Balance Sheet Code 424, Restricted/Reserved for Operating Capital. Expenditures for capital items not associated with Total Operating Capital Revenue should be recorded in Finance Code 000, Districtwide, or the appropriate finance code.

Payment Description – 01S211 GEN ED AID FY

303 Area Learning Center (Fund 01)

Except for a district located in a city of the first class, an area learning center must be established in cooperation with other districts and must serve the geographic area of at least two districts under section 123A.05, subdivision 1(b). Per Minnesota Statutes, section 123A.05, subdivision 2, each district that is a member of a state approved area learning center must restrict/reserve revenue for expenditures at the area learning center in an amount equal to the sum of 1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. This applies to programs with School Classification Code 41, Area Learning Centers and School Classification Code 45, Targeted Services. This finance code is used to identify revenues and expenditures against Balance Sheet Code 434, Restricted/Reserved for Area Learning Center ([Minn. Stat. § 123A.05](#), subd. 2 and [Minn. Stat. § 126C.05](#), subd. 15 (b)).

Payment Description – 01S211 GEN ED AID FY

304 Contracted Alternative Programs (Fund 01)

A contract alternative is an alternative learning program operated by a private organization that has contracted with a school district to provide educational services for students under section 124D.68, subdivision 3(d). Per Minnesota Statutes, section 124D.69, subdivision 1, school districts contracting

with a private organization must reimburse the provider an amount equal to the sum of (1) at least 95 percent of the district's average general education less basic skills revenue per pupil unit times the number of pupil units for pupils attending the program, and (2) the amount of basic skills revenue generated by pupils attending the program according to section [126C.10, subdivision 4](#). This applies to programs with School Classification Code 43. This finance code is used to identify revenues and expenditures against Balance Sheet Code 435, Restricted/Reserved for Contracted Alternative Programs ([Minn. Stat. § 124D.69](#)).

Payment Description – 01S211 GEN ED AID FY

305 State-Approved Public Alternative Programs (Fund 01)

An alternative learning program may serve the students of one or more districts, may designate which grades are served, and may make program hours and a calendar optional under section 123A.05, subdivision 1(c). Per Minnesota Statutes, section 123.05, subdivision 2, each district that is a member of a state approved alternative learning program must restrict/reserve revenue in an amount equal to the sum of (1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to section [126C.10](#), subdivision 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved public alternative program, plus (2) the amount of basic skills revenue generated by pupils attending the alternative learning program. This applies to programs with School Classification Code 42, Alternative Learning Program. This finance code is used to identify revenues and expenditures against Balance Sheet Code 436, Restricted/Reserved For State-Approved Public Alternative Programs ([Minn. Stat. § 123A.05](#), subd. 2 and [Minn. Stat. § 126C.05](#), subd. 15 (b)).

Payment Description – 01S211 GEN ED AID FY

309 Basic Skills for Extended Time (Fund 01)

Record revenues and expenditures pertaining to the Basic Skills Extended Time Revenue of [Minnesota Statutes, section 126C.10](#), subdivision 3(d). This includes English learner (EL) program expenditures and Compensatory Education expenditures as defined by [Minnesota Statutes, section 126C.15](#), subdivision 1. Expenditures using this code must be in the list of permitted expenditures contained in the above statute. Of the amount of this revenue 1.7 percent for fiscal year 2018, 3.5 percent for fiscal year 2019, and for fiscal year 2020 and later, 3.5 percent plus the percentage change in the formula allowance from fiscal year 2019, must be used for extended time activities under subdivision 2a, paragraph (c). The activities in this code apply to Balance Sheet Code 459, Restricted/Reserved for Basic Skills Extended Time. Use Finance Code 317, Basic Skills, for all other basic skills expenditures.

310 Interdistrict Cooperative Activities (Fund 01)

Record revenues and expenditures for purchasing of services for cooperative purposes, or to provide educational services in a cooperative manner. The activities in this code apply to Balance Sheet Code

408, Restricted/Reserved for Cooperative Revenue. Districts should refer to [Minnesota Statutes, section 123A.27](#). Since FY 2001, the revenue is included in General Education Revenue.

Payment Description – N/A

311 Telecommunications Access Costs (Fund 01 and/or 04)

This code is used to record eligible expenditures pertaining to Telecommunications/Internet Access Equity Aid.

Record expenditures for approved costs exceeding \$15 times the prior year's Adjusted Marginal Cost Pupil Units (AMCPU), unless the district is a member of an organized telecommunications access cluster. For districts that are cluster members, all approved costs are to be recorded.

Schools are required to submit eligible cost data for the prior fiscal year on an annual basis, at a time determined by the Minnesota Department of Education (MDE). Revenues must be used for ongoing or recurring telecommunication access costs, including access to data lines, video lines and/or Internet access, and ongoing cooperative costs associated with the delivery of telecommunications access.

This aid is available to all school districts, charter schools and nonpublic schools (Fund 04 for nonpublic). All public and charter schools are required to have a technology plan on file with MDE and file an e-rate application either separately or through their telecommunications grant cluster to be eligible for aid under [Minnesota Statutes, section 125B.26](#). Revenue received from another school district or host cooperative should be recorded as source 021 with a 000 finance code.

313 Achievement and Integration Aid and Levy (Fund 01)

Record revenues from Achievement and Integration Aid and Levy received according to Minnesota Statutes, section 124D.862, and expenditures to implement the integration plan on file at MDE and as required under Minnesota Administrative Rules, Part 3535.0160 Integration of Racially Identifiable Schools, and Part 3535.0170 Integration of Racially Isolated School Districts. This applies to all districts identified under the rule, district's that are eligible as a member of a multidistrict integration collaborative that files a plan with the commissioner, and joint power districts implementing multi-district plans. (Collaboratives should record related expenditures under Finance Code 000 and Course Code 313 to prevent duplication.) The activities in this code apply to Restricted/Reserved for Achievement and Integration Balance Sheet Account 448.

316 General Education Revenue for Staff Development

Record revenues and expenditures used to provide staff development programs according to [Minnesota Statutes, section 122A.60](#). The activities in this code apply to Restricted/Reserved for Staff Development Balance Sheet Account 403 ([Minn. Stat. § 122A.61](#)).

Finance Codes 306, 307 and 308 were deleted in FY 2014 for state reporting purposes. These codes may still be used locally as needed and then cross-walked to Finance Code 316.

Payment Description – N/A

317 Basic Skills (Fund 01)

Record revenues and expenditures pertaining to the Basic Skills Revenue of [Minnesota Statutes, section 126C.10](#), subdivision 3. This includes EL program expenditures and Compensatory Education expenditures as defined by [Minnesota Statutes, section 126C.15](#), subdivision 1. Expenditures using this code must be in the list of permitted expenditures contained in the above statute. The activities in this code apply to Balance Sheet Code 441, Restricted/Reserved for Basic Skills.

This statute was amended in the 2013 Legislative Session to include programs designed to prepare children and their families for entry into school. These programs include early education, parent-training, school readiness, kindergarten for 4 year-olds, voluntary home visits under Minnesota Statutes, section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten. Use Finance Code 309, Basic Skills Extended Time, for extended time expenditures.

Use Programs Codes 579 – Preschool Instructional, 581 – Prekindergarten, and 582 – School Readiness in Fund 01 to report early childhood education expenditures.

Districts that receive compensatory revenue pilot project funds or compensatory pilot project formula aid should use this code to track the additional revenue received and the expenditures by site for reporting purposes.

Payment Description – 01S211 GEN ED AID FY

Note: American Indian Education revenues and expenditures are coded to Finance Codes 320 and 375.

318 Incentive Revenue (Fund 01)

Record revenues and expenditures for Incentive Revenue according to Minnesota Statutes, section 124D.862, subdivision 2. An eligible school district's maximum incentive revenue equals \$10 per adjusted pupil unit. In order to receive this revenue, a district must be implementing a voluntary plan to reduce racial and economic enrollment disparities through intradistrict and interdistrict activities that have been approved as a part of the district's achievement and integration plan. (Collaboratives should record related expenditures under Finance Code 000 and Course Code 318 to prevent duplication.) The activities in this code apply to Restricted/Reserved for Achievement and Integration Balance Sheet Account 448.

319 Teacher Development and Evaluation Revenue (Funds 01 and 04)

Record revenues and expenditures for teacher development and evaluation revenue for a school district, intermediate school district, or charter school that does not have an alternative professional pay system agreement. To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan ([Minn. Stat. §§ 122A.414-415](#)). The

activities in this code apply to Balance Sheet Code 440, Restricted/Reserved for Teacher Development and Evaluation.

Payment Description – 01F319 TCHR DEVELOPMENT & EVAL

320 American Indian Education Aid (Fund 01)

Record revenues and expenditures designed to enhance American Indian cultural education programs ([Minn. Stat. § 124D.81](#)). Must have at least 20 American Indian students on October 1 of the previous school year and operating an American Indian education program according to [Minnesota Statutes, section 124D.74](#).

Payment Description – 01F320 AMER IND EDUC AID FY

321 Community Education (Fund 04)

Record community education revenues and expenditures of the Community Service Fund. Community Education activity is defined in [Minnesota Statutes, section 124D.20](#), subdivision 8. The activities in this code apply to Balance Sheet Code 431, Restricted/Reserved for Community Education ([Minn. Stat. § 124D.20](#)).

Payment Description – 04F321 COMMUN ED FY

322 State Adult Basic Education (Fund 04)

Record revenues and expenditures for adult basic education programming funded with adult basic education formula revenue provided under [Minnesota Statutes, section 124D.531](#) (Adult Basic Education). Up to 20 percent of the prior year allocation may be carried over to the current year and spent in the first three months of the year. Prior year course codes must be used in all expenditures to correspond to the prior year carry over amount. Current year expenditures may use Course Code 000. Do not include expenditures properly recorded in Finance Codes 324 and 438. The activity in this code applies to Balance Sheet Code 447, Restricted/Reserved for Adult Basic Education.

Payment Description – 04F322 ABE FY

324 GED Testing and Adult Basic Education Supplemental Services (Fund 04)

Record revenues and expenditures related to Adult Basic Education or GED testing, including GED reimbursement ([Minn. Stat. § 124D.55](#)) and Adult Basic Education Supplemental Service Grants ([Minn. Stat. § 124D.522](#)). Do not include formula revenue recorded in Finance Code 322, or other activity that should be properly recorded in Finance Code 438. The activity in this code for Fund 04 applies to Balance Sheet Code 447, Restricted/Reserved for Adult Basic Education.

Payment Description – 04F324 GED/SUPPLEMENTAL FY

325 Early Childhood and Family Education (Fund 04 and 09)

Record revenues and all expenditures for the Early Childhood Family Education (ECFE) programs offered by the school district. The proceeds of the ECFE aid and levy may be coded only for ECFE programs. See Program Code 580 for proper coding of all revenues. The revenues and expenditures in this code apply to Balance Sheet Code 432, Restricted/Reserved for Early Childhood Family Education Fund Balance ([Minn. Stat. § 124D.13](#) and § [124D.135](#)).

Note: If a district wishes to use community education revenue for ECFE expenditures, use Finance Code 321, Community Education with Program Code 580.

Payment Description – 04F325 ECFE FY

326 Adults with Disabilities (Fund 04)

Record revenues from the adults with disabilities levy and state aid and all expenditures for programs for disabled adults. The expenditures in this code apply to Balance Sheet Code 431, Restricted/Reserved for Community Education Fund Balance ([Minn. Stat. § 124D.56](#)).

Payment Description – 04F326 ADULT DIS FY

328 Home Visiting (Fund 04)

Record the revenue from the optional home visiting levy of \$1.60 per residents zero to four years of age, and all expenditures for the home visiting program offered by the school district as part of its Early Childhood Family Education program. The proceeds of the home visiting levy may only be coded for ECFE home visiting programs, which provide parent education to isolated or at-risk families. The revenues and expenditures in this code apply to Balance Sheet Code 432, Restricted/Reserved for Early Childhood Family Education ([Minn. Stat. § 124D.13](#), subd. 4 and § [124D.135](#), subd. 6).

Payment Description – N/A

330 Learning and Development (Fund 01)

Record revenues 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

332 After School Enrichment Program (Fund 04)

Record revenues and expenditures to support after-school enrichment programs to maintain and expand participation by school-age youth in supervised activities during non-school hours. Use Program

Code 585, Youth Development/Youth Services. The activity in this code applies to Balance Sheet Code 431, Restricted/Reserved for Community Education ([Minn. Stat. § 124D.19](#), subd. 12-13).

Payment Description – N/A

333 Maximum Effort Loan Aid (Fund 07)

Record revenues and expenditures for the Maximum Effort Loan Aid Program established in [Minnesota Statutes, section 477A.09](#). Aid payments under this section must be used to reduce current year property taxes levied on net tax capacity within the district or to reduce future years' tax levies by:

1. Retaining payments made under this section in the district's debt redemption fund for up to 20 years, notwithstanding the two-year limit under section 475.61, subdivision 3; or
2. Financing a defeasance of any future payments on outstanding bonded debt.

The activity in this code applies to Balance Sheet Code 433, Restricted for Maximum Effort Loan Aid. There are only 10 districts that should use this finance code.

335 Quality Compensation – Alternative Teacher Professional Pay System (Fund 01/04)

Record revenues and expenditures related to the Quality Compensation – Alternative Teacher Professional Pay System. The participating districts have developed an approved alternative teacher pay system.

Teachers in the following programs may be paid using quality compensation revenue only if they are members of the teacher's bargaining unit: Program Code 520 (adult basic and continuing education, Program Code 580 (Early Childhood Family Education) and Program Code 582 (School Readiness) ([Minn. Stat. § 122A.414-415](#)).

Payment Description – XXF335 FY

336 Raised Academic Achievement – Advanced Placement Programs

This code should be used to track the revenues and expenditures for a program established to raise kindergarten through grade 12 academic achievement through increased student participation in pre-advanced placement and advance placement programs through a one-year, one-time appropriation ([Minn. Stat. §120B.132](#)).

Payment Description – 01F336 RAISED ACAD ACH

337 Early Learning Scholarships Program – Pathway II (Fund 04)

Record revenues and expenditures for the Early Learning Scholarship Program Pathway II established in Minnesota Statutes, section 124D.165. Early Learning Scholarships are awarded to children through a Four-Star Parent Aware rated early childhood program that has been designated as a Pathway II site in communities with the highest need. The Four-Star Parent Aware rated early childhood program families

may choose from school district prekindergarten and preschool programs, Head Start, child care centers, and licensed family child care providers.

If the scholarships are used in conjunction with the school readiness program, Finance Codes 337 would close to Fund Balance Account 444 – Restricted/Reserved for School Readiness. If the scholarships are not used in conjunction with the school readiness program, Finance Code 337 would close to Fund Balance Account 464 – Restricted Fund Balance.

338 Early Learning Scholarships Program – Pathway I (Fund 04)

Record revenues and expenditures for the Early Learning Scholarship Program Pathway I established in Minnesota Statutes, section 124D.165. Early Learning Scholarships are awarded directly to eligible children through regional Early Learning Scholarships Administrator Offices. These scholarships are paid to the early childhood program the family chooses. The early childhood program must be participating in Parent Aware, Minnesota's quality rating and improvement system and may include school district prekindergarten and preschool programs, Head Start, child care centers, and licensed family child care providers.

If the scholarships are used in conjunction with the school readiness program, Finance Codes 338 would close to Fund Balance Account 444 – Restricted/Reserved for School Readiness. If the scholarships are not used in conjunction with the school readiness program, Finance Code 338 would close to Fund Balance Account 464 – Restricted Fund Balance.

341 Regional Mathematics and Science Teacher Centers

Expenditures in a teacher center shall be used for quality professional development and technical assistance to assist teachers in learning about effective pedagogical approaches to implement Minnesota's content standards, experiment with the use of multiple instructional approaches to differentiate instruction and improve skills to diagnose student learning needs using assessment of student performances ([Minn. Stat. § 122A.72](#), subd. 5).

Payment Description – 01F341 TEACHER CTR

342 Safe Schools – Levy (Funds 01 and 06)

Record levy revenue and expenditures for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay for the costs incurred for the salaries, benefits and transportation of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay for the costs for a drug abuse prevention program as defined in section 609.101 subdivision 3, paragraph (e) in the elementary schools; (3) to pay for the costs for a gang resistance education training curriculum in the district's schools; (4) to pay for the costs of security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; (6) to pay costs for licensed school counselors, licensed school

nurses, licensed social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems; (7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security; (8) to pay for costs associated with improving the school climate; or (9) to pay costs for collocating and collaborating with mental health professionals who are not district employees or contractors.

The activity in this code relates to Balance Sheet Code 449 Restricted/Reserved for Safe Schools Levy ([Minn. Stat. § 126C.44](#)).

Payment Description – NA

343 Systemic Science, Technology, Engineering and Mathematics (STEM) School Redesign

This finance code should be used to track revenues and expenditures for a program established to integrate the state's revised mathematics standards into new or existing comprehensive STEM initiatives and will serve as models to other schools and/or districts by sharing information and providing technical assistance. This is a National Governors Association (NGA) grant identified as NGA Center Project 110-200-2921.

Payment Description – 01F343 NGA STEM GRANT

344 School Readiness (Fund 04 and Fund 01)

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. A school district may spend general education revenue on prekindergarten programs ([Minn. Stat. § 126C.126](#)). 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

346 Iron Range Resources and Rehabilitation Board Taconite Grants

The IRRRB will provide funds to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the IRRRB. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in [Minnesota Statutes, section 273.1341](#) that were (1) approved, by referendum, after December 7, 2009; and (2) approved by the commissioner of education pursuant to [Minnesota Statutes, section 123B.71](#). This code will be used to track expenditures of IRRRB grant projects separately from

regular health and safety projects funded by state aid and levy. The total expenditures of this code should equal Source Code 015 IRRRB Taconite Grants. If grant dollars remain unspent at year's end the balance should be deferred to next year.

Payment Description – N/A

Long-Term Facilities Maintenance (LTFM) Finance Codes

Note: LTFM uses Finance Codes 347, 349, 352, 355, 358, 363, 366-370 and 379-384. All projects funded by the LTFM aid and levy must be restricted/reserved in Balance Sheet Code 467 and expensed in the General Fund (01). See Source Code 317 Long-Term Facilities Maintenance Aid for revenue recording. A revenue transfer, equal to the total expenditure, is required for all expenditure activity in the Construction Fund (06).

Code Title and Definition

347 Physical Hazards (Fund 01 and/or 06)

Record health and safety expenditures made to correct appropriate physical hazards that are not defined by other health and safety finance codes, for example: playground resurfacing, bleacher repair or rebuilding, boiler control circuit, mechanical and power equipment-safety modification, OSHA physical or electrical hazard violations and indoor air quality. Also includes costs to support MDH Food Code Requirements (see application materials).

Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. § 123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

348 Charter School Building Lease Aid (Fund 01)

Record revenue and expenditures for Charter School Building Lease Aid. When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purpose and it determines that the total operating capital revenue per Minnesota Statutes, section [126C.10](#), subdivision 13, is insufficient for this purpose, it may apply to the commissioner for Building Lease Aid per Minnesota Statutes, section [124E.22](#).

This finance code must be used only with Program Code 850.

Payment Description – 01F348 BLDGLEASE AID FY

349 Other Hazardous Materials (Fund 01 and/or 06)

Record expenditures according to an approved health and safety plan to clean up and dispose of polychlorinated biphenyl found in school buildings or property; wood boiler hazards, fuel tank removal/replacement, and cleanup, hazardous/infectious waste management and disposal, lead in

water; testing and mitigation, local exhaust ventilation systems, radon; detection and mitigation, well capping and boiler-main supply back flow preventer, and transportation fuel. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

350 Aid to Nonpublic Pupils – Health Services (Fund 04)

Record expenditures for nonpublic pupils for health services provided. The expenditures in this code apply to Balance Sheet Code 464 Restricted Fund Balance (Minn. Stat. § [123B.40](#) to [123B.445](#) and Minn. Stat. § [123B.41](#), subd. 15).

Payment Description – N/A

Note: For Aid to Nonpublic Pupils, Finance Codes 350, 351, and 353 are used to record expenditures. See Source Code 301 Nonpublic Aid for revenue recording.

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

Record expenditures for textbooks (including on-line books with annual subscription costs), 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.42](#)).

Payment Description – N/A

352 Environmental Health and Safety Management (Fund 01 and/or 06)

Record expenditures made for Environmental Health and Safety Management. Health, safety, and environmental management means school district activities necessary for a district's compliance with state statutes and rules of the Departments of Health, Labor and Industry, Public Safety and Pollution Control as well as any related federal standards.

These activities include hazards assessment, required training, recordkeeping, right-to-know, and program management. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Note: Districts qualifying under the hold harmless provisions of the LTFM law must be aware of the reimbursable cap used and that the total expenditure activity in this code may not be fully reimbursed.

Payment Description – XXS317 LTFM AID FY

353 Aid to Nonpublic Pupils – Guidance and Counseling (Fund 04)

Record expenditures for guidance and counseling services for nonpublic school pupils. The expenditures in this code apply to Balance Sheet Code 464, Restricted Fund Balance (Minn. Stat. § [123B.40 to 123B.445](#)).

Payment Description – N/A

354 Early Childhood Screening Program (Fund 04)

Record revenues and expenditures for health and developmental screening of preschool children. The expenditures in this code apply to Balance Sheet Code 464 Restricted Fund Balance (Minn. Stat. § [121A.16 to 121A.19](#)).

Payment Description – 04F354 PRESCH SCR FY

355 Voluntary Prekindergarten Remodeling Costs (Fund 01 and/or 06)

For districts with an approved prekindergarten remodeling costs program per Minnesota Statutes, section 151, record expenditures approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

358 Asbestos Removal and Encapsulation (Fund 01 and/or 06)

Record expenditures necessary for the removal or encapsulation of asbestos from school buildings or property, related repairs, staff training, and asbestos worker required health physicals in accordance with an approved health and safety plan. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

362 Youth Development/Youth Service (Fund 04)

Record revenues and expenditures to support the district youth development plan and programs. (Revenue of \$1/per capita is part of community education levy and aid (Minn. Stat. § [124D.20](#) subd. 4). Use Program Code 585, Youth Development/Youth Services. The activity in this code applies to Balance Sheet Code 431, Restricted/Reserved for Community Education (Minn. Stat. § [124D.19](#), subd. 9 and 10).

Payment Description – N/A

363 Fire Safety (Fund 01 and/or 06)

Record expenditures to correct fire code violations in school buildings, in accordance with an approved health and safety plan. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

364 Hearing Impaired Support Services (Fund 01 and/or 04)

Record revenues and expenditures for interpreter or note taker services for adult education or vocational programs. If expenditures in this code are in the General Fund, they apply to Balance Sheet Code 422, Unassigned Fund Balance. If expenditures are in the Community Service Fund, the program in which the expenditures are incurred will determine which account, restricted or restricted/reserved, will be charged (Minn. Stat. § [124D.57](#)).

Payment Description – XXF364 HEAR SUPPT FYE

366 Indoor Air Quality (Fund 01 and/or 06)

Record health/safety expenditures to correct indoor air quality code violations in school buildings, in accordance with an approved Indoor Air Quality Management Plan. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

367 Accessibility (Fund 01 and/or 06)

Record expenditures for increasing accessibility of school facilities owned by the school district by removing architectural barriers to meet the needs of pupils and employees with a disability. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

368 Building Envelope (excluding roof) (Fund 01 and/or 06)

Record expenditures for replacement and deferred maintenance of portions of the building that separate the indoor environment from the outdoor environment. The building envelope restricts the transfer of air, water, heat, light, and noise. Some examples include window replacement, caulking, tuck point, insulation, water barrier, air barrier, noise barrier, building walls, subfloor and exterior doors. Roof projects are coded to Finance Code 383. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

369 Building Hardware and Equipment (Fund 01 and/or 06)

Record expenditures for the replacement and deferred maintenance of hardware and equipment that are integral to the building (usually attached). Included are parts of the building that are not included under specific finance codes. For example doors and door hardware, lockers, bleachers, basketball hoops, roll down doors, public address (PA) systems, elevators, bus hoist, and permanently installed kitchen equipment. Furniture and equipment not attached to the building are excluded. Technology and phone systems are excluded. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

370 Electrical (Fund 01 and/or 06)

Record expenditures related to the replacement and deferred maintenance of the building electrical power supply and distribution. Lighting systems are included. Technology and phone systems are excluded. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

371 Taconite \$25 Restricted/Reserved (Fund 01 and/or 04)

Record revenues and expenditures for early childhood programs. This finance dimension code is used to record expenditures. In the General Fund 01 may be used with Program Code 412 – Developmentally Delayed and Program Code 605 - General Instructional Support. In the Community Education Fund 04 may be used with Program Code 579 – Preschool Instructional, Program Code 580 – Early Childhood and Family Education, Program Code 581 – Prekindergarten, and Program Code 582 – School Readiness. Source Code 018 – Taconite Referendum Payment should be used to record revenues in Fund 01 and Fund 04. General Fund expenditures in this code apply to Balance Sheet Code 426, Restricted/Reserved for \$25 Taconite (Minn. Stat. § [298.28](#), subd. 4(d)).

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. Revenues and expenditures in this code apply to Balance Sheet Code 472, Restricted/Reserved for Medical Assistance.

Payment Description – N/A

375 Grants to Prepare Indian Teachers (Fund 01)

Record revenues and expenditures for Indian teacher grants to assist American Indians to become teachers and to provide additional education to American Indian teachers (Minn. Stat. § [122A.63](#)).

Payment Description – 01F375 IND TCHRS GRTS FY

377 Family Services and Mental Health Initiative (Fund 01 and/or 04)

Record revenues and expenditures for the purpose of fostering local collaboration in working together to meet the needs of children and families (Minn. Stat. § [124D.23](#) and Minn. Stat. § [245.491](#)).

Payment Description – XXF377 FS/MENTAL HTH FY

379 Interior Surfaces (Fund 01 and/or 06)

Record expenditures for the replacement and deferred maintenance of portions of the interior of the building that are not hardware, equipment, or systems included under a specific finance code. Some examples are flooring, wall coverings and painting, ceilings, counter tops, installed cabinetry, and attached surfaces. Furniture and equipment not attached to the building are excluded. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

380 Mechanical Systems (Fund 01 and/or 06)

Record expenditures related to replacement and deferred maintenance of building mechanical systems including heating, ventilation and air-conditioning (HVAC) and control system, fire suppression and alarm system, electronic door controls and control software, fuel systems and distribution, and ventilation systems not related to HVAC. For upgrades to HVAC systems to meet ASHRAE standards, use Finance Code 366; for upgrades to fire systems to comply with state fire marshal orders, use Finance

Code 363; and for upgrades to ventilation to remove hazardous fumes, use Finance Code 349. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

381 Plumbing (Fund 01 and/or 06)

Record expenditures for replacement and deferred maintenance of plumbing fixtures, piping and water supply to the building. Include wash stands, toilets, showers, sinks, drains, tanks, pressure regulation, meters, and other plumbing components. For HVAC plumbing and fire suppression plumbing use Finance Code 380 – Mechanical Systems. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

382 Professional Services and Salary (Fund 01 and/or 06)

Record expenditures for professional services and in-house salary for work performed on deferred capital and maintenance projects to prevent further erosion of facilities. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXS317 LTFM AID FY

383 Roofing Systems (Fund 01 and/or 06)

Record expenditures for replacement and deferred maintenance of roofing systems. Include all costs for a roofing project such as roof removal and replacement, insulation, flashing, materials storage and safeguarding, and temporary measures to prevent unauthorized access to the area. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Payment Description – XXF317 LTFM AID FY

384 Site Projects (Fund 01 and/or 06)

Record expenditures related to replacement and deferred maintenance for the building site. Deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities per Minnesota Statutes 123B.595, section 10, subdivision 10(a)(1). Examples include parking lots, lighting, tennis courts, fencing, playground, stadium bleachers, and field turf replacement. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. § [123B.595](#), subd. 12).

Note: Major redesign and upgrade of equipment or surfaces does not qualify as deferred maintenance.

Payment Description – XXF317 LTFM AID FY

388 Gifted and Talented (Fund 01)

Record the revenues and expenditures of this General Education Aid component for a program which identifies gifted and talented students, provides educational programs for these students and/or provides staff development for teachers to best meet the unique needs of Gifted and Talented Students (Minn. Stat. § [120B.15](#)). The activities in this code apply to Balance Sheet Code 438 Restricted/Reserved for Gifted and Talented Fund Balance.

Payment Description – 01S211 GEN ED AID FY

390 Taconite Revenue Used for Building Maintenance and Repair (Fund 01)

Record the revenues and expenditures from taconite disbursements for use on building maintenance and repairs. This code is used to record all activity for Balance Sheet Code 417, Restricted/Reserved for Taconite used for Building Maintenance and Repair (Minn. Stat. § [298.28, subd. 4](#)).

Payment Description – NA

Federal Program Aid Received Through Minnesota Department of Education for Formula Grants (400)

Code Title and Definition

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 (Catalog of Federal Domestic Assistance Number (CFDA No.) 84.010, Title I, Part A: Elementary and Secondary Education Act (ESEA), Public Law (P.L.) 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). Fund 04 must be used for prekindergarten programs funded by Title I, Part A. 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 579 and 581 for expenditures in excess of the amount spent in the previous year.

406/606 Title I, Part D – Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent or At-Risk (Fund 01)

Formula grants 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

(CFDA No. 84.010A, Title I, Part D: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). Use only with Program Code 216.

414/614 Title II, Part A – Teacher and Principal Training and Recruiting (Fund 01)

Record revenues and expenditures from grants for the improvement of teaching skills and in the instruction of core curricula areas, specifically mathematics and science (CFDA No. 84.367, Title II, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). Use with Program Code 204. See Chapter 10, Permitted Code Combinations, for additional programs that can be used in the flexibility provision for this finance code.

417/617 Title III, Part A – English Language Acquisition, Language Enhancement and Academic Achievement (Fund 01)

Federal education program designed to help ensure that children who are English learners, including immigrant children and youth, attain English proficiency. (CFDA No. 84.365, Title III, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). These funds cannot be redirected. Use only with Program Code 205.

419/619 Individuals with Disabilities Education Act (IDEA) Part B Section 611 (Fund 01)

Record revenues and expenditures for Individuals with Disabilities Education Act (IDEA), Part B, Section 611. These grants are to assist states in providing a Free Appropriate Public Education (FAPE) to students with disabilities ages 3-21 (P.L. 108-446; CFDA No. 84.027).

420/620 Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Preschool Grant for Children with Disabilities (Fund 01)

Record revenues and expenditures 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 3 to 5 years (P.L. 108-446; CFDA No. 84.173).

421/621 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Low Incidence (Fund 01)

Record revenues and expenditures under the Discretionary Low Incidence Projects. These funds are for regional low incidence projects to plan and coordinate services to students with low incidence disabilities (P.L. 108-446; CFDA No. 84.027).

422/622 Individuals with Disabilities Education Act (IDEA) Part C – Ages Birth through 2 (Fund 01)

Record revenues and expenditures for grants to assist in planning, development and expansion of interagency special education service activities for children from birth through 2 years of age (CFDA No. 84.181, Individuals with Disabilities Education Act, Part C).

423/623 Individuals with Disabilities Education Act (IDEA) Part C – Regional IEIC Grant for Children Ages Birth to 2 (Fund 01)

Record revenues and expenditures for Regional IEIC Grants for Children ages birth to 2. These federal funds are received by recipients of the Part C IEIC grant for the purpose of ensuring that local systems of child-find service delivery and payment for services are in place for infants and toddlers with disabilities (P.L. 105-17, Part C; CFDA No. 84.181A).

424/624 Title V, Part B, Subpart 2 – Rural and Low-Income Schools (Fund 01 and 04)

Federal education program, REAP, Rural and Low-Income School grant program designed to provide financial assistance to rural districts to assist them in meeting the state academic achievement standards (CFDA No. 84.358B, Title V, Part B, Subpart 2: Elementary and Secondary Education Act (ESEA), P.L. 107-110), as reauthorized under the Every Student Succeeds Act (ESSA). See Chapter 10, Permitted Code Combinations, for additional programs that can be used in the flexibility provision for this finance code.

425/625 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Coordinated Early Intervening Services (CEIS) (Fund 01)

Record revenues and expenditures 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 receiving special education with an IEP (individualized education program) but who require academic or behavioral support to succeed in general education classes. For students not yet identified as needing special education services (P.L. 108-446; CFDA No. 84.027).

428/628 Carl Perkins Vocational and Applied Technology (Fund 01)

Record all revenues and expenditures related to the activities identified in the local applications submitted under the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 (P.L. 105-332; CFDA No. 84.048A).

429/629 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Mandatory Coordinated Early Intervening Services (Fund 01)

Record revenues and expenditures for mandatory Coordinated Early Intervening Services (CEIS) under the Individuals with Disabilities Education Act (IDEA). This requirement is mandatory if the Local

Education Agency (LEA) has experienced significant disproportionality in special education in specific areas (P.L. 108-446; CFDA No. 84.027).

430/630 Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Centers of Excellence Discretionary Regional CSPD Grant (Fund 01)

Record revenues and expenditures for the purpose of professional development activities through the Centers of Excellence for Young Children with Disabilities (P.L.108-446, Part B; CFDA No. 84.173A). These federal funds are for the purpose of building regional capacity on the identified professional development needs that will result in improved performance of preschool special education programs related to the State Performance Plan and Annual Performance Report and stronger programs at the level of the local education agency.

431/631 Individuals with Disabilities Education Act (IDEA) Part B Section 611 School-wide Title I (Fund 01)

Record revenues and expenditures 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. 84.027).

432/632 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Comprehensive System of Personnel Development – CSPD (Fund 01)

Record revenues and expenditures under the Discretionary CSPD. These funds are for regional low incidence projects to plan and coordinate services to students with low incidence disabilities (P.L. 108-446; CFDA No. 84.027).

438/638 Federal Adult Basic Education Formula Revenue (Fund 04)

Record revenues and expenditures for adult basic education programming funded with formula revenues provided under P.L. 105-220: CFDA No. 84.002. Do not include activity properly recorded in Finance Codes 322, 324, 801, 802 or 803. The activity in this code applies to Balance Sheet Code 447, Restricted/Reserved for Adult Basic Education.

442/642 Title III, Part A – Immigrant Grant (Fund 01)

Federal Education Program, which is a subpart of Title III, Part A, designed to help ensure that immigrant children gain access to the regular school curriculum (CFDA No. 84.365, Title III, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). These funds cannot be redirected. Use only with Program Code 205.

446/646 Individuals with Disabilities Education Act (IDEA) Part C – Regional Centers of Excellence CSPD Grant (Fund 01)

Record revenues and expenditures for the purpose of professional development activities through the Centers of Excellence for Young Children with Disabilities (P.L. 105-17, Part C; CFDA No. 84.181.A). These federal funds are for the purpose of building regional capacity on the identified professional development needs that will result in improved performance of infant and toddler early intervention programs related to the State Performance Plan and Annual Performance Report.

469 Child and Adult Care Food Program (CACFP) (Fund 02 and Fund 04)

Record revenues and expenditures for grants to initiate, maintain or expand food service programs for school districts and charter schools (or organizational equivalents) providing child care. Programs operating the CACFP may receive reimbursement for two meals and one snack OR two snacks and one meal per day per eligible participants of this program. (P.L. 105-336, CFDA No. 10.558, National School Lunch Act, section 17.)

The At-Risk Afterschool Meals component of the CACFP offers Federal funding to afterschool programs that serve a meal and/or snack to children in low-income areas. Programs operating the At-Risk Afterschool Meal Program may receive reimbursement for one meal and one snack per day per eligible participant when served after the school day has ended. Eligible participants must participate in an approved afterschool program and must be age 18 and under at the start of the school year.

475/675 Carl Perkins Career and Technical Education – Reserve (Fund 01)

Record revenues and expenditures for the Carl Perkins reserve funds to be used to address rural needs and/or the needs of programs servicing high numbers of career and technical education students. Funds may be used only for required or permissive activities as specified in P.L. 109-270, section 135(b) and (c). CFDA No. 84.048.

499 Miscellaneous Federal Revenue Received from the Minnesota Department of Education (Fund 01, 02 and 04)

Record the revenues and expenditures for miscellaneous federal aid received from the Minnesota Department of Education where there is no other designated finance code. Use with Source Code 400.

Payment Description – N/A

Federal Aid Received Directly From Federal Sources (500)

Code Title and Definition

510 Indian Elementary and Secondary School Assistance (Fund 01)

Record revenues and expenditures for grants to develop and implement programs designed to meet the special needs of Indian children in reaching the national education goals (P.L. 103-387, CFDA No. 84.060, Elementary and Secondary Education Act of 1965, Title VII, part A, subd. 1).

Payment Description – N/A

514 Title V, Part A – Small, Rural Education Achievement Program Grants (Fund 01 and 04)

Record revenues and expenditures for the Small, Rural Education Achievement Grant that districts may receive directly from the federal government. This grant is made available to conduct education programs and services that will meet the unique needs of students in small, rural schools (CFDA No. 84.358, Elementary and Secondary Education Act (ESEA) 20 United States Code (U.S.C) 7101 et seq.) as reauthorized under the Every Student Succeeds Act (ESSA).

Payment Description – N/A

518 ARRA Targeted Funds – Head Start Grants (Fund 04)

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 No. 93.708, Title VI, Subtitle A, chapter 8, subchapter B of the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35).

599 Miscellaneous Direct Federal Revenue (Fund 01, 02 and 04)

Record the revenues and expenditures for miscellaneous federal aid received directly from federal sources where there is no other designated finance code. Record federal interest subsidy payments for Build America Bonds (BABs) and Qualified School Construction Bonds (QSCB) to this code in the debt service fund. Use with Source Code 500.

Payment Description – N/A

600-699 Sub-Awards (600-699)

699 Miscellaneous Federal Revenue Received from Others (Fund 01, 02 and 04)

Record the revenues and expenditures for miscellaneous federal aid received as a sub-award from an entity other than the Minnesota Department of Education or the U.S. Department of Education where there is no other designated finance code.

The use of any 600 series finance code is for tracking 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 400 and 600 series codes.

Example:

419 – Federal Special Education = 619 – Federal Special Education Subaward; or
428 – Carl Perkins = 628 – Carl Perkins Subaward

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

Child Nutrition (701-710)

Code Title and Definition

701 National School Lunch Program (NSLP) (Fund 02)

Record revenues and expenditures for the National School Lunch Program. Reimbursements provided to schools for lunches that meet the NSLP meal pattern requirements for specified age groups of children (P.L. 105-336; CFDA No. 10.555, National School Lunch Act of 1946).

Payment Description – 02F701 FREE-RED LUNCH FY (Source Code 472)
02F701 HHFKA LUN FY (Source Code 471)
02F701 FED REG LUNCH FY (Source Code 471)
02S300 STSCHLUNCH FY

702 After-School Snack Program (Fund 02 and/or 04)

Record revenues and expenditures for the After-School Snack Program. This program is a part of the National School Lunch Program (P.L. 105-336; CFDA No. 10.555).

Payment Description – 02, 04F702 AFT SCH SNACK FY (Source Code 471)

703 Special Milk Program (SMP)/Minnesota Kindergarten Milk Program (MKMP) (Fund 02)

Record revenues and expenditures for Special Milk Program or Minnesota Kindergarten Milk Program. Federal reimbursement provided to school sites for milk served to students who do not have access to a meal program (i.e., lunch or breakfast). Usually, the SMP is for a group of split session (i.e., "half day") kindergarten or prekindergarten students only. In some cases, an entire school building is eligible if it does not have a lunch or breakfast program (P.L. 105-336; CFDA No. 10.556, Child Nutrition Act of 1966). State reimbursement is provided for milk served to kindergarten students only participating in the MKMP, and is limited to one half pint of milk per child per day (Laws of 1988, Chapter 688, Article 16, Section 1). Milk sold to students and adults as an a la carte item for lunches brought from home or as additional milk to the first half-pint included with the school pattern lunch should be reported in Finance Code 707, A La Carte/Other.

Payment Description – XXF703 SPEC MILK FY (Source Code 475)
XXF703 STSPECMILK FY (Source Code 300)

705 School Breakfast Program – SBP (Fund 02)

Record revenues and expenditures for the School Breakfast Program. Reimbursement provided to schools for breakfasts which meet the SBP meal pattern requirements for specified age groups of children (P.L. 105-336; CFDA No. 10.553, Child Nutrition Act of 1966).

Payment Description – 02F705 BREAKFAST FY (Source Code 476)
02F705 SBREAKFAST FY (Source Code 300)

706 Fresh Fruit and Vegetable Grant Program (Fund 02)

Record revenues and expenditures for the USDA Fresh Fruit and Vegetable Grant Program (CFDA No. 10.582). The program is designed to serve fresh fruits and vegetables and give nutrition education outside the existing meal times. Administrative costs are limited to 10 percent of expenditures.

Payment Description – 02F706 FRUIT & VEGIES FY

707 A La Carte and Other Nonprogram Revenues and Expenditures (Fund 02)

Record revenues and expenditures associated with nonprogram sales. This includes food items and milk served a la carte as well as adult meal sales, catering, special functions, and related expenses. In addition, nonexpendable equipment with a useful life of more than one year and other items not otherwise listed should be recorded here.

Payment Description – N/A

709 Summer Food Service Program for Children (Fund 02)

Record revenues and expenditures for the Summer Food Service Programs for Children. To initiate, maintain and expand food service programs for children in public and nonprofit service institutions and summer camps in areas in which poor economic conditions exist (P.L. 105-336; CFDA No. 10.559, National School Lunch Act, Section 13).

Payment Description – 02F709 SFSP FY (Source Code 479)
02F709 SFSP ADMIN FY (Source Code 479)

Transportation (711-739)

The following codes are to be used to segregate all expenditures incurred for the various transportation categories. These codes are authorized principally by Minnesota Statutes, sections 123B.92 and 124D.87. If other statutes are applicable, they are included with the definition.

Code Title and Definition

711 Learning Year – Summer (Fund 01)

Record expenditures for transportation provided during the summer in conjunction with an approved learning year program ([Minn. Stat. § 123B.92, subd. 5](#)).

Payment Description – N/A

713 Open Enrollment Transportation – Outside the District (Fund 01)

Record expenditures for district-provided transportation of nonresident open enrollment students between the students' residences and the district or attendance area border. Only report expenditures for the part of the trip outside the district or attendance area border ([Minn. Stat. § 124D.03, subd. 8](#) and [Minn. Stat. § 123B.92, subd. 3](#)). If the district is charging a fee for this service, use Finance Code 737, Ineligible/Nonresident Pupils.

Payment Description – N/A

714 Transportation to Multi-District Integration/Desegregation Programs (Fund 01)

Record revenues and expenditures for the transportation of pupils to and from approved multi-district integration/desegregation schools or programs. The pupils could be transported to and from school or between schools to attend a program or event ([Minn. Stat. § 124D.87](#)).

Payment Description – N/A

715 Foster Care Transportation (Fund 01)

Record revenues and expenditures for the transportation of foster care students to and from a foster home to their school or origin when a student is placed in a foster care setting outside the school of origin's boundaries. A school district must submit an application. To qualify for participation, one or more school districts and the local child welfare agency must have a written interagency agreement that describes the local plan for ensuring educational stability for foster care students. Do not include homeless, special education or children awaiting placement (Laws of 2017, Chapter 5, Article 2, section 54).

Payment Description – N/A

716 Noon Kindergarten Transportation (Fund 01)

Record expenditures for noon transportation to and from school for kindergarten pupils enrolled in half-day programs ([Minn. Stat. § 123B.92, subd. 5](#)).

Payment Description – N/A

717 Late Activities Bus for Public School Pupils (Fund 01 and/or 04)

Record revenues from fees and expenditures for late bus transportation services for public school pupils involved in after-school activities. Transportation service could be: home from school, between schools within a district, or between schools in one or more districts which have an agreement under Minnesota Statutes, sections 123A.30, 123A.32, 123A.35 to 123A.43, 123A.445 and 123B.92, subdivision 9.

Payment Description – N/A

718 Student Transportation Safety (Fund 01)

Record expenditures incurred for training and salaries of bus monitors, training of volunteer bus monitors, program coordinators, purchase or lease of school-bus-installed public address system or video recording camera system, or other activities or equipment reviewed and approved by the commissioner of Public Safety. Use with Program Code 760.

Payment Description – N/A

719 Traffic Hazards – Walkers (Fund 01)

Record expenditures for crossing guards who are hired to assist pupils who cross at hazardous intersections during their walk to and from school and between school buildings. Districts may also include expenditures for tuition and transportation to and from the Legionville School Safety Patrol Training Camp on the shores of North Long Lake near Brainerd, Minnesota ([Minn. Stat. § 123B.92, subd. 5](#)).

Payment Description – N/A

720 Regular To-and-From School (Fund 01)

Record expenditures for "to and from" school transportation of public and nonpublic pupils who are offered regular transportation services (elementary pupils who live one mile or more from school and secondary pupils who live two miles or more from school). Also, include the cost of transporting pupils because of traffic, drug and crime hazards (live less than one mile from school) and secondary pupils who live one mile or more but less than two miles from school.

Also, include the cost of transporting a pupil who is a custodial parent and the parent's child between the pupil's home and a childcare provider and/or the childcare site and the school. The costs of transporting pupils to language immersion magnet programs are also included ([Minn. Stat. § 123B.92, subd. 1 and 9](#)).

Payment Description – N/A

721 Regular Summer School (Fund 01)

Record expenditures for transportation to and from approved nondisabled summer school programs ([Minn. Stat. § 123B.92, subd. 5](#)).

Payment Description – N/A

723 Transportation of Pupils Attending Special Education Programs (Fund 01)

Include only the expenditures for providing transportation when the pupil's transportation has been identified and approved as a related service by the pupil's IEP team. Transportation as a related special education service must address a transportation need of the student that is different from the general student population and is necessary for the student to make progress towards goals established in the pupil's IEP. Also, include the cost of board and lodging for pupils with disabilities. Districts may include the cost of staff travel between a public and nonpublic school so that special education services may be provided at the nonpublic school. Beginning in FY 2012, districts may include the cost of transporting a student on a school bus equipped with a power lift to provide transportation for a curricular field trip activity when the power lift is required by a participating student's IEP.

Payment Description – 01S360 SPEC EDUC FY

725 Between Schools – Public (Fund 01)

Record expenditures for transporting public school pupils between school buildings within the district for regular instructional classes, to Commissioner-approved vocational centers, to service learning programs, and to jointly offered academic or vocational classes offered in two or more districts. Also, record expenditures for district-provided transportation of secondary students to a postsecondary institution under an agreement between the district and the postsecondary institution. Report low-income PSEO students under Finance Dimension 739 ([Minn. Stat. § 123B.92, subd. 5](#)).

Payment Description – N/A

726 Nonpublic Non-regular (Fund 01)

Record expenditures for transporting nonpublic school pupils to regular education shared time programs, and transporting nonpublic school pupils to health, guidance and counseling services when the programs and services are at a public school or neutral site. In addition, include the cost of transporting nonpublic school pupils on late activity bus routes ([Minn. Stat. § 123B.92, subd. 9](#)).

Payment Description – 01F720 NONPUBLIC PUPIL TRANS FY

728 Special Transportation of Selected Pupils (Fund 01)

Record expenditures for the special transportation or special accommodations of pupils who do not have special education transportation identified in their IEP or do not have an IEP but require special transportation because they are homeless, attend care and treatment programs, or have a 504 Accommodation Plan where special transportation is included as an accommodation. The transportation services could be to and from school or between school buildings during the regular or summer terms. Beginning in FY 2012, districts may include the cost of transporting students in a school bus equipped with a power lift to provide transportation for a curricular field trip activity when the power lift is required by a participating student's section 504 Plan.

*Payment Description – 01S360 SPEC EDUC FY***733 Non-Authorized Transportation (Fund 01, 02 and/or 04)**

Record expenditures for extracurricular activities and curricular activities that are part of a learning situation (e.g., field trips, tours, concerts, plays, orientations and competitions, shuttle buses, lunch buses, and nondisabled preschool pupils, community education, summer recreation, staff travel, and federally funded migrant summer school). Also, record the expenditures for the purchase of school buses and equipment.

*Payment Description – N/A***737 Ineligible/Nonresident Pupils (Fund 01)**

Record expenditures for transportation of resident pupils living less than one mile from the school and where no traffic, drug or crime hazards were present. Record fee-based revenues to this finance code. These students may or may not be charged a fee for this transportation service. Also, record expenditures for transportation of pupils residing in other districts (e.g., tuition paying pupils and nonresidents attending nonpublic schools). If a school district's policy is to only provide free transportation to and from school for pupils living two miles or more from school, the district's cost for providing fee-based transportation for nondisabled pupils living less than two miles from school must be recorded in this finance dimension. Also record expenditures for transporting non-mandated transportation services for which the district is charging a fee. Do not include the cost of transporting nonresident pupils enrolled in your district under an enrollment options program unless the district is charging a fee for this service ([Minn. Stat. § 123B.92, subd. 1](#) and [§ 123B.36](#)).

*Payment Description – N/A***739 Low-Income Families Enrollment Options Transportation Reimbursement (Fund 01)**

Record mileage reimbursement made to low-income families for transporting their child/children under the provisions of the open enrollment, charter schools, and postsecondary enrollment option programs. In the open enrollment and charter school programs, mileage reimbursement is available between the pupil's residence and the attendance area boundary or the district boundary for qualifying families. In the postsecondary enrollment options program, mileage reimbursement is available between the pupil's residence or secondary school and the postsecondary institution for qualifying families ([Minn. Stat. § 124D.03, subd. 8](#); [§ 124E.15](#); and [§ 124D.09, subd. 22](#)).

*Payment Descriptions – 01F739 OPENRTRANS FY**01F739 POSTSECTRAN FY***Special Education (740-756)**

Use the following codes to segregate all expenditures incurred for state funded Special Education programs. In the General Fund (01), use Finance Code 740 with the Program Codes 401 through 422.

Use Finance Code 756 with Program Codes 010-030 and 105-120. In the Community Service Fund (04), use Finance Code 798, Children with Disabilities in School Age Care, with the Program Code 570, School Age Care.

Code Title and Definition

740 State – Special Education, Ages Birth through 21 (Fund 01)

Record revenues and expenditures for state funded special education services for children/students birth through 21 ([Minn. Stat. § 125A.76](#)).

Payment Description – 01S360 SPEC EDUC FY

756 State – Special Student Aid (Fund 01)

Record revenues and expenditures for special education students defined under [Minnesota Statutes, section 125A.75](#), subdivision 3, which is a special appropriation for the education costs of special education students whose district of residence is defined under [Minnesota Statutes, section 125A.17](#). Often these students are referred to as “special pupils” or wards of the state. Contact the Special Education Funding and Data Team at MDE for assistance in determining if an expense or revenue qualifies for this code.

Payment Description – 01F756 SPEC PUPIL FY

State Placement (761)

761 Non-Special Education State Placement

Record revenues and expenditures for non-special education student programs for students who are temporarily placed by the state ([Minn. Stat. § 125A.75, subd. 3](#)).

Payment Description – 01F761 NON-SPEC PUPIL FY

Levy Supported Programs (791-799)

Code Title and Definition

791 Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) Agreement with Related Lease Levy Authority (Fund 06)

Record proceeds of certificate of participation/lease purchase agreements and related expenditures for building projects in the Building Construction Fund (Fund 06). The COP/LP agreement is retired with the lease levy authorized under [Minnesota Statutes, section 126C.40](#). The activity in this code applies to Balance Sheet 413, Restricted/Reserved for Building Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) agreement with related lease levy authority.

792 Unfunded Severance and Retirement Levy (Funds 01, 02 and 04)

Record revenues and expenditures related to the unfunded severance and retirement levy. If the levy revenue is reimbursement for severance and/or retirement costs of prior years' recorded in the General Fund (Fund 01), the account should to Balance Sheet Code 422–Unassigned Fund Balance, 461–Committed, or 462–Assigned Fund Balance; levy proceeds in excess of prior severance and retirement costs in the General Fund (Fund 01) apply to Balance Sheet Code 453, Restricted/Reserved for Unfunded Severance and Retirement Levy. In Fund 02, activities related to this levy should close to 464–Restricted Fund Balance; in Fund 04, to the appropriate Restricted/Reserved Account or 464–Restricted ([Minn. Stat. § 126C.41, subd. 6](#)).

793 Funded OPEB Liabilities not Held in a Trust (Funds 01, 02 and 04)

Record revenues and expenditures for Other Postemployment Benefits (OPEB) not held in a trust and funded by OPEB bond proceeds. The activity in this code applies to Balance Sheet Code 452, Restricted/Reserved for Funded OPEB not held in a trust ([Minn. Stat. § 475.52, subd. 6](#)).

Payment Description – N/A

794 Disabled Accessibility (Fund 01)

Record revenues and expenditures related to the removal of architectural barriers and for fire safety modifications. The activity in this finance code applies to Balance Sheet Code 427, Restricted/Reserved for Disabled Accessibility ([Minn. Stat. § 123B.58](#)).

Payment Description – N/A

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

796 Health Benefits (Fund 01, 02 and/or 04)

Record expenditures only for providing health insurance and unreimbursed medical expenditures required by the collective bargaining agreement in effect on March 30, 1992, for employees who retired before July 1, 1992. If the district has a sunset clause in their current bargaining agreement(s), the district should also record expenditures for providing health insurance and unreimbursed medical

expenditures required by the collective bargaining agreement in effect on March 30, 1992, for employees who retired between July 1, 1992, and June 30, 1998.

The health benefits levy authority will be adjusted for this 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 health benefits levy for the costs described above, these costs should not be coded to Finance Code 796 ([Minn. Stat. § 126C.41](#)).

Payment Description – N/A

797 OPEB Pay-As-You-Go Levy (Funds 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

798 Children with Disabilities in School Age Care (Fund 04)

Record revenues and expenditures incurred for additional costs of providing services to children with disabilities or to children experiencing family or related problems of a temporary nature who participate in the school-age care program ([Minn. Stat. § 124D.22](#)). This code should be used to record activity in Balance Sheet Code 431, Restricted/Reserved for Community Education.

Payment Description – 04F798 DIS EXT DAY FY

799 Collaboration – Expansion of Early Intervention and Prevention Services (Fund 01 and/or 04)

Record revenues and expenditures to expand early intervention, prevention and mental health services for children and families. These are Local Collaborative Time Study (LCTS) dollars that flow from the federal level through the Department of Human Services to the county and on to the integrated fund of the collaborative. Individual school districts that receive LCTS funds from the county through the collaborative integrated fund are to consider these funds as being received from a local source and not as federal dollars.

Payment Description – N/A

Federally Funded Competitive Grants and Career Technical Education (800)

Code	Title and Definition
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801/901 Adult Basic Education (ABE) English learner (EL) – Civics Competitive Allocation

Record revenues and expenditures for this federally funded competitive grant program for adult basic education providers to deliver English as a second language instruction for adults blended with civics content. The activity in this code applies to Balance Sheet Code 447, Restricted/Reserved for Adult Basic Education (CFDA No. 84.002A).

803/903 ABE Statewide Supplemental Services – Regular Federal Competitive

Record revenues and expenditures for this federally funded grant program for eligible ABE providers and other nonprofits to deliver specialized, low-incidence or unique-innovative ABE services in support of all ABE programs statewide. The activity in this code applies to Balance Sheet code 447, Restricted/Reserved for Adult Basic Education (CFDA No. 84.002A).

806/906 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Discretionary PBIS Multiple Grants (Fund 01)

Record revenues and expenditures for this special education discretionary grant used to coordinate local implementation of Positive Behavior Supports into schoolwide system to enhance services to students (CFDA No. 84.027A, Special Education – Grants to States).

817/917 Individuals with Disabilities Education Act (IDEA), Part B, Section 611 Statewide Low Incidence Project (Fund 01)

Record revenues and expenditures for this discretionary special education grant used to improve knowledge of staff, parents and others to better assist in enhancing the education of students with low incidence disabilities (P.L. 108-466, CFDA No. 84.027A, Special Education – Grants to States).

830 Career and Technical Education Revenue (Fund 01)

Record revenues and expenditures eligible for career and technical revenue under [Minnesota Statutes, section 124D.4531](#). The activity in this code applies to Balance Sheet 445, Restricted/Reserved for Career and Technical Programs.

835 Career and Technical Programs – Children with Disabilities (Fund 01)

Record expenditures eligible to be included in the formula for state funded Access to Minnesota's Transition System for Children with a Disability ([Minn. Stat. § 124D.454](#)). The revenue generated by this formula is a component of State Special Education Aid and is sent to districts as part of State Aid for Special Education, Source Code 360 (see Source Code 360 for more information).

836/936 Deaf-Blind Technical Assistance Project for Children and Youth who are Deaf-Blind, – Sole Source – Newest five year award

Record revenues and expenditures for this special education discretionary grant used to support families and school teams by providing technical assistance and training to enhance capacity to better serve children/students who are deaf-blind (CFDA No. 84.326C, Award H326C080056).

848/948 No Child Left Behind (NCLB) – Adequate Yearly Progress (AYP) Improvement Grant (Fund 01)

Record revenues and expenditures for Title I, NCLB-AYP Improvement Grants (CFDA No. 84.010, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110). This finance code is to be used only with Program Code 216.

849/949 Title I – School Improvement Grants (Fund 01)

Record revenues and expenditures for the Title I school improvement grants. The purpose of these grants is to improve student achievement in low-performing Title I schools, 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 No. 84.377A, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110).

851/951 No Child Left Behind (NCLB) – Adequate Yearly Progress (AYP) Improvement Grant II (Fund 01)

Record revenues and expenditures related to Title I, NCLB-AYP Improvement Grants (CFDA No. 84.010, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110). This finance code is to be used only with Program 216.

859/959 Title V, Part B – Charter School Federal Grant (Fund 01 and/or Fund 02)

Record revenues and expenditures for the total amount received in Charter School Federal Title V Start-Up Grant. Grants are to provide financial assistance for the designing, planning and initial implementation of charter schools; and to evaluate the effects of such schools, including the effects on students, student achievement, staff and parents (P.L. 107-110; CFDA No. 84.282. Elementary and Secondary Education Act of 1965 as reauthorized under the Every Student Succeeds Act (ESSA)).

863/963 Title I, Part C – Education of Migrant Children (Fund 01)

Record revenues and expenditures used for Part C Discretionary Grants. The Education of Migrant Children funding is used to expand and improve programs to meet the special educational needs of

children of migratory agricultural workers or migratory fishers (CFDA No. 84.011, Title I, Part C: Elementary and Secondary Education Act (ESEA), P.L. 107-110). Use only with Program Code 216.

866/966 Carl Perkins Competitive Grants (Fund 01)

Record revenues and expenditures related to the competitive grants funded under the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 (P.L. 105-332; CFDA No. 84.048A).

867/967 Learn and Serve America School Based

Record revenues and expenditures for grants to provide financial assistance for the designing, planning and implementation of local service-learning initiatives. The focus of these grants is providing support for school-community partnerships; providing training and technical assistance resources to teachers, administrators, schools and community groups; and collecting and disseminating research on effective practices, curricula, and program models.

868/968 Title VIII: Education for Homeless Children and Youths (Fund 01)

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. 84.196, Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA)).

869/969 Minnesota Reading First Statewide Model for Scaling Up K-3 Reading Instruction (Fund 01 and/or 04)

Record revenues and expenditures used in establishing reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above not later than the end of grade 3 (CFDA No. 84.357, Title I, Part B Elementary and Secondary Education Act (ESEA), P.L. 107-110). Expenditures must be recorded at the site code that was awarded the funds.

870/970 Title I, Part H – School Dropout Prevention, Retention and Graduation Initiative (Fund 01)

Record revenues and expenditures for contracts to selected pilot districts to plan and implement a Dropout Prevention, Retention and Graduation Initiative (Elementary and Secondary Education Act of 1965, as amended, (P.L. 107-110; CFDA No. 84.360A Title I Part H).

873/973 Individuals with Disabilities Education Act (IDEA), Part B, Section 619 Discretionary Interagency Early Intervention Regional Planning Grants (Fund 01)

Record revenues and expenditures for this special education discretionary grant used for regional planning grants to coordinate local Interagency Early Intervention Committees' (IEICs) efforts (P.L. 108-466, CFDA No. 84.027A, Special Education – Grants to States).

883/983 Voluntary School Choice – Choice Information and Support Services (Fund 01)

Record revenues and expenditures relating to the Choice Information and Support Services grant. This grant provides support for students and families participating in the Choice is Yours (CIY) Program. Development of Individual learning plans, mentoring and coaching for students and parents, coordination of informational meetings, assistance for students and families to obtain transportation (CFDA No. 84.361A).

900-999 Sub-Awards

The use of any 900 series finance code would be to track 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 800 and 900 series codes.

Example:

830–Career and Technical Education Levy = 930–Career and Technical Education Levy or
869–Title I, Part B - Reading First = 969–Title I, Part B – Reading First

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

FY 2019**UFARS Finance Code and Balance Sheet Combinations**

Finance Code	Balance Sheet Code – Restricted/Reserved for:
175 – Title VII- Impact Aid	475 – Title VII – Impact Aid*
176 – Payments in Lieu of Taxes	476 – Payments in Lieu of Taxes*
302 – Operating Capital	424 – Operating Capital *MDE
303 – Area Learning Center	434 – Area Learning Center *
304 – Contracted Alternative Programs	435 – Contracted Alternative Programs *
305 – State-Approved Public Alternative Programs	436 – State-Approved Alternative Programs *
309 – Basic Skills for Extended Time	459 – Basic Skills for Extend*
310 – Interdistrict Cooperative Activities	408 – Cooperative Programs *
313 – Achievement and Integration Aid and Levy	448 – Achievement and Integration Revenue *
316 – General Education Revenue for Staff Development	403 – Staff Development *
317 – Basic Skills	441 – Basic Skills Programs *
318 – Incentive Revenue	448 – Achievement and Integration Revenue *
319 – Teacher Development and Evaluation Revenue	440 – Teacher Development and Evaluation *
321 – Community Education	431 – Community Education *DA
322 – State Adult Basic Education	447 – Adult Basic Education *
324 – GED Testing and Adult Basic Education Supplemental Services	447 – Adult Basic Education *
325 – Early Childhood and Family Education	432 – Early Childhood and Family Education *DA
326 – Adults with Disabilities	431 – Community Education *DA

Finance Code	Balance Sheet Code – Restricted/Reserved for:
328 – Home Visiting	432 – Early Childhood and Family Education *DA
330 – Learning and Development	428 – Learning and Development *
332 – After School Enrichment Program	431 – Community Education *DA
333 – Maximum Effort Loan Aid	433 – Maximum Effort Loan Aid *DA
337 – Early Learning Scholarships Program – Pathway II	4xx – Refer to UFARS Finance code for details.
338 – Early Learning Scholarships Program – Pathway I	4xx – Refer to UFARS Finance Code for details.
342 – Safe Schools – Levy	449 – Safe Schools Levy *DA
344 – School Readiness	444 – School Readiness *DA
347 – Physical Hazards	467 – Long-Term Facilities Maintenance (LTFM) *FRA
349 – Other Hazardous Materials	467 – Long-Term Facilities Maintenance (LTFM) *FRA
350 – Aid to Nonpublic Pupils – Health Services	464 – Community Services *
351 – Aid to Nonpublic Pupils – Textbooks, Tests and Technology	464 – Community Services *
352 – Environmental Health and Safety Management	467 – Long-Term Facilities Maintenance (LTFM) *FRA
353 – Aid to Nonpublic Pupils – Guidance and Counseling	464 – Community Services *
354 – Early Childhood Screening Program	464 – Community Services *
355 – Voluntary Prekindergarten Remodeling Costs	467 – Long-Term Facilities Maintenance (LTFM) *FRA
358 – Asbestos Removal and Encapsulation	467 – Long-Term Facilities Maintenance (LTFM) *FRA
362 – Youth Development/Youth Service	431 – Community Education *DA
363 – Fire Safety	467 – Long-Term Facilities Maintenance (LTFM) *FRA
364 – Hearing Impaired Support Services	4xx – Fund 04 fund balance follows program area used.

Finance Code	Balance Sheet Code – Restricted/Reserved for:
366 – Indoor Air Quality	467 – Long-Term Facilities Maintenance (LTFM) *FRA
367 – Accessibility	467 – Long-Term Facilities Maintenance (LTFM) *FRA
368 – Building Envelope (excluding roof)	467 – Long-Term Facilities Maintenance (LTFM) *FRA
369 – Building Hardware and Equipment	467 – Long-Term Facilities Maintenance (LTFM) *FRA
370 – Electrical	467 – Long-Term Facilities Maintenance (LTFM) *FRA
371 – Taconite \$25 Restricted/Reserved	426 – \$25 Taconite *
372 – Medical Assistance/Third Party Revenue	472 – Medical Assistance *
379 – Interior Surfaces	467 – Long-Term Facilities Maintenance (LTFM) *FRA
380 – Mechanical Systems	467 – Long-Term Facilities Maintenance (LTFM) *FRA
381 – Plumbing	467 – Long-Term Facilities Maintenance (LTFM) *FRA
382 – Professional Services and Salary	467 – Long-Term Facilities Maintenance (LTFM) *FRA
383 – Roofing Systems	467 – Long-Term Facilities Maintenance (LTFM) *FRA
384 – Site Projects	467 – Long-Term Facilities Maintenance (LTFM) *FRA
388 – Gifted and Talented	438 – Gifted and Talented *
390 – Taconite Revenue Used for Building Maintenance and Repair	417 – Excess Taconite Building Maintenance Funds *
438/638 – Federal Adult Basic Education Formula Revenue	447 – Adult Basic Education *
791 – Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) Agreement with Related Lease Levy Authority	413 – Building Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) Agreement with Related Lease Levy Authority *
792 – Unfunded Severance and Retirement Levy	4xx – Refer to UFARS Finance code for details.

Finance Code	Balance Sheet Code – Restricted/Reserved for:
793 – Funded OPEB Liabilities not Held in a Trust	452 – Funded OPEB Liabilities not Held in a Trust *
794 – Disabled Accessibility	427 – Disabled Accessibility *FRA
795 – Capital Projects Levy	407 – Capital Projects Levy *FRA
798 – Children with Disabilities in School Age Care	431 – Community Education *DA
801/901 – ABE EL – Civics Competitive Allocation	447 – Adult Basic Education *
802/902 – ABE English as a Second Language (ESL) Supplemental Program for Refugees – Competitive (Interagency Agreement with Department of Human Services (DHS))	447 – Adult Basic Education *
803/903 – ABE Statewide Supplemental Services – Regular Federal Competitive	447 – Adult Basic Education *
830 – Career and Technical Education Revenue	445 – Career and Technical Programs *

* – One-way reserve account; must not have a deficit balance.

*DA – Deficit allowed for this restricted/reserved account.

*FRA – Deficit limited to future revenue authority.

*MDE – Deficit requires prior MDE approval.

Note: Balance Sheet Code 406 – Restricted/Reserved for Health and Safety will continue to have levy adjustments applied through June 30, 2019.

Finance Dimension Changes – FY 2019

Additions

Account	Description
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Deletions

Account	Description
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802/902	ABE ESL Supplemental Program for Refugees – Competitive (July 2018)
884/984	Autism Team Training in Evidence Based Practices (July 2018)
885/985	Migrant Education lending Library Program (July 2018)
887/987	Migrant Education Identification and Recruitment (July 2018)
888/988	Migrant Education Health and Nutrition Program (July 218)

Changes

Account	Description
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175	Impact Aid (July 2018)
176	Payments in Lieu of Taxes (PILT) (July 2018)
335	Quality Compensation – Alternative Teacher Professional Pay System (July 2018)
347	Physical Hazards (July 2018)
701	National School Lunch Program (July 2018)
707	A La Carte/Other (July 2018)

Chapter 5 – Object Dimension

The Object Dimension identifies the services or commodities obtained as the result of expenditures ([Minn. Stat. § 123B.76](#)). This is the most detailed level of expenditure reporting. A specific object code is required and thus "000" may not be used for expenditure accounts. The Object Dimension has eight major series. These are as follows:

Salaries and Wages	110-199
Employee Benefits	210-299
Purchased Service	301-399
Supplies and Materials	401-499
Capital Expenditures	510-590
Debt Service	710-790
Other Expenditures	810-899
Other Financing Uses	910-920

Salaries and Wages (100)

Object codes 110-199 record the salary costs of personnel.

Code Title and Definition

110 Administration/Supervision

Includes salaries of all personnel who have administrative and managerial duties. Include all administrative staff not directly and primarily involved in daily individual student contact necessary in the teacher-student learning situation.

This category includes school board members, superintendents, directors, principals, business managers, buildings and grounds directors/supervisors, community education directors, purchasing supervisors, transportation supervisors, food service supervisors, accounting supervisors, area supervisors, etc. (Do not include personnel whose primary duties are instructional or non-instructional support.)

The salary of an administrator/supervisor should be prorated between two or more classifications if from the job description you can clearly see that the salary should not all be administrative.

The use of this object code for Early Childhood Family Education (ECFE) and/or School Readiness is limited to five percent of the current revenue of those programs.

120 Early Childhood/School Readiness/Adult Basic Education Administration/Supervision

Includes salaries of the early childhood family education and school readiness program coordinators and adult basic education program managers, whose direct duties are program administration,

management, supervision of program staff, and coordination with other relevant programs related to young children or adults. Early childhood family education and school readiness personnel in this object code must be licensed in early childhood education/pre K, parenting education or early childhood family education. For superintendents, community education directors, principals, business directors, accounting supervisors, etc.; use Object Code 110, Administrative Salaries. This code does not include any Early Childhood Special Education (ECSE) expenditures.

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.

For educational speech/language pathologist, refer to Object Code 152. For Developmental Adapted Physical Education (DAPE) specialists, refer to Object Code 174.

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.

For certified one-to-one paraprofessionals under these requirements, refer to Object Code 162. For mental health behavioral aides, refer to Object Code 159.

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.

	Refer to Object Code
Physical Therapists	150
Occupational Therapists	151
Audiologists	153
School Nurses	154
Licensed Nursing Services	155
Social Workers	156
Psychologists	157
Foreign Language Interpreters	163

	Refer to Object Code
Interpreters for the Deaf	164
School Counselors	165
Child Find Facilitators	166
Regional Low Incidence Consultants	167
Alcohol and Chemical Dependency Counselors	169
Certified Orientation and Mobility Specialists and Assistants	173
Social Workers for Interagency Activities	176

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.

For mental health behavioral aide, refer to Object Code 159. For cultural liaisons, refer to Object Code 175.

145 Substitute Teacher Salaries

Includes salaries of substitute teachers replacing regular classroom instructors (140) or licensed instructional support personnel (143) due to short-term absences. Includes, but not limited to, staff development and illness. If the substitute is replacing a teacher on leave and that regular teacher's salary is paid from another object code or no longer on the payroll, the substitute's salary should be recorded using the regular teacher's salary object code (Object Code 140, Licensed Classroom Teacher or 143 Licensed Instructional Support Personnel). This object code should be used with Program Codes 201, 203, 211, and 640 unless substitute salaries are reimbursed by categorical programs. In those instances, the appropriate program code of the categorical program should be used.

Note: When the substitute is reimbursable through state special education funding (teacher is licensed to teach in the area they substitute for), then the expenditure code should identify the Uniform Financial Accounting and Reporting Standards (UFARS) program code (401 through 420) with the UFARS Finance Code 740. When the substitute is reimbursable through federal special education funding (teacher is licensed to teach in the area they substitute for), then the expenditure code should identify the UFARS program code (401 through 420), the appropriate federal special education UFARS finance code, and the UFARS course code that identifies the year of the federal award (000, 011, 012). When the substitute is not reimbursable through state or federal special education funding (not licensed to teach in the area they substitute for), then the expenditure code should use UFARS Program Code 400 with UFARS Finance Code 000.

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. 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, section 125A.08 \(b\)](#), must be reported under the appropriate object code (161 or 162).

Note: When the substitute is reimbursable through state special education funding (paraprofessional or personal care assistant is certified), then the expenditure code should identify the UFARS program code (401 through 420) with the UFARS Finance Code 740. When the substitute is reimbursable through federal special education funding (paraprofessional or personal care assistant is certified), then the expenditure code should identify the UFARS program code (401 through 420), the appropriate federal special education UFARS finance code, and the UFARS course code that identifies the year of the federal award (000, 011, 012). When the substitute is not reimbursable through state or federal special education funding (not certified as a paraprofessional or personal care assistant), then the expenditure code should be UFARS Program Code 400 with UFARS Finance Code 000.

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 are reported in the Special Education Data Reporting Application (SEDRA) under Personnel Type Code 4.

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 are reported in SEDRA under Personnel Type Code 5.

152 Educational Speech/Language Pathologist

Include salaries of educational speech language pathologists licensed by the Minnesota Department of Education (MDE). For special education, these costs are reported in SEDRA under Personnel Type Code 7.

153 Audiologist

Include salaries of audiologists certified by the Minnesota Department of Health and Human Services. For special education, these costs are reported in SEDRA under Personnel Type Code 14.

154 School Nurse

Include salaries of school nurses (LSN) licensed by MDE. For special education, these costs are reported in SEDRA under Personnel Type Code 6.

155 Licensed Nursing Services

Include salaries of nursing staff licensed by the Minnesota Department of Health and Human Services. For special education, these costs are reported in SEDRA under Personnel Type Code 44.

156 School Social Worker

Include salaries of school social workers licensed by MDE. For special education, these costs are reported in SEDRA under Personnel Type Code 11.

157 School Psychologist

Include salaries of school psychologists licensed by MDE. For special education, these costs are reported in SEDRA under Personnel Type Code 13.

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 are reported in SEDRA under Personnel Type Code 49.

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 are reported in SEDRA under Personnel Type Code 50.

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 are reported in SEDRA under Personnel Type Code 52.

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, section [125A.08 \(b\)](#). For special education, these costs are reported in SEDRA under Personnel Type Code 08. Also use Object Code 161 for Title I Programs. 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, [section 125A.08 \(b\)](#), refer to Object Code 141.

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, section [125A.08 \(b\)](#). For special education, these costs are reported in SEDRA 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, section [125A.08 \(b\)](#), refer to Object Code 141.

163 Foreign Language Interpreter

Include salaries of foreign language interpreters. For special education, these costs are reported in SEDRA under Personnel Type Code 26.

164 Interpreter for the Deaf

Include salaries of certified interpreters for the deaf. For special education, these costs are reported in SEDRA under Personnel Type Code 28.

165 School Counselor

Include salaries of school counselors licensed by MDE. For special education, these costs are reported in SEDRA under Personnel Type Code 35.

166 Child Find Facilitator

Include salaries of individuals who are responsible for child find. For special education, these costs are reported in SEDRA under Personnel Type Code 18.

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 are reported in SEDRA under Personnel Type Code 33 or 46.

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 are reported in SEDRA under Personnel Type Code 38.

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 MDE.

170 Non-Instructional Support

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

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.

172 Physician (evaluation only)

Include salaries/wages for licensed medical doctors completing assessments or evaluations for an individual child. For special education, these costs are reported in SEDRA under Personnel Type Code 42.

173 Certified Orientation and Mobility Specialist/Assistant

Include salaries of nationally certified orientation and mobility specialist or certified orientation and mobility specialist assistants. For special education, these costs are reported in SEDRA under Personnel Type Codes 29 and 37.

174 Therapeutic Recreational Service and Developmental Adapted Physical Education (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 MDE. For special education, these costs are reported in SEDRA under Personnel Type Codes 15 and 57.

175 Cultural Liaison

Include salaries of cultural liaisons. For special education, these costs are reported in SEDRA under Personnel Type Code 12.

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 are reported in SEDRA under Personnel Type Code 40.

185 Other Salary Payments (Licensed or Certified)

Includes all other compensation which is beyond the contract school day or school year. Includes compensation which is hourly-based or event-based not described in other salary object dimensions for

employees whose primary employment in the district or school is in a position requiring licensure or certification through MDE, Minnesota Department of Health or a national professional association.

186 Other Salary Payments (Non-Licensed or Non-Certified)

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

190 Sabbatical Leave

Record expenditures for any salary payments made to any person on sabbatical leave.

191 Severance

Record direct payments to or for all terminated and retired employees for severance pay, compensated absences and service awards. Examples include severance under Minnesota Statutes, [section 465.72 to 465.722](#), and Teacher Early Retirement Incentive Program under Minnesota Statutes, [section 122A.48](#).

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

195 Interdepartmental Employee Salaries and Wages (Chargeback)

Use this code to reclassify the costs recorded in one program code to another program code. A debit entry using this object code charges the prorated expenditures to the specific program code receiving the salaries and wages. A credit entry using this object code with the program code originally charged the salaries and wages creates a contra-expenditure account (credit amount) to “zero out” expenditures. The total for this object code must equal zero.

Note: Federal program reporting requires the use of actual salary and wages object codes. Chargeback Object Code 195 cannot be used with a federal finance code.

199 Salary Adjustments – Full Cafeteria Plans/Cash in Lieu of Benefits

Includes the adjustment necessary to align contracts to payments when an employee in a qualified cafeteria plan elects to receive cash amounts different than what their contract specifies. The amount recorded is the difference between the amount that the employee elects to receive as monetary compensation and the contracted amount that the district must report as salary in the appropriate object codes.

Districts should use this code for expenditures for personal days and unused sick days (when sick days are not part of a severance or retirement plan-see Object code 191-Severance and Early Retirement). Districts should also use this code for wellness incentives. These expenditures will be considered benefits (not salaries) by the Division Special Education and will not be reimbursed with state aid.

Employee Benefits (200)

Expenditures incurred by the school district for the personal benefit of employees, not included in their gross salary.

Code	Title and Definition
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210	FICA (Federal Insurance Contribution Act)/Medicare
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Includes the school district's portion of taxes required by the Federal Insurance Contributions Act.

214	PERA (Public Employees Retirement Association)
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Includes the school district's portion of contributions to the Public Employees Retirement Association.

218	TRA (Teachers Retirement Association)
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Includes the school district's portion of contributions to the Teachers Retirement Associations. Include district's TRA portion for extended leaves of absence.

220	Health Insurance
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Include expenditures incurred by the school district for employer-sponsored health insurance premiums for all employees. This includes the district's portion paid on behalf of the retirees. See Object Codes 230, 235 and 240 for other district insurance costs.

230	Life Insurance
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Include expenditures for life insurance costs incurred by the district for employees.

235	Dental Insurance
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Include expenditures for dental insurance costs incurred by the district for employees.

240	Long-Term Disability Insurance
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Include expenditures for long-term disability insurance costs incurred by the district for employees.

250	Tax-Sheltered Annuities/Minnesota Deferred Compensation Plan
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Includes expenditures by the school district for the school district's portion of tax-sheltered annuities purchased under Internal Revenue Service (IRS) code 403(B) or Minnesota deferred compensation contributions under IRS Code 457 as a benefit for employees (Minn. Stat. § [356.24](#)).

251 Tax-Advantage Employer-Sponsored Health Arrangements

Record expenditures made to a trust account that includes the costs for employer-sponsored tax-advantage health arrangements authorized under Internal Revenue Code Section 501(c)(9). These include Health Savings Accounts (HSA), Medical Savings Accounts (MSA), Health Reimbursement Accounts (HRA) and health Flexible Spending Arrangements (FSA).

252 Other Postemployment Benefits (OPEB) – Up to or equal to the Annual Required Contribution (ARC)

Record the amount of the Annual Required Contribution (ARC) to a trust for health insurance or other postemployment benefits for employees. Only OPEB costs calculated using an actuarial cost method recognized by generally accepted accounting principles (GAAP) are allowable under federal programs. Office of Management and Budget (OMB) Omni Circular, 2 CFR Chapter I, Chapter II, Part 200.431 (Minn. Stat. § [471.6175](#)). See Object Codes 290 and 291 for other OPEB funding options and requirements. Please refer to chapter 13 for additional OPEB accounting instructions.

270 Workers' Compensation

Include premiums payable to the State Compensation Fund for Workers' Compensation Insurance.

280 Unemployment Compensation

Include expenditures incurred for Unemployment Compensation. This expenditure account closes to the Unassigned Balance Sheet Code 422 (Minn. Stat. § [126C.43, subd. 2](#)). The unemployment levy is collected in Fund 1 only and must be transferred to other funds if the expenditures had previously been recorded in these funds. Unemployment expenditures must be recorded in operating funds only or the levy calculation will not include all actual expenditures.

289 Other Postemployment Benefits (OPEB) Contributions (Not Pay-as-you-go or ARC)

Record the amount set aside for future OPEB liabilities in the internal service fund. Total contributions made to the internal service fund should not exceed the Unfunded Actuarial Accrued Liability (UAAL). The contributions do not fund the OPEB liability according to Governmental Accounting Standards Board (GASB) 45. OPEB bond proceeds must be held in a restricted/reserved fund or trust account and may not be held in Fund 20. See Object Codes 252, 290 and 291 for other OPEB funding options and requirements. Please refer to chapter 13 of the UFARS manual for additional OPEB accounting instructions.

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

290 Other Postemployment Benefits (OPEB) (In excess of the ARC)

Record the amount in excess of the Annual Required Contributions (ARC) to a trust for health insurance or other postemployment benefits for employees. Only OPEB costs calculated using an actuarial cost

method recognized by GAAP are allowable under federal programs. OMB Omni Circular, 2 CFR Chapter I, Chapter II, Part 200.431 ([Minn. Stat. § 471.6175](#)). See Object Codes 252 and 291 for other OPEB funding options and requirements. Please refer to Chapter 13 of the UFARS Manual for additional OPEB accounting instructions.

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

291 Other Postemployment Benefits (OPEB) (Pay-as-you-go)

Record expenditures for health insurance or other postemployment 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). The total for this object code must equal zero.

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.

299 Other Employee Benefits

Includes expenditures incurred by the school district for all employee benefits not properly accounted for in another 200 Series object code.

Purchased Services (300)

Includes expenditures for services rendered by personnel who are not on the payroll of the school district and other services the district may purchase. The purpose or use of the service is further defined by other dimension codes. Payments are coded using the same dimension codes as if the expenditures were made within the district.

Code Title and Definition

303 Federal Subawards and Subcontracts (amount up to \$25,000)

When a district receives a federal grant (400/600, 500 and 800/900 finance code series) and has expenditures in that grant for a subaward or subcontract, the cost of the subaward/subcontract may have to be expensed in two different object codes. The amount up to and including \$25,000 of each subaward/subcontract expenditure must use this code. Any amount in excess of \$25,000 of each subaward/subcontract must use Object Code 304–Federal Subawards and Subcontracts–Excess (amount over \$25,000). This combination of codes should be used in lieu of the 390 object series when expenditures for a subaward or subcontract are from a federal grant. The reason for this coding is that only the first \$25,000 in expenditures of any subaward/subcontract may be allowed in the calculation and application of indirect cost rates. In other words, since the organization is not performing the services and are only providing administrative support to the activity, they only get to claim the first \$25,000 of the contract for purposes of indirect cost. Expenditures reported in this code will be eligible for indirect cost purposes. 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 Subawards or Subcontracts. Detailed List Below:

- Transportation Contracts with Private and Public Carriers – Object Code 360
- Physical Therapist Services – Object Code 371
- Occupational Therapist Services – Object Code 372
- Educational Speech Therapist/Language Pathologist Services – Object Code 373
- Audiologist Services – Object Code 374
- School Nurse Services – Object Code 375
- Licensed Nursing Services – Object Code 376
- School Social Worker Services – Object Code 377
- School Psychologist Services – Object Code 378
- Qualified Mental Health Professional Services – Object Code 379
- Mental Health Behavioral Aide Services – Object Code 363
- Mental Health Practitioner Services – Object Code 362
- Certified Paraprofessional/Personal Care Assistant Services – Object Code 361
- Certified One-to-One Paraprofessional Services – Object Code 359
- Foreign Language Interpreter Services – Object Code 358
- Interpreter for the Deaf Services – Object Code 357
- Contracted Transportation Services – Object Code 360

304 Federal Subawards and Subcontracts (excess amount over \$25,000)

When a district receives a federal grant (400/600, 500 and 800/900 finance code series) and has expenditures in that grant for a subaward or subcontract, the cost of the subaward/subcontract may have to be expensed in two different object codes. The amount up to and including \$25,000 of each subaward/subcontract expenditure must use Object Code 303 – Federal Subawards and Subcontracts (amount up to \$25,000). Any amount in excess of \$25,000 of each subaward/subcontract must use this code. This combination of codes should be used in lieu of the 390 object series when expenditures for a subaward or subcontract are from a federal grant. The reason for this coding is that only the first \$25,000 in expenditures of any subaward/subcontract may be allowed in the calculation and application of indirect cost rates. In other words, since the organization is not performing the services and are only providing administrative support to the activity, they only get to claim the first \$25,000 of the contract for purposes of indirect cost. Expenditures reported in this code will not be eligible for indirect cost purposes. 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 Subawards or Subcontracts.

- Transportation Contracts with Private and Public Carriers – Object Code 364
- Physical Therapist Services – Object Code 341
- Occupational Therapist Services – Object Code 342
- Educational Speech Therapist/Language Pathologist Services – Object Code 343
- Audiologist Services – Object Code 344
- School Nurse Services – Object Code 345
- Licensed Nursing Services – Object Code 346
- School Social Worker Services – Object Code 347
- School Psychologist Services – Object Code 348
- Qualified Mental Health Professional Services – Object Code 349
- Mental Health Behavioral Aide Services – Object Code 351
- Mental Health Practitioner Services – Object Code 352
- Certified Paraprofessional/Personal Care Assistant Services – Object Code 353
- Certified One-to-One Paraprofessional Services – Object Code 354
- Foreign Language Interpreter Services – Object Code 355
- Interpreter for the Deaf Services – Object Code 356
- Contracted Transportation Services – Object Code 364

305 Consulting Fees/Fees for Services

Include payments for professional services such as legal, audit, accounting, advertising, custodial, laundry, etc. This code is used by districts in the special education programs, for contracted service costs provided to staff. Include expenditures for purchased services if not enumerated by other object codes in this series.

Note: See Object Codes 303 and 304 for description of Federal Subawards/Subcontracts under or over \$25,000.

306 Special Education Litigation Costs

Include all special education expenditures incurred for time spent by legal counsel in consideration of litigation, during litigation and in post-litigation work, including appeals and discussions regarding potential appeals. Costs should include the legal fees associated with a request for a due process hearing whether or not it settles the issue, and any expense incurred when seeking counsel in consideration of filing. Districts using this code for special education cases must use Program Code 400 with Finance Code 000 for these expenditures.

DO NOT USE WITH FINANCE CODE 740 ([Minn. Stat. § 125A.75, subd. 9](#)).

307 Contracted Substitutes for Special Education Programs

Record the expenditures for personnel, certified and non-certified, hired through a private personnel employment agency for the purpose of substitute employment in the district's special education program. The costs are not reimbursable from state special education aids unless the substitute is licensed in the specific disability area in which they are assigned.

308 Federal Tuition Bill Payments (amount up to \$25,000)

Include expenditures for special education federal tuition bill payments. This code should report only the amount of the cost up to \$25,000. Refer to Object Code 309 to record the amount in excess of \$25,000 of the cost.

309 Federal Tuition Bill Payments (excess amount over \$25,000)

Include expenditures for special education federal tuition bill payments. This code should only report the amount of the cost in excess of \$25,000. Refer to Object Code 308 to record the initial \$25,000 of the cost.

315 Repairs and Maintenance for Computers and Technology

Expenditures for repairs and maintenance services for technology equipment that are not directly provided by school district personnel. This includes ongoing service agreements for technology hardware (e.g., personal computers and servers). For library media center (Program Code 620) expenditures, this section included repairs and maintenance for computers and associated technology (such as, but not limited to, printers and scanners), automated library cataloging and circulation systems, and digital equipment, such as, but not limited to, camcorders cameras and electronic book viewers.

316 Services Purchased from Other Minnesota Joint-Powers Agencies

Expenditures for purchase services performed by any Minnesota educational agency or joint service arrangement (Service Cooperatives and Regional Centers) not related to tuition or transportation fees. Includes capital-related assessments for fees and related pass-through levy of any entity formed under a

cooperative agreement between two or more districts that may be coded as an Operating Capital expenditure according to Minnesota Statutes, section [126C.10](#), subdivision 14 (line 17).

318 Data-Processing and Data Entry Services

Record expenditures for data entry, formatting and processing services other than programming. Examples are accounts payable entries, payroll data entries or storage of student data. See Object Code 305 Consulting Fees/Fees for Services or Object Code 316 -Services Purchased from other Minnesota Joint Powers Agencies.

319 Computer and Technology Services

Record expenditures for technical services other than data-processing and related services. Examples include the following: consultants for network improvements, server replacement and enhancements and security enhancements.

Note: This code cannot be used with federal funds.

320 Communication Services

Expenditures for services provided by a person or businesses to assist in transmitting messages or information (includes telephone, Internet services, etc.).

329 Postage and Parcel Services

Includes expenditures incurred for all postage and parcel services. Includes messenger services. Do not include freight and shipping charges that were included in other expenditures.

330 Utility Services

Includes expenditures incurred for services provided by utility companies such as electricity, water, natural gas, steam, sewage and garbage collection. Charter schools should record the portion of the lease that represents the cost of utility services.

340 Insurance

Includes expenditures incurred for all forms of insurance, except employee benefits in the 200 object series.

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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

343 Educational Speech/Language Pathologist Services (excess amount over \$25,000)

Include contracted services only for those educational speech language pathologists licensed by MDE. This code should report only 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 are reported in SEDRA 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.

344 Audiologist Services (excess amount over \$25,000)

Include contracted services of audiologists certified by the Minnesota Department of Health and Human Services. This code should report only 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 are reported in SEDRA 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.

345 Licensed School Nurse Services (excess amount over \$25,000)

Include contracted services of school nurses (LSN) licensed by MDE. This code should report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

347 Licensed School Social Worker Services (excess amount over \$25,000)

Include contracted services of school social workers licensed by MDE. This code should report only 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 are reported in SEDRA 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.

348 Licensed School Psychologist Services (excess amount over \$25,000)

Include contracted services of school psychologists licensed by MDE. This code should report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

350 Repairs and Maintenance

Includes expenditures incurred for repair and maintenance services provided through a contract with an outside vendor. Include contracts and agreements for the upkeep of grounds, buildings and equipment.

Excludes costs for new construction, renovation and remodeling (betterments) and repairs for computers and technology. Charter schools should record the portion of the lease that represents the cost of repair and maintenance services.

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 report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

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, section [125A.08 \(b\)](#). This code should report only 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 are reported in SEDRA 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.

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 Minnesota Statutes, section [125A.08 \(b\)](#). This code should report only 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 are reported in SEDRA 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.

355 Foreign Language Interpreter Services (excess amount over \$25,000)

Include contracted services of foreign language interpreters. This code should report only 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 are reported in SEDRA 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.

356 Interpreter for the Deaf Services (excess amount over \$25,000)

Include contracted services of certified interpreters for the deaf. This code should report only 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 are reported in SEDRA 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.

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

Include contracted services of certified interpreters for the deaf. This code should report only 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 are reported in SEDRA 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.

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

Include contracted services of foreign language interpreters. This code should report only 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 are reported in SEDRA 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.

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, section [125A.08 \(b\)](#). This code should report only 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 are reported in SEDRA 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.

360 Transportation Contracts with Private or Public Carriers (includes federal payments – amount up to \$25,000)

Include all expenditures incurred when contracting for the transportation of pupils and paid for with state or local funds. Contracts could be with privately owned school bus companies, parents or guardians who transport their children in the family vehicle, other public entities (e.g., school districts or transit services) or privately owned charter carriers. Also, include the purchase of bus passes for pupils who use public transit services, including the transportation for parents and/or their children participating in ECCE or other early childhood programs. Gas cards are not an allowable expenditure.

For each contract paid for with federal funds, the first \$25,000 of the contract should be coded to Object Code 360 and the amount in excess of \$25,000 should be coded to Object Code 364.

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 Statute, section [125A.08 \(b\)](#). This code should report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

363 Mental Health Behavioral Aide Services (amount up to \$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 report only 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 are reported in SEDRA 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.

364 Transportation Contracts with Private or Public Carriers Paid with Federal Funds (excess amount over \$25,000)

Include expenditures incurred when contracting for the transportation of pupils and paid for with federal funds. Contracts could be with privately owned school bus companies, parents or guardians who transport their children in the family vehicle, other public entities (e.g., school districts or transit services) or privately owned charter carriers. Also, include the purchase of bus passes for pupils who use public transit services.

For each contract paid for with federal funds, the first \$25,000 of the contract should be coded to Object Code 360 and the amount in excess of \$25,000 should be coded to Object Code 364. Do not use this object code when the contract is paid with state or local funds.

365 Interdepartmental Transportation (allocation)

Include expenditures incurred to reclassify the costs incurred by the district's transportation department in providing transportation services to the programs receiving their service. A debit entry using this Object code charges the prorated expenditure to the specific program that used the service. The credit side of the entry using this object code with Program Code 760, Pupil Transportation, creates a contra-expenditure amount that reduces the total expenditures in the pupil transportation program. Reclassified costs should represent a fair allocation of the total costs. Total costs include labor, material, contracted services, and other direct and indirect costs. The total for this object code must equal zero.

Note: [Minnesota Statutes, section 123B.92](#), subdivision 5, requires school districts to allocate student transportation expenditures among categories by miles. Districts will need to determine a rate based on the district's total transportation expenditures for the entire school year in order to allocate the cost correctly. In addition, districts will need to document the miles that relate to the various federal programs on the supplemental sheet of the Pupil Transportation Annual Report (ED-01652). In the interim, before final rates are determined, districts may use estimated or prior year rates to report costs

in the State Educational Record and View Submission (SERVS) system. Once final rates are determined, the district would need to align reported expenditures with final rates.

See Object Code 366 for travel information for staff in Transition Programs for Children with a Disability Usage.

366 Travel, Conventions and Conferences

Include expenditures incurred for the cost of transportation, meals, hotel, registration fees, and other expenditures associated with travel and attendance at conventions and conferences by staff, or anyone else performing an assignment for the district (e.g., parents in district committees). This includes both in-state and out-of-state travel (see Object Code 368, Out-of-State Travel, Federal Reimbursed). Include per diem payments.

Transition Programs for Children with a Disability Usage. Expenditures for necessary travel between instructional sites (including employment sites of students in work-based learning programs) by transition program teachers of children with a disability. This does not include travel to and from local, regional, district, state or national career and technical student organization meetings, or student transportation. If the travel between sites by staff is in district owned vehicles, Object Code 365, Interdepartmental Transportation (chargeback), could be used to record the expenditures.

368 Out-of-State Travel, Federal Reimbursed

This code is to be used only for federal programs that require segregation of out-of-state expenses. Includes expenditures for transportation, meals, hotel, registration fees, and other expenses incurred while traveling out-of-state. Include all Title I in-service expenditures incurred out-of-state.

369 Entry Fees/Student Travel Allowances

Record as expenditures the costs of entry fees so students can participate in athletic, scholastic, or other competitive events. Additional student travel costs, including meals and lodging, should be coded here. This also includes fees and admissions for field trips. Transportation costs should be coded to the appropriate transportation code.

370 Operating Leases or Rentals

Record Expenditures for the lease or rental of land, buildings, vehicles and equipment for temporary or long-term usage that does not result in the ownership of the asset. Excludes lease or rental of computers or technology related hardware (see Object Code 380).

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 report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

373 Educational Speech/Language Pathologist Services (amount up to \$25,000)

Include contracted services only for those educational speech language pathologists licensed by MDE. This code should report only 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 are reported in SEDRA 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.

374 Audiologist Services (amount up to \$25,000)

Include contracted services of audiologists certified by the Minnesota Department of Health and Human Services. This code should report only 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 are reported in SEDRA 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.

375 Licensed School Nurse Services (amount up to \$25,000)

Include contracted services of school nurses (LSN) licensed by MDE. This code should report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

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

Include contracted services of school psychologists licensed by MDE. This code should report only 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 are reported in SEDRA 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.

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 report only 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 are reported in SEDRA 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.

380 Computer and Technology Related Hardware Rental

Record Expenditures for the lease or rental of computers or technology related hardware for temporary or long-term usage that does not result in the ownership of the asset. Operating leases and rental for computers and copiers must be coded to the program where the equipment is used.

381 Medicaid Reimbursed Equipment

Include expenditures for assistive technology equipment purchased for Medicaid eligible students when Medical Assistance (MA)/Minnesota Care will be billed for part or all of the costs. An assistive technology device means any item, piece of equipment, or product system, whether acquired commercially, modified or customized that is used to increase, maintain or improve functional capabilities of individuals with disabilities.

382 Medicaid Reimbursed Services

Include expenditures for Medicaid eligible services to students when MA/Minnesota Care will be billed for part or all of the costs. Districts should bill DHS directly.

384 Third-Party Reimbursed Equipment, not Medicaid

Include expenditures for assistive technology equipment purchased for eligible students when a third-party insurer will be billed for part or all of the costs. An assistive technology device means any item, piece of equipment, or product system, whether acquired commercially, modified, or customized that is used to increase, maintain or improve functional capabilities of individuals with disabilities

385 Third-Party Reimbursed Services, not Medicaid

Include expenditures for eligible services to students when a third-party insurer will be billed for part or all of the costs.

389 Staff Tuition and Other Reimbursements

Record all expenditures associated with course work for teacher quality training, including tuition, books and materials. Also include reimbursements for parental involvement and other reimbursable activities of federal programs.

390 Payments for Educational Purposes to Other Minnesota School Districts

Note: See Object Codes 303 and 304 for a description of expenditures for services purchased with federal funds. Do not use the object 390 series for federal subawards/contracts – use Object Code 303/304.

Includes payments to other Minnesota school districts for transportation, community service, and capital expenditures for resident pupils and learners attending another district. Districts who are

recipients of these payments must use Source Code 021 to recognize this revenue. Refer to Object Code 391 for payments to other Minnesota school districts where there is a cost-sharing agreement.

Note: Further guidance will be provided on tuition payments made with federal funds.

Transition Programs for Children with a Disability Usage: Expenditures for a contract approved by the commissioner with another Minnesota school district or cooperative center for vocational evaluation services for children with a disability that are not yet enrolled in grade 12.

391 Payments to Minnesota School Districts (cost-sharing agreements)

Includes reimbursements to other Minnesota school districts (primarily joint powers agreements, education districts, and paired districts) for the provision of teachers, staff, equipment, material, etc. This code should be used for payments made under various cost-sharing agreements. Districts who are recipients of these payments must use Source Code 021 to recognize this revenue.

Special Education Program Usage: See Object Codes 396 and 397 for coding of special education teacher costs between districts.

392 Payments for Educational Purposes to Out-of-State School Districts/Other Agencies

Include payments to out-of-state school districts/other agencies for tuition, transportation, community service, and capital expenditures for resident pupils and learners who are attending out-of-state districts. Special Education Program Usage: Include the cost of students placed out of state.

393 Special Education and Transition Programs for Children with Disability Contracted Services

For special instruction and services provided to a pupil or parent on the pupils behalf, by contracting with public, private or voluntary agencies other than school districts. **The student is placed elsewhere and is not receiving the services at the district. The corresponding entry in SEDRA is “C”.**

Transition Programs for Children with a Disability Usage: Expenditures for transition programs for children with disabilities provided by a contract approved by the commissioner with public, private or voluntary agencies other than a Minnesota school district or cooperative center, in place of programs provided by the district.

394 Payments for Educational Purposes to Other Agencies (non-school districts)

Includes payments made for students to any other public or private agencies (other than school districts) for tuition, PSEO tuition, community services and capital expenditures. **This object code applies when the district brings in contracted personnel to serve in your district (not just for the students). The corresponding entry in SEDRA is “B”.**

Federal Program Usage: Includes costs for supplemental services for needs improvement schools.

Transition Programs for Children with a Disability Usage: Expenditures for transition programs for children with disabilities provided by a contract approved by the commissioner with public, private or voluntary agencies other than an Minnesota school district or cooperative center, that are supplementary to a full educational program provided by the district.

395 Shared Costs for Paired Districts Only

Includes the expenditures and revenues for districts that are involved in pairing and sharing agreements, where program expenditures initially appear in more than one district. The district having the educational program (site) must report the total program costs. Therefore, if more than one of the pairing districts has expenditures related to the program, then the serving district site must record additional journal entries in order to report all expenditures at the educational site.

The serving district site should use Object Code 395 to record additional expenditures (debit) incurred by the paired (non-site) district in conjunction with the site and program series and an equal amount (credit) in conjunction with the districtwide organizational series using this same object code. These entries will balance to zero in the serving district site. The serving district would receive the details for these entries from the other paired (non-site) district(s). The non-site district(s) will make no journal entries. All districts (site and non-site) will also use Object Code 395 in conjunction with their districtwide organizational series (000 or 005) to reflect cost adjustments with its paired district(s).

396 Salary Purchased from Another District

Include payments made to other Minnesota school districts for the salary of licensed teachers or related service providers who are working in your district but employed by another district.

397 Benefits Purchased from Another District

Include payments made to other Minnesota school districts for the benefits of licensed teachers or related service providers who are working in your district but employed by another district. Purchasing districts must use the appropriate finance code for benefit costs.

398 Interdepartmental Services (Chargeback)

Use this code to reclassify the costs incurred by a service department, other than transportation, in providing services to the program dimension codes receiving the services. A debit entry using this object code charges the allocated expenditures for services provided by a service department to the appropriate program code. A credit entry using this object code, with the program code for the department providing the service, represents a contra-expenditure amount that reduces the total program expenditures of that program. Examples of service departments include a warehouse, reprographic center, and computer/video repair centers. Reclassified costs should represent a fair allocation of the total costs. Costs include labor, materials, contracted services, and other direct and indirect costs of providing services. The total debits and credits using this code must equal zero.

Note: Chargeback Object Code 398 cannot be used with a federal finance code.

399 Purchase of Special Education Contracted Services from Another District/Cooperative

The activity in this code represents the costs to a district which has purchased contracted special education services from another district/cooperative that had initially purchased the services from a public, private or voluntary agency other than a school district. See Object Codes 396 and 397 when the district is purchasing services that are provided by staff employed in another district.

Supplies and Materials (400)

A supply item (as opposed to an equipment item) is any article of material that meets one or more of the following conditions:

- a. It is consumed in use.
- b. It loses its original shape or appearance with use.
- c. It is expendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it.
- d. It loses its identity through incorporation into a different or more complex unit or substance.

Code Title and Definition

401 Supplies and Materials – Non Instructional

Expenditures for all supplies other than those to be included in Object Codes 430, Supplies and Materials Non-Individualized Instructional; 433, Supplies and Materials - Individualized Instructional; 455, Non-Instructional Technology Supplies and 465 Non-Instructional Technology Devices. Includes, for example, maintenance supplies, printer toner or office supplies and instructional materials purchased for resale. Also includes freight/shipping cost items associated with items purchased.

405 Non-Instructional Software Licensing Agreements

Record expenditures for non-instructional annual subscriptions or software license agreements that are under the capitalization threshold. Includes the cost of electronic service plans that support and maintain due process documents and special education forms. See Object Codes 455 and 505 for purchase of software.

406 Instructional Software License Agreements

Record expenditures for instructional annual subscriptions or software license agreements that are under the capitalization threshold. See Object Codes 456 and 506 for purchase of software.

430 Supplies and Materials – Non-Individualized Instructional

The instructions for this code must be read in conjunction with Object Code 433, Individualized Instructional Materials. Expenditures to be included here are instructional supplies that do not fit the criteria set forth for expenditures in Object Codes 433, 456 or 465.

Include non-individualized expenditures for classroom supplies consumed in the instructional process. This code is used in conjunction with any instructional Program Code, 200 through 699, plus Program Code 790, Other Pupil Support.

Note: Expenditures for the Library Media Center (Program Code 620) are to be listed in Object Code 470.

433 Supplies and Materials – Individualized Instruction

This object code is used to account for supplies and materials for individualized instruction. The definition of individualized instructional materials, as opposed to non-individualized instructional materials to be recorded in Object Code 430, is contained in Minnesota Statutes, section [123B.41](#), subdivision 5:

Subdivision 5. "Individualized instructional or cooperative materials" means educational materials which are:

- a. Designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends.
- b. Secular, neutral, nonideological and not capable of diversion for religious use; and
- c. Available, used by, or of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a), (b) and (c), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in Minnesota Statutes, section [123B.41](#), subdivision 2: published materials; periodicals; documents; pamphlets; photographs, reproductions; pictorial or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individual multimedia systems; prepared instructional computer software programs; choral and band sheet music; electronic books and other printed materials delivered electronically; and CD-ROM.

This code is used by MDE to compute the rates for textbooks, individualized instructional materials, and standardized tests that are used in determining Educational Aids for Nonpublic School Children (Minn. Stat. § [123B.40 to 43](#)). The rates of reimbursement for nonpublic students are based on these expenditures plus textbook and workbook expenditures recorded in Object Code 460 for public school students.

When recording expenditures for nonpublic students; use this code in conjunction with Finance Code 351, Aid to Nonpublic Pupils – Textbooks and Tests. When recording expenditures for public school students; use the appropriate codes in the other UFARS dimensions.

Expenditures for "individualized instructional or cooperative learning materials" do not include instructional equipment, instructional hardware including dedicated hardware equipment known as eReaders or e-book devices, or ordinary daily consumable classroom supplies. Please refer to Object Code 466, Instructional Technology Devices and Object Code 556, Capitalized Instructional Technology Hardware, for additional information. Includes freight/shipping costs associated with items purchased.

This code is used in conjunction with any instructional Program Code, 200 through 699 (for use with all Programs 010 through 850 – see *Unrestricted – General Fund 01 Permitted Expenditure Code Grid* – page 3).

440 Fuels

Include expenditures incurred for the purchase of fuels, including gasoline, propane gas, coal, fuel oil, wood, diesel oil, etc. Include the transportation costs involved in securing and delivering the fuel.

455 Non-Instructional Technology Supplies

Non-Instructional technology-related supplies include supplies that are typically used in conjunction with technology-related hardware or software. Some examples that should be reported here are CDs, flash or jump drives, parallel cables, monitor stands. Please refer to Object Code 465, Non-Instructional Technology Devices, for equipment that is the lesser of the capitalization level established by the Local Educational Agency (LEA) for financial statement purposes or \$5,000 with a normal useful life extending beyond a single reporting period.

456 Instructional Technology Supplies

Instructional technology-related supplies include supplies that are typically used in conjunction with technology-related hardware or software. Some examples that should be reported here are CDs, flash or jump drives, parallel cables, monitor stands. Please refer to Object Code 466, Instructional Technology Devices, for equipment that is the lesser of the capitalization level established by the LEA for financial statement purposes or \$5,000 with a normal useful life extending beyond a single reporting period.

460 Textbooks and Workbooks

Expenditures for books or electronic substitutes that a pupil uses as a text or text substitute in a particular class or program. This includes books, workbooks or manuals, as well as electronic books and other printed materials delivered electronically. Please refer to Object Codes 406, Instructional Software License Agreements; and 466, Instructional Technology Devices for additional information. These textbooks are intended for use as a principal source of study material for a given class or group of students, a copy of which is expected to be available for the individual use of each pupil. Materials prepared and/or copied at the school qualify as textbook substitutes if such materials are basic (not supplementary) to a unit of study. See Minnesota Statutes, section [123B.41](#), subdivision 2 for the complete definition.

To qualify for textbook aid to nonpublic pupils, these materials must include only such secular, neutral and nonideological textbooks as are available, used by, or of benefit to Minnesota public school pupils.

Includes the freight/shipping costs associated with items purchased. Excludes costs of teacher's workbooks, costs of binding, textbook repairs (Object Code 401), and dedicated hardware equipment known as eReaders or e-book devices (Object Code 466).

The rates of reimbursement for nonpublic students are based on these expenditures plus individualized instructional supply and material expenditures recorded in Object Code 433 for public school students.

This code is used in conjunction with any instructional Program Code, 200 through 699 (for use with all Programs 010 through 850 – see “Unrestricted – General Fund 01 Permitted Expenditure code Grid” – Page 3).

461 Standardized Tests

Expenditures for the purchase of standardized tests and the contracted scoring of these tests as used in the teaching learning process. Include expenditures for Title I evaluation materials and expense not recorded under Fees for Service Code (Object Code 305), see Minnesota Statutes, section [123B.41](#), subdivision 3 for definition. This also includes early childhood assessments and development screening instruments.

465 Non-Instructional Technology Devices

Non-Instructional technology devices with a normal useful life beyond a single reporting period. Must be the lesser of the capitalization level established by the LEA or \$5,000 for financial statement purposes. Some examples that should be reported here are E-readers, including kindles, iPads and GPS devices. Please refer to Object Code 405 for non-instructional software license agreements, Object Code 455 for non-instructional technology supplies, Object Code 505 for capitalized non-instructional software and Object Code 555 for capitalized non-instructional technology hardware.

466 Instructional Technology Devices

Instructional technology devices with a normal useful life beyond a single reporting period that is non-capitalized. Must be the lesser of the capitalization level established by the LEA or \$5,000 for financial statement purposes. Some examples that should be reported here are E-readers, including kindles and iPads. Please refer to Object Code 406 for instructional software license agreements, Object Code 456 for instructional technology supplies, Object Code 506 for capitalized instructional technology software and Object Code 556 for capitalized instructional technology hardware.

470 Media Resources

Expenditures for library books, dictionaries, reference sets and pamphlets (including freight and cartage) for general use (not certain classes, grades or student groups). Also used for binding and repair of existing library books. This would include student books and most print materials, print periodicals, audio and video/DVD, electronic journal subscriptions, electronic encyclopedias and licenses for specific electronic materials (both), and other physical materials. Please refer to Object Codes 405, Non-Instructional Software License Agreements, and 505, Capitalized Non-Instructional Software, for media management system expenditures for textbooks and library materials. Please refer to Object Code 465 for Non-Instructional Technology Devices.

490 Food

Expenditures for all purchases of food for all uses excluding milk not used in preparation of food. Purchases of food for the food service program must be associated with Program Code 770, Food Services. Purchases of food for instructional use should be associated with the appropriate Regular Instruction or Vocational Instruction program category.

Note: For special education, when food is purchased and used for instructional purposes and the student's IEP says there is a need for transition services; LEAS should use Object Code 433, Supplies and Materials – Individualized Instruction, instead of 490 and enter the expenses on SEDRA with Service Code "H."

491 Commodities

Record the value of U.S. Department of Agriculture (USDA) commodities consumed in food service programs, plus the value of food consumed that was purchased with "Cash in Lieu of Commodities" money. The value of USDA commodities consumed should be calculated from the latest revision of the Standardized Commodity Costs list. Include delivery costs in Object Code 490, Food (CFDA No. 10.550). The total expenditures in this code must equal Source Code 474.

495 Milk

Expenditures for all purchases of milk not used in the preparation of food, including delivery costs. Purchases of milk for the food service program will be associated with Program Code 770, Food Services. Purchases of milk for instructional use will be associated with the Regular or Vocational Instruction program category.

499 Warehouse Inventory Adjustment

Charge this account with any inventory shrinkage determined by an audit or count of items held in a stores or warehouse inventory. Only a loss should be charged to this account. If the physical inventory reflects an overage, the excess is debited to the appropriate asset account.

Capital Expenditures (500)

Capital expenditures consist of expenditures for acquisition, additions or improvement of a capital asset, which may include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period (Paragraph 19 of Government Accounting Standards Board (GASB) 34).

This definition is conceptual in nature and should not be interpreted to mean that all capital assets districts report in the 500 Object Series should be capitalized. The decision to capitalize an asset is a local decision determined by school district policy. Under GASB 34, schools must establish and disclose a

local capitalization policy in the notes to the financial statements, the dollar value above which asset acquisitions are added to the capital asset accounts reported on the districtwide financial statements.

Different types of assets, subsystems, or networks may have different capitalization policies (GASB 34 Implementation Guide). While the Office of the State Auditor has issued guidance to local governments, the State of Minnesota has not established a statutory capitalization threshold for school districts.

For UFARS reporting, equipment or technology qualifies as a capital expenditure if the item meets all of the following criteria:

- a. It retains its original shape and appearance with use. It has a normal useful life extending beyond a single reporting period.
- b. It is nonexpendable. That is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit.
- c. It does not lose its identity through incorporation into a different or more complex unit or substance.

Capital improvements consist of initial or additional site or building expenditures that may involve changes of partitions, roof structure or walls, or replacement of built-in equipment. Repairs may be considered capital projects if they clearly increase the value or extend the useful life of a site or building.

With respect to federal funds, capital equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000 (OMB OMNI Circular, 2 C.F.R. Chapter I, Chapter II, Part 200.33 Equipment).

For federally purchased equipment, districts may establish capitalization levels more restrictive (threshold less than \$5,000) than federal guidelines but not less restrictive (threshold greater than \$5,000).

The State of Minnesota Guide to [Local Government Capital Assets](https://auditor.state.mn.us/other/GASBTools/capital_asset_guide.pdf) (auditor.state.mn.us/other/GASBTools/capital_asset_guide.pdf).

[View OMB OMNI Circular](#) (2 C.F.R. Chapter I, Chapter II, Part 200.12 – Capital Assets and Part 200.13 Capital Expenditures).

All expenditures that meet the above criteria should be charged to one of the following codes:

Code	Title and Definition
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505	Capitalized Non-Instructional Technology Software
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Record expenditures for purchased software used for non-instructional purposes that meet the capitalization threshold. Software having a useful life of more than one year and per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Please refer to Object Code 405 for Non-Instructional Software License Agreements and Object Code 555 for Capitalized Non-Instructional Technology Hardware.

506 Capitalized Instructional Technology Software

Expenditures for purchased software used for instructional purposes that meet the capitalization threshold. Software having a useful life of more than one year and per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Please refer to Object Code 406 for Instructional Software License Agreements and Object Code 556 for Capitalized Instructional Technology Hardware.

510 Site or Grounds Acquisition

Expenditure for the initial acquisition and improvement of real property exclusive of buildings.

520 Building Acquisition or Construction

Expenditures made for the acquisition, capital lease, or construction of buildings, installation of heating and ventilating systems, electrical, plumbing, fire protection and other service systems, lockers, elevators and other equipment built into the building, paint, and other interior or exterior decoration.

530 Other Equipment Purchased

Include expenditures incurred for the purchase of furniture and any other equipment not classified in another object code of this series. Please refer to Object Codes 465, Non-Instructional Technology Devices; 466, Instructional Technology Devices; 555, Capitalized Non-Instructional Technology Hardware; and 556, Capitalized Instructional Technology Hardware for technology equipment. Include only equipment which meets the criteria for capital expenditures cited at the beginning of this series.

Note: For Library Media Center (Program Code 620) expenditures include shelving, service desks and display cases.

531 Depreciation Expense

Record the depreciation expense on buildings and equipment purchased.

532 Bus Equipment – Purchased (Updating Bus Equipment)

Record expenditures for equipment that update pupil transportation vehicles currently in service. Include in this code expenditures for two-way communication systems, wheelchair securement devices, ramps and lifts for handicapped access, and conversion of gasoline fueled engines to alternative fuels. This type of equipment purchase was formerly funded by the bus levy, but was not eligible for depreciation aid.

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 Codes 466, 555 or 556. Include only equipment which meets the criteria for capital expenditures cited at the beginning of this series.

535 Capital Leases

Expenditures under installment or lease contracts which have a terminal date and which result in the acquisition of equipment, vehicles, or technology equipment. This code must be used only with Object Code 589 (contra account) and the activity must equal zero (debit must equal credit).

545 Interdepartmental Operating Capital (Chargeback)

Use this code to reclassify the costs of making a capital improvement or creating a capital asset from departments within the district. Reclassification of costs is necessary to utilize revenues restricted/reserved for Operating Capital when the costs were originally incurred in other departments. The total debits and credits using this code must equal zero. Examples include any major repair project, creation of built-in storage or equipment by district personnel or students in program categories such as Operations and Maintenance or vocational instruction.

Costs such as labor, materials, contracted services, and other direct and indirect costs of the capital project are accumulated in the program incurring the costs. These capital project costs may be kept separate from other program expenditures by use of a unique locally defined project code in the finance dimension. The same finance code should also appear in the reclassification entries described above to provide further identification and an audit trail. The total for this object code must equal zero.

This object code may also be used to reclassify expenditures for capital equipment between Finance Code 302, Operating Capital and Finance Code 000, Districtwide.

Note: Chargeback Object Code 545 cannot be used with a federal finance code.

548 Pupil Transportation Vehicles

Record expenditures for the purchase of school buses including mobile units which are recorded in the bus inventory. Include excise tax, fees, license plate fees, delivery charges and additional add-on equipment installed at time of purchase as part of the purchase price. If a vehicle is traded in on a replacement vehicle, only the net cost is recorded in this object code. Finance Code 000 or 302 may be used to purchase pupil transportation vehicles.

When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, the balance shall cancel to the district's general fund (Minn. Stat. § [123B.79](#), subd. 1).

Districts are reminded that Type III school buses must be used more than 50 percent of the time for transporting pupils before a district can add the vehicle to the eligible inventory (refer to Minnesota Statutes, section [123B.92](#), subdivision 1, for a definition of authorized uses).

550 Other Vehicles Purchased

Record expenditures for the purchase of all other vehicles not included in Object Code 548, Pupil Transportation Vehicles. Other types of vehicles include the superintendent's car, staff cars, maintenance vehicles, food service vehicles, etc. Include excise taxes, fees, license plate fees, delivery charges, additional add-on equipment and other expenditures incurred at the time of purchase. If a vehicle is traded in at the time of purchase, only the net cost is recorded in this object code.

555 Capitalized Non-Instructional Technology Hardware

Record expenditures to purchase technology equipment that meet the capitalization threshold. Technology-related hardware having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Includes network equipment, servers, computers and peripheral equipment, interactive telecommunications equipment, printers, cameras and monitors (refer to Object Code 455 for Non-Instructional Non-Capitalized Technology Related Supplies and Object Code 556 for Instructional Technology Related Hardware).

556 Capitalized Instructional Technology Hardware

Record expenditures to purchase technology equipment that meet the capitalization threshold. Technology-related hardware having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or \$5,000. Includes network equipment, servers, computers and peripheral equipment, interactive telecommunications equipment, printers, cameras and monitors (refer to Object Code 455 for Non-Instructional Non-Capitalized Technology Related Supplies and Object Code 555 for non-Instructional Technology Related Hardware).

580 Principal on Capital Lease/Installment Sales Contracts

Record expenditures to reduce principal on outstanding capital lease agreements and installment sales contracts.

581 Interest on Capital Lease/Installment Sales Contracts

Record expenditures related to payment of interest on capital lease agreements and installment sales contracts.

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.

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.

589 Lease Transactions/Installment Sales (Fund 01 – Other Financing Source)

Used in conjunction with Object Code 535, Capital Leases, this entry represents a contra-expenditure amount (credit amount) so that the General Fund balance is not affected by the recording of a capital lease transaction or an installment sales contract. This expenditure is recorded as other financing source in the financial statements. The expenditure activity in Object Code 535 and Object Code 589 must equal zero.

590 Other Capital Expenditures

Expenditures for all other capital expenditures not classified above.

Debt Service (700)

Expenditures for the reduction of principal, interest, and service costs for the following:

- a. Bonds.
- b. Long-term loans – term of more than five years.
- c. Short-term loans – term of five years or less, but it does not mature before the end of the current fiscal year including Guaranteed Energy Saving Contracts.
- d. Current loans – payable in the same fiscal year in which the money was borrowed.

Code Title and Definition**710 Bond, Redemption of Principal**

Expenditures to reduce principal on outstanding bonds. Include payments on bonds acquired from discontinued school districts.

720 Bond, Interest

Expenditures related to payment of interest charges on outstanding bonds. Include interest payments on bonds acquired from discontinued school districts.

730 Loans, Redemption of Principal

Expenditures made to reduce or eliminate principal of outstanding loans. Exclude loans of discontinued school districts.

740 Loans, Interest

Expenditures related to payment of interest charges on outstanding loans. Exclude interest on loans for discontinued school districts. Include warrant interest expense and interest expense for funds in deficit.

750 Indebtedness of Discontinued School Districts

Expenditures for accounts payable, contracts payable, or payment of floating indebtedness acquired from discontinued school districts by process of reorganization, consolidation, annexation or dissolution.

790 Other Debt Service Expenditures

Expenditures for any expense incurred in connection with debt service, such as fiscal agent charges.

Other Expenditures (800)

Amounts paid for goods and services not otherwise classified.

Code Title and Definition**810 Judgments Against the School District**

Expenditures made from current funds for all judgments (except as indicated) against the school district that are not covered by liability insurance. Only amounts paid as a result of court decisions are recorded here. Judgments against the school district resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due (Minn. Stat. § [126C.43, subd. 3](#)).

820 Dues, Membership, Licenses and Certain Fees

Expenditures or assessments for membership in professional, other organizations or associations. Memberships in economic development community and civic organizations may be included (Minn. Stat. § [123B.02](#)). Also include special fees for bus licenses, postage meter permits, boiler licenses, kitchen inspections, authorizer fees or other fees. Include membership costs for joint powers organizations or cooperatives organized under education statutes.

For Library Media Center (Program Code 620) expenditures include only online databases. Online, licensed databases are supplied by commercial vendors via the Internet. They may include indexes, abstracts, full-text article databases or full-text reference sources such as encyclopedias, almanacs, biographical sources and other quick fact-finding sources. (Database definition: 2007-2008 School Library Media Center Questionnaire, NCES.)

890 Federal In-Kind Match Expenditures

Expenditures related to a contributed service that creates or enhances nonfinancial assets (for example, volunteer improvements to a capital asset) or a contributed service that 1) requires specialized skills and 2) is provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation (the services of accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers and other professionals and craftsmen). These expenditures must equal the related Federal In-Kind Match Revenue, Source Code 097.

891 TRA and PERA Special Funding Situations Pension Expense

Record the additional pension expense related to the support received from the State of Minnesota (as a nonemployer contributing entity) for TRA and PERA special funding situations per GASB statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. See Source Code 397 for TRA and PERA Special Funding Situations Revenue.

895 Federal and Nonpublic Indirect Cost (Chargeback)

Use this code to reclassify the indirect costs allowed in federal grants using the indirect cost rate calculated by the Minnesota Department of Education. This code allows federal revenue and federal expenditures to balance. This code must be included on reports sent to the state for reimbursement. This code can also be used to report the administrative portion of nonpublic expenditures. Finance Code 000 should be used to record the nonpublic administrative percentage allotment. The total for this object code must equal zero.

896 Taxes, Special Assessments, and Interest Penalties

Use this code to record all expenditures incurred by the district for any local, state, federal tax or interest penalty (i.e. arbitrage). This would include all property tax and special assessment expenditures. This would also include “Patient-Centered Outcomes Research Institute” (PCORI) fees associated with the Affordable Care Act (ACA). Use Balance Sheet Code 212 to pay the sales tax collected on the sale of materials.

897 Affordable Care Act (ACA) Penalties

Use this code to record all expenditures related to penalties paid due to failure to provide health insurance to employees under the Affordable Care Act.

898 Scholarships

Expenditures for the dollar amount given to students in the form of scholarships should use this code. Whenever possible these monies should be sent to the Educational Institution and not given to the student. When the monies will be paid the following year, a payable should be recorded at year’s end to show the expenditure and the liability. This code will be used primarily in the Trust Fund (08) with Program Code 960.

899 Miscellaneous Expenditures

Expenditures made for items not otherwise classified.

Other Financing Uses (900)

The purpose of the 900 Series is to facilitate reconciliation of UFARS and audited financial statements. Other financing uses are classified separately on the financial statement and include governmental operating transfers out, the amount of refunding bond proceeds deposited with the escrow agent and bond reclassifications from the general long-term debt account group to a fund liability.

Code Title and Definition**910 Permanent Transfers to other Funds**

Transfers from one fund to another, usually from the General Fund to another fund. These transfers between funds are recorded as expenditures. These expenditures are recorded as an *Other Financing Use* in the financial statements (Minn. Stat. § [123B.79](#)).

920 Bond Refunding Payments

Amount paid to bondholders or placed in escrow in connection with refunding resulting in the redemption or defeasance of debt. These expenditures are recorded as an *Other Financing Use* in the financial statements.

Object Dimension Changes – FY 2019

Additions

Account	Description
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Deletions

Account	Description
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Changes

Account	Description
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307	Contracted Substitutes for Special Education Program (July 2018)
382	Medicaid Reimbursed Services (July 2018)
405	Non-Instructional Software Licensing Agreements (July 2018)
406	Instructional Software Licensing Agreements (July 2018)
466	Instructional Tech Devices (July 2018)

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Chapter 6 – Source Dimension

The source dimension identifies the origin of revenues received ([Minn. Stat. § 123B.75](#)). A specific source code is required for all revenues received and thus "000" may not be used. The finance dimension is used to further classify revenues when their uses are restricted. The source dimension is subdivided into the following series:

Local Revenues	001-099
State Revenues	200-399
Federal Revenues Received through the Minnesota Department of Education and Other State Agencies	400-499
Federal Revenues Received Directly from Federal Sources	500-599
Local Sales, Insurance Recovery and Judgments	601-629
Sale of Bonds and Loans	631-640
Incoming Transfers from Other Funds	649-699

When source account codes are used only with specific funds, the funds are noted in the title of the account. Otherwise, any appropriate fund is to be used.

Other Financing Sources

"Other Financing Sources" are classified separately on the financial statements and include proceeds from the sale of general fixed assets, operating transfers, general long term debt proceeds, and the present value of minimum lease payments arising from capital leases. Different treatment of these transactions necessitates reconciliation between the Uniform Financial Accounting and Reporting Standards (UFARS) system and the annual financial statement. The following codes are included in this category:

Source Code	Description
623	Sale of Real Property
624	Sale of Equipment
631	Sale of Bonds
635	Certificates of Participation
636	Capital Loans
637	Debt Service Loans
639	Proceeds from Other State and Nonstate Loans Received
649	Permanent Transfers from Other Funds
Object Code	Description
589	Lease Transactions/Installment Sales (credit/contra expenditure)

Local Sources (001-099)

Code	Title and Definition
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001 Property Tax Levy (Funds 01, 04, 07 and 47)

Record the revenue from the property tax levies described below. **Note: Exclude any levies described in other source codes.** The levy breakdown by fund may be obtained by review of the Levy Certification Report.

General Fund Levy (Fund 01)

Record revenue from the General Fund Levy. Include the Mobile Home Tax Revenue applicable to the General Fund. Note that capital expenditure levies are now a component of the General Fund Levy.

Community Service Fund Levy (Fund 04)

Record revenues from the Community Service Fund Levy. Include all components of Community Service Levy and the Mobile Home Tax Levy applicable to the Community Service Fund (Minn. Stat. § [124D.20](#)).

Debt Service Levy (Fund 07)

Record revenue from the Debt Service Fund Levy. Include the Mobile Home Tax applicable to the Debt Service Fund (Minn. Stat. § [475.61](#)).

Other Postemployment Benefits (OPEB) Debt Service Fund (Fund 47)

Record revenue from the OPEB Debt Service Fund Levy proceeds.

004 Revenue from Municipalities for Tax Increment Finance (Fund 01)

Record all revenues received from cities or counties for tax increment financing district payments made for referendums, distribution of excess tax increments, and for Neighborhood Revitalization Program tax increments (Minn. Stat. §§ [469.176](#), subd. 2; [469.1831](#), subd. 4; and [469.177](#), subd. 1a).

009 Fiscal Disparities Revenue (Funds 01, 04, 07 and 47)

Record the revenue from the Fiscal Disparities Adjustment. This revenue must be identified with the source code and apportioned to the several funds on the county report (Minn. Stat. § [473F.08](#)).

010 County Apportionment (Fund 01)

Record revenue that the county auditor apportions to school districts at the time of the March and November settlements. State aid is reduced by the total amount received. For districts off the formula, the General Fund Levy limitation may also be reduced (Minn. Stat. § [127A.34](#)).

014 Taconite Property Tax Relief and Supplementary Homestead Property Tax Relief Revenue

Record revenue from the county for Taconite Property Tax Relief and Supplementary Homestead Property Tax Relief. This revenue is to be allocated to all funds having this levy (Minn. Stat. §§ [273.1391](#) and [273.136](#)).

015 Iron Range Resource and Rehabilitation Board Grants (IRRRB)

Record grant revenue received from bonds sold by the IRRRB for the benefit of school districts in the Taconite tax relief area. See Finance Code 346 for the proper accounting of the revenue and expenditures of these funds.

016 Taconite Levy Replacement Revenue

Record revenue from the county that is to replace the levy limitation reduction for the year. This revenue is to be allocated to all funds that have a levy limitation reduction for taconite. Districts receiving bond replacement funds should also use this code to identify these amounts in Fund 7 (Minn. Stat. §§ [298.28](#) and [126C.48](#)).

017 Taconite General Education Aid Replacement Revenue (Fund 01)

Record taconite revenue from the county that is to replace state General Education Aid for the current year in the General Fund. Unmined Taconite Revenue is also included in this amount (Minn. Stat. §§ [298.26](#), [298.28](#) and [298.37](#)).

018 Taconite Referendum Revenue (Fund 01 and Fund 04)

Record revenue from the county for the Taconite Referendum payment on July 15 (Minn. Stat. § [298.28](#)).

019 Miscellaneous Tax Revenues paid by County

Record miscellaneous county tax revenues. This account includes the following revenues pertaining to: confession judgments, Green Acres, public property rental, open space, air space interest, timber interest, mineral interest, state forest land, auxiliary forest, excess transmission lines, mineral royalties, tax forfeited sales, conservation land fund, interest on levy payments, and special levies not recorded elsewhere.

020 Property Tax Shift Recognition Revenue (Computed)

Record by fund the revenue from the property tax levy that is the net shift (the difference between the amount of property tax revenues recognized in accordance with statutory tax shift provisions in the current fiscal year and the amount recognized in the prior fiscal year). If the net shift is negative, the entry will be a debit. The amount recorded with this code should equal, with opposite sign, the amount recorded with Source Code 299, State Aid Adjustments for Property Tax Shift (Minn. Stat. § [123B.75](#)).

Tuition, Fees and Admissions

021 Tuition and Reimbursements from Minnesota School Districts

Districts should record revenue for tuition costs received from other districts for educational purposes for pupils. Also, record revenue received for reimbursements of costs from Minnesota school districts. Revenues must be coded to the proper fund and, when appropriate, coded to other dimensions (organization, program and finance). Reimbursement received for transportation services should be coded with Program Code 760, Pupil Transportation. Tuition for Special Education students should use Program Code 400, General Special Education. See Source Code 405 for proper coding of federal dollars received from other Minnesota school districts.

022 Reimbursement Revenue for Special Education Purchased Services from another District (Fund 01)

Record reimbursement revenue from a Minnesota school district for all the costs of licensed special education teachers, including: salaries and benefits, supplies and equipment, travel, or contracted purchased services that have been sold to another district. The district selling the services must use General Special Education Program Code 400 to show the expenditures as being Special Education in nature but not reimbursable costs to their district. The receiving district must also use Source Code 022 with Program Code 400, General Special Education, to record the revenue reimbursement. The purchasing district must use Finance Code 740 and the proper object code to qualify the purchase costs for inclusion in the special education base revenue and excess cost aid calculations when the object code dictates such inclusion.

031 Tuition from Out-Of-State School Districts

Record revenue for educational purposes received for pupils from out of state school districts which are paying for these services. Revenues must be coded to the proper fund and, when appropriate, coded to other dimensions (organization, program and finance). Tuition received for transportation services should be coded with Program Code 760, Pupil Transportation.

035 Out-of-State Non-school Revenues

Record in the proper funds and programs revenue from out-of-state non-school institutions and nonprofit organizations for various educational purposes. Use other dimensions where appropriate.

040 Tuition from Patrons (Funds 01 and 04)

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

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

050 Fees from Patrons

Record revenue for various charges made to students, parents, or guardians for rental or user fees for items such as musical instruments, physical education equipment, and all other charges permitted by law including transportation and activity or athletic fees (see Minn. Stat. § [123B.34 to 123B.37](#)). Excludes all instructional tuition, admission fees, and revenue from sales. Revenues must be coded to the proper fund and, when appropriate, coded to other dimensions (organization, program and finance). This source code may be used with Program Code 570 – School Age Care for programs beyond the scope of regular school programming.

060 Admission and Student Activity Revenue (Funds 01 and 04)

Record revenue for admissions, gate receipts, and voluntary donations relating to attendance at any event or activity sponsored by and under the control of the school board. This includes athletic events, fine arts performances, and exhibitions. Exclude revenue for any extra-curricular activities not under the control of the school board (Minn. Stat. § [123B.49](#)). Revenues must be coded to the proper fund and, when appropriate, coded to other dimensions (organization, program and finance). See Source code 620 for fund raising activities.

071 Medical Assistance Revenue Received from Minnesota Department of Human Services (Fund 01)

Record revenue received from billing medical assistance for the provisions of IEP services. This revenue is generated from medical assistance billings as special education revenue at the school district level. This revenue will be included in cross-subsidy reports. Exclude this revenue from the calculation of excess cost aid (Minn. Stat. §§ [125A.08](#) and [125A.76](#)).

072 Third Party Revenue Received from Private Insurance Providers (Fund 01)

Record revenue received from billing private insurance providers for the provisions of IEP services. This revenue is generated from third-party billings as special education revenue at the school district level. This revenue will be included in cross-subsidy reports. Exclude this revenue from the calculation of excess cost aid (Minn. Stat. §§ [125A.08](#) and [125A.76](#)).

092 Interest Earnings

Record interest earned from investments in government bonds, treasury certificates, or any other investments authorized by statute. These earnings shall be allocated proportionally to the funds from which the resources were invested.

093 Rent

Record revenue for the rent or lease of school property for any purpose, including the rental of entire buildings or portions thereof. Also, include rent from property being held for future construction.

In districts with outstanding bonds on the rental property, the rent, net of expenses, shall be recorded pursuant to Minnesota Statutes, section [123B.51](#), subdivision 4.

Other Local Revenue

096 Gifts and Bequests

Record revenue from philanthropic foundations, private individuals, private organizations, and other organizations for which no repayment or special service to the contributor is expected. Board acceptance of gifts and bequests is required.

097 Federal In-Kind Match Revenue

Revenue related to a contributed service that creates or enhances nonfinancial assets (for example, volunteer improvements to a capital asset) or a contributed service that 1) requires specialized skills and 2) is provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation (the services of accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers and other professionals and craftsmen). The revenue must equal the related Federal In-Kind Match Expenditures, see Object Code 890.

099 Miscellaneous Revenue from Local Sources

Record revenue received from the fines, special assessments, refunds of prior year's expenditures, and any other miscellaneous revenue items not classified elsewhere (Minn. Stat. § [471.15 to 19](#)). The proceeds from the sale of equipment should be recorded in Source Code 624, Sale of Equipment. Include miscellaneous monies received from the county not recorded elsewhere. See Source Code 019, Miscellaneous County Tax Revenue.

State Sources (200-399)

State sources are payments made by the Minnesota Department of Education (MDE) and other state agencies to local educational agencies. Payment descriptions in italics denote the fund to which the payment should be credited, the source code number, the payment description, and the fiscal year for which the payment is made.

Code	Title and Definition
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201	Endowment Fund Apportionment (Fund 01)
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Record the September and March apportionment of the School Endowment Fund (Minn. Stat. § 127A.33).

<i>Payment Description – 01S201 ENDOWMENT FY</i>
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211	General Education Aid (Fund 01)
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According to Minnesota Statutes, section 126C.13, subdivision 4, General Education Aid is the sum of the following amounts for fiscal year 2015 and later:
--

- | |
|--|
| <ol style="list-style-type: none"> General education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue, minus the student achievement levy, multiplied |
|--|

- times the ratio of the actual amount of student achievement levy levied to the permitted student achievement levy; plus
2. Operating capital aid under section 126C.10, subdivision 13b;
 3. Equity aid under section 126C.10, subdivision 30; plus
 4. Transition aid under section 126C.10, subdivision 33; plus
 5. Shared time aid under section 126C.01, subdivision 7 (see Source Code 213 to record state revenue received for shared time students); plus
 6. Referendum aid under section 126.17, subdivisions 7 and 7a; plus
 7. Online learning aid according to section 124D.096; plus
 8. Local optional aid according to section 126C.10, subdivision 2d, paragraph (d).

The following components of General Education Revenue included in this code are restricted by statute for specific purposes and must be identified by finance code:

Operating Capital	Finance Code 302
Basic Skills for Extended Time	Finance Code 309
Staff Development	Finance Code 316
Basic Skills	Finance Code 317
Learning and Development	Finance Code 330
Gifted and Talented	Finance Code 388

Payment Description – 01S211 GEN ED AID FY

212 Literacy Incentive Aid (Fund 01)

Record state revenue for literacy incentive aid available to districts and charter schools. Requires a district to submit its local literacy plan to the commissioner as authorized in Minnesota Statutes, section [120B.12, subdivision 4\(a\)](#). Submission of the plan is a condition of receiving proficiency and growth aid (Minn. Stat. § [124D.98](#)). The plan must be consistent with Minnesota Statutes, section 122A.06, subdivision 4. Use Finance Code 000.

Payment Description – 01S212 LITERACY INCENT FY

213 Shared Time Aid (Fund 01)

Record Shared Time General Education Aid. Shared time represents state revenue received for students who attend both public and nonpublic school. State aid is based on the percentage of student time while attending the public school (Minn. Stat. § [126C.19](#)).

Payment Description – 01S213 SHARE TIME FY

227 Abatement Aid

Record the amount of Abatement Aid. This aid is to be recognized in the fiscal year in which it is received (Minn. Stat. § [127A.49](#)).

Payment Description – XXS227 ABATEMENT FY

229 Disparity Reduction Aid

Record state payments for Disparity Reduction Aid (Minn. Stat. § [273.1398](#), subd. 3).

Payment Description – XXS229 DSPRED AID FY

234 Agricultural Market Value Credit

Record revenue 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

235 Private Alternative Programs Aid (Fund 01)

Record aid for private alternative programs. Districts receive separate Basic General Education Revenue for students enrolled in contracted private alternative programs (Minn. Stat. § [124D.69](#)).

Payment Description – 01S235 PRIV ALT FY

258 Other State Credits and Exempt Property Reimbursements

Record in the proper fund other aids received for the replacement of local taxes. These credits currently include those for Agricultural Preserve, Disaster Credit, Border City Disparity Credit, School Building Bond Agricultural Credit, Supplementary Homestead Property Tax Relief and Mobile Home Credits.

Payment Description – XXS258 FY

296 Property Tax Shift Offset Adjustment

When tax receipts are not adequate to cover the property tax shift and unearned general education revenue needs to be recognized (Balance Sheet Code 214), an entry to Source Code 296 may be necessary to keep the general education revenue recognized early (using Source Code 211) equal to the Balance Sheet Code 214.

298 Levy Equity Adjustment

Record by fund the amount by which district state aid payments have been reduced for school districts "off-the-formula." If additional payments to the state are required to fulfill the total amount of levy equity, these amounts will also be debited to this Source Code. The gross payment of General Education Aid is to be recorded in Source Code 211, General Education Aid (Minn. Stat. § 126C.10).

Payment Description – N/A

299 State Aid Adjustments for Property Tax Shift

Record the adjustments to state aid resulting from the property tax shift. The state aid adjustment amounts may represent either an increase or decrease to state aid payments. If a payment is made, the amount is recorded in the General Fund. If there is a negative adjustment, the amounts are

recorded in the appropriate fund. The amounts in this code should equal, with opposite sign, Source Code 20, Property Tax Shift Recognition (Minn. Stat. § [123B.75](#)).

Payment or Adjustment Description – XXS299 TX SHF AID FY

300 State Aids Received from MDE for which a Finance Code is Specified

Record state aid revenues, which have only the finance dimension, identified on the payment description. This source code is used only when a state finance code is required. See Source Code 370 when a finance code has not been assigned to the revenue.

Payment Description – XXFXXX XXX FY

301 Nonpublic Aid (Fund 04)

Record revenue for Nonpublic Aid in the Community Service Fund (Minn. Stat § [123B.44, subd. 2](#)). These funds are for restricted purposes. Revenues and expenditures must be coded to one of the following finance codes:

Aid to Nonpublic Pupils – Health Services	Finance Code 350
Aid to Nonpublic Pupils – Textbooks and Tests	Finance Code 351
Aid to Nonpublic Pupils – Guidance and Counseling	Finance Code 353

Payment Description – 04S301 NONPUBLIC FY

306 Refund of an Overpayment of State Aids/Grants (contra-revenue account)

Record payments made to the Minnesota Department of Education for overpayment of state aids/grants. Use the appropriate course code (Codes 001 through 010) to reflect the state fiscal year that the aid entitlement was earned or grant was awarded – not the state fiscal year that the refund was paid in. Use the appropriate finance code when applicable.

307 Health and Safety Aid (Fund 01)

Enter revenue for Health and Safety Aid in the General Fund (Minn. Stat. § [123B.57](#)). These funds are for restricted purposes and expenditures must be coded to one of the following finance codes:

Physical Hazards	Finance Code 347
Other Hazardous Materials	Finance Code 349
Environmental Health and Safety Management	Finance Code 352
Asbestos Removal and Encapsulation	Finance Code 358
Fire Safety	Finance Code 363
Indoor Air Quality	Finance Code 366

Payment Description – 01S307 HTH & SAF FY

308 Telecommunications/Internet Access Equity Aid (Fund 01)

Record revenue for ITV in the General Fund (Minn. Stat. § [125B.26](#)).

Payment Description – 01S308 CAP ITV AID FY

309 Debt Service Equalization Aid (Fund 07)

Record the amount of Debt Service Aid in the Debt Service Fund (Minn. Stat. § [123B.53, subd. 6](#)).

Payment Description – 07S309 DEBT SERV FY

317 Long Term Facilities Maintenance (LTFM) State Aid (Fund 01 and 07)

Enter revenue for LTFM Aid in the General Fund and Debt Service. These funds are for restricted purposes and expenditures must be coded to one of the following Finance Codes: 347, 349, 352, 355, 358, 363, 366, 367, 368, 369, 370, 379, 380, 381, 382, 383 and 384.

Payment Description – XXS317 LTFM AID FY

360 State Aid for Special Education (Fund 01)

Record revenue received as State Aid for Special Education programs and activities. State Special Education Aid includes calculations for:

Special Education Aid Formula (Minn. Stat. § [125A.76](#)),
Excess Cost Formula (Minn. Stat. § [125A.79](#)),
Transition-Disabled Formula (Minn. Stat. § [124D.454](#)),
Special Education Bus Depreciation Initial Aid (Minn. Stat. § [123B.92](#)),
Special Education Tuition adjustments are also included in State Special Education Aid

Consult your district's Special Education Aid Entitlement Report for the correct revenue calculated by the various formulas and the Net Prorated Special Education Aid Entitlement due to you district.

Payment Description – 01S360 XXX FY

369 Other Revenue from other State Agencies

Record state revenue received from state agencies other than MDE not defined above.

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 XXX FY

397 TRA and PERA Special Funding Situations Revenue

Record the support received from the State of Minnesota (as a nonemployer contributing entity) for TRA special funding situation per GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. See Object Code 891 for TRA Special Funding Situations Pension Expense.

Federal Aids Received Through Minnesota Department of Education and Other Agencies (400-499)**Code Title and Definition****400 Federal Aids Received through MDE (Except as Noted for Food and Nutrition)**

Record revenue from federal aids received through MDE for revenue programs defined in the 400 and 800 series of the finance dimension, including Finance Code 499 – Miscellaneous Federal Revenue through MDE. Nutrition programs in Finance Codes 701 through 709 are to use the appropriate Source Codes 471-476 and 479.

Payment Description – XXFXXX XXX 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 MDE. 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

406 Refund of an Overpayment of Federal Aids/Grants (contra-revenue account)

Record payments made to MDE for overpayment of federal funds.

For transactions not reflected in the State Educational Record View and Submission (SERVS) system, use the appropriate course code (Codes 001 through 010) to reflect the state fiscal year that the federal award was granted, not the state fiscal year that the refund was paid in. Use the appropriate finance code.

For transactions that are reflected in the SERVS system, use the appropriate course code (Codes 000, 011, 012, 013, 014 and 015) to reflect the appropriate federal award year of the funds, not the state fiscal year that the refund was paid in. Use the appropriate finance code.

Interest payments resulting from the overpayment of federal funds and paid to the Minnesota Department of Education should be recorded in Object Code 896 – Taxes, Special Assessments and Interest Penalties.

471 School Lunch Program (Fund 02-Finance Codes 701, 702, 706; Fund 04-Finance Code 702)

Record revenue from federal School Lunch Program Aid pursuant to the National School Lunch Act and the Child Nutrition Act. Use with Finance Code 701, National School Lunch Program (Public Law (P.L.) 105-336; Catalog of Federal Domestic Assistance Number (CFDA No.) 10.555), Finance Code 702, After-School Snack Program, and Finance Code 706, Fresh Fruit and Vegetable Grant Program.

Payment Description – N/A

472 Special Assistance - Needy Child Program (Fund 02)

Record revenue from the federal Free and Reduced-Price Lunch Program, which is paid in addition to the basic aid of Source Code 471. Use with Finance Code 701, National School Lunch Program (P.L. 105-336; CFDA No. 10.555).

Payment Description – N/A

473 Commodity Cash Rebate Program (Fund 02)

Record the cash rebate payment received from the Food and Nutrition Service of the Minnesota Department of Education for the value of the U.S. Department of Agriculture (USDA) commodities contained in approved commercial products purchased by the district.

Payment Description – 02S473 COMMODITY CASH FY

474 Commodity Distribution Program (Fund 02)

Record as revenue the value of USDA donated commodities established by the latest revision of the "Standardized Commodity Costs" provided by the Child Nutrition Section of the Minnesota Department of Education. Use with Finance Codes 701-709 and the appropriate balance sheet code (P.L. 105-336; CFDA No. 10.555).

Payment Description – N/A

475 Special Milk Program (Fund 02 and/or 04)

Record federal revenue earned from the Special Milk Program. Use with Finance Code 703, Special Milk (P.L. 105-336; CFDA No. 10.556).

Payment Description – N/A

476 School Breakfast Program (Fund 02)

Record federal revenue from the School Breakfast Program. Use with Finance Code 705, Breakfast (P.L. 105-336; CFDA No. 10.553).

Payment Description – N/A

477 Cash In Lieu of Commodities (Fund 02 and/or 04)

Record revenue received in lieu of commodities distributed through the Commodity Distribution Program. Use with Finance Code 469 (P.L. 105-336; CFDA No. 10.558).

Payment Description – N/A

479 Summer Food Service Program (Fund 02 and/or 04)

Record federal revenue earned from the Summer Food Service Program. Use with Finance Code 709, Summer Food Service Program for Children (P.L. 105-336; CFDA No. 10.559).

Payment Description – N/A

495 Special Education Contract Placement General Education Deduction (contra-revenue account)

Record the amount of the general education revenue earned for the time a special education student is placed outside of the serving district.

Federal Aid Received Directly From Federal Sources (500-599)**Code Title and Definition****500 Federal Aid Received Directly from Federal Sources for which a Finance Code is Specified**

Record all revenue received directly from federal sources when a unique finance code or Finance Code 599 – Miscellaneous Direct Federal Revenue is required. Do not use to record Impact Aid (Source Code 506).

506 Impact Aid (Fund 01)

Record revenue from Federal Impact Aid received directly from federal sources to provide revenue to substitute for lost property tax revenues (CFDA No. 84.041, Elementary and Secondary Education Act, Title VII, Section 8003).

Sales and Insurance Recovery (601-630)**Code Title and Definition****601 Food Service Sales to Pupils (Fund 02)**

Record revenue generated from sales of food, milk, etc., to pupils. Use with Finance Codes 701-709.

606 Food Service Sales to Adults (Fund 02)

Record revenue related to the school lunch program generated from sales of food, milk, etc., to adults. Use with Finance Codes 701-709.

608 Special Function Food Sales (Fund 02 and/or 04)**(Fund 02)**

Record revenue generated from food services provided for school-related meetings and lunch functions not related to the National School Lunch Program.

(Fund 04)

Record revenue generated from all food service sales of breakfasts, lunches, dinners, and snacks for senior citizens and other social service programs not related to school lunch programs.

614 Contributions to Postemployment Benefits Trust

Record contributions made by the district to the post-employment benefits trust fund. Contributions can be made to either Fund 25—Revocable Post-Employment Trust Fund or Fund 45—Irrevocable Post-employment Trust Fund.

615 Contributions for Postemployment Benefits (Fund 20)

Record contributions made by the district for postemployment benefits not held in a trust fund or reserve. Total contributions made to the internal service fund should not exceed the Unfunded Actuarial Accrued Liability (UAAL). OPEB bond proceeds must be held in a reserve fund or trust account and may not be held in Fund 20.

616 Retiree Contributions to Postemployment Benefits Trust (Fund 20, 25 or 45)

Record retiree's share of postemployment benefits costs.

619 Cost of Materials for Revenue-Producing Activities (Contra Revenue)

Record the cost of the materials that were purchased for the purpose of (a) producing an object for sale or (b) for reselling of the material at a profit.

- | | |
|-------------|--|
| Example (a) | building a house, an art work, or a storage shed |
| Example (b) | fundraising by selling candy |
| | concession stands |
| | school stores |
| | vending machines |

620 Sales of Materials from Revenue-Producing Activities

Record the revenue generated from the sale of goods and services (see examples of sales in Source Code 619 above) under the control of the board of education. Exclude as revenue any sales taxes collected applicable to such sales. Sales taxes are held until paid in the Balance Sheet Account 212, Due to Other Governmental Units.

621 Sale of Materials Purchased for Resale (Net of Tax) (Fund 01 and/or 04)

Record net revenue from sales of materials and supplies to pupils including lumber sold to industrial arts classes, supplies sold to family living classes, and any other materials sold which were originally purchased for resale to pupils. Exclude as revenue any sales taxes collected applicable to such sales. Sales taxes are held until paid in the Balance Sheet Account 212, Due to Other Governmental Units.

622 Sale of Materials (Net of Tax)

Record net revenue from sales of materials and supplies from inventories not purchased for resale. Exclude sales of materials purchased for resale and any sales taxes collected applicable to such sales (see Source Code 621).

623 Sale of Real Property (Fund 01 and/or 07)

Record proceeds from the sale or exchange of school buildings or real property of a school. This amount is recorded as an *Other Financing Source* in the financial statements (Minn. Stat. § [123B.51](#), subd. 6).

624 Sale of Equipment

Record proceeds from the sale of equipment. This amount is recorded as an *Other Financing Source* in the financial statements.

625 Insurance Recovery

Record revenue from insurance recoveries for losses of school property. These revenues must be recorded in the fund that incurred the loss. Districts must identify insurance receipts for the repair of school buses involved in accidents or to replace stolen garage supplies with Finance Code 720, Regular To-and-From School. School buses declared total losses should use Finance Code 000, Districtwide. This code includes FEMA (Federal Emergency Management Agency) proceeds not related to Health and Safety projects.

Note: Include former Source Code 626, Insurance Recovery on Pupil Transportation Vehicles

628 Judgments for the School District

Record non-recurring funds received as a result of class action suits/litigation settlements.

629 Health and Safety Other Revenue

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

Sale of Bonds and Loans (631-640)

Code	Title and Definition
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631	Sale of Bonds (Fund 01, 02, 04, 06 or 07)
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Record proceeds received from the sale of bonds for funding the OPEB liability in the Operating Funds (01, 02 and 04). These bond proceeds may be transferred to the Revocable Fund (25) or the Irrevocable Fund (45). Record proceeds from the sale of bonds for capital projects or Long-Term Facilities Maintenance in the Building Construction Fund (06) and from the sale of bonds for the purpose of refunding debt in the Debt Service Fund (07) (Minn. Stat. § [475.60](#)). This amount is recorded as *other financing source* in the financial statements.

635	Certificates of Participation (Lease-Purchase Agreement)
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Record proceeds received from Certificates of Participation. This amount is recorded as *other financing source* in the financial statements.

636	Capital Loans (Fund 06)
------------	--------------------------------

Record proceeds received from Capital Loans (Minn. Stat. § [126C.69](#)). This amount is recorded as an *Other Financing Source* in the financial statements.

Note: Only a limited number of schools qualify under this statute and are allowed to use this code.

637	Debt Service Loans (Fund 07)
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Record proceeds received from Debt Service Loans (Minn. Stat. § [126C.68](#)). This amount is recorded as an *Other Financing Source* in the financial statements.

Note: Only a limited number of schools qualify under this statute and are allowed to use this code.

639	Proceeds from other State and Non-state Loans Received (Fund 01)
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Record proceeds received from other loans not classified in the above codes. This amount is recorded as an *Other Financing Source* in the financial statements.

Incoming Transfers

649	Permanent Transfers from Other Funds
------------	---

Record board-approved operating transfers pursuant to [Minnesota Statutes, section 123B.79](#). For amounts received by one fund from another fund. This amount is recorded as an *Other Financing Source* in the financial statements.

Source Dimension Changes – FY 2019

Additions

Account	Description
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Deletions

Account	Description
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Changes

Account	Description
258	Other State Credits and Exempt Property Reimbursements (July 2018)
474	Commodity Distribution Program (July 2018)

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Chapter 7 – Course Dimension

The course code dimension is that segment of the Uniform Financial Accounting and Reporting Standards (UFARS) account code which makes it possible to further describe or identify an activity within another dimension to achieve more detailed information. The course code was originally designed for school district's local use. There are currently several uses:

1. Crosswalks – Example: a district may wish to modify Program Codes 294 and 296 – Boys' Athletics and Girls' Athletics – to designate various sports. In most cases, local codes are to be cross-walked to Course Code 000.
2. Alternative facilities projects – Course codes are used to track alternative facility projects approved by the Minnesota Department of Education (MDE) that cross fiscal years.
3. Federal program set-asides – Use with certain federal finance codes that already have a program, finance and object code designation.
4. Keeping track of fiscal years – Used to designate revenues and expenditures that are carryovers from previous years.

Course Dimension Codes for Designated Years

Code	Title and Definition
------	----------------------

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 2019 equals the "current" federal award year (2018). The current federal award year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).
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001	Projects That End During the Fiscal Year (FY) that ends with "1" (20x1)
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002	Projects That End During the FY that ends with "2" (20x2)
------------	--

003	Projects That End During the FY that ends with "3" (20x3)
------------	--

004	Projects That End During the FY that ends with "4" (20x4)
------------	--

005	Projects That End During the FY that ends with "5" (20x5)
------------	--

006 Projects That End During the FY that ends with “6” (20x6)**007 Projects That End During the FY that ends with “7” (20x7)****008 Projects That End During the FY that ends with “8” (20x8)****009 Projects That End During the FY that ends with “9” (20x9)****010 Projects That End During the FY that ends with “0” (20x0)****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, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

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, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

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, 2015, is the calendar year when the federal award was initially awarded (October 1, 2015 to September 30, 2016, forward-funded back to July 1, 2015).

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, 2014, is the calendar year when the federal award was initially awarded (October 1, 2014 to September 30, 2015, forward-funded back to July 1, 2014).

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, 2013, is the calendar year when the federal award was initially awarded (October 1, 2013 to September 30, 2014, forward-funded back to July 1, 2013).

619 Intermediate Districts (Non-reimbursable Special Education Expenditures)

Intermediate districts will use this code to record non-reimbursable special education expenditures that do not receive federal funds.

Note: This code continues to be available for alternative facilities projects.

620 Compensatory and Q-Comp Revenue Used for Individuals with Disabilities Education Act Birth through Age 2 (B-2)

To record expenditures of compensatory aid for birth through 2 (B-2) students receiving special education services. Use with Finance Code 317.

To record expenditures of Quality Compensation (Q-Comp) aid and levy for birth through 2 (B-2) students receiving special education services. Use with Finance Code 335.

These code combinations are necessary for the special education Maintenance of Effort (MOE) calculation.

621 Highly Qualified Staff (Second Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program and object code designation. Also, identify set-aside funds to ensure that staff members in core academic subject areas meet the highly qualified provisions. 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. The second prior year federal award year, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

622 Local Educational Agencies (LEA) Level Activities (Second Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation and must also identify set-aside funds for activities that are conducted by the district for all Title I schools. Use this code for expenditures for federal funds awarded two years prior to the current state fiscal year. The second prior year federal award year, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

623 Neglected (Second Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for comparable services to neglected students. Use this code for expenditures for federal funds awarded two years prior to the current state fiscal year. The second prior year federal award year, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

624 Homeless (Second Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for comparable services to homeless/highly mobile children, regardless of school attendance area. Use this code for expenditures for federal funds awarded two years prior to the current state fiscal year. The second prior year federal award year, 2016, is the

calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

625 Parent Involvement (Second Prior 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 or spent on parental involvement activities. Use this code for expenditures for federal funds awarded two years prior to the current state fiscal year. The second prior year federal award year, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

626 School Choice and Supplemental Educational Services (Second Prior 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 choice and supplemental education services. Use this code for expenditures for federal funds awarded two years prior to the current state fiscal year. The second prior year federal award year, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

627 Highly Qualified Staff (Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds to ensure that staff members in core academic subject areas meet the highly qualified provisions. Use this code for expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

628 LEA Level Activities (Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for activities that are conducted by the district for all Title I schools. Use this code for expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

629 Neglected (Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for comparable services to neglected students. Use this code for expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

630 Homeless (Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for comparable services to homeless/highly mobile children, regardless of school attendance area. Use this code for expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

631 Parent Involvement (Prior 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 or spent on parental involvement activities. Use this code for expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

632 School Choice and Supplemental Educational Services (Prior 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 choice and supplemental education services. Use this code for expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

633 Special Education 50 Percent Maintenance of Effort Reduction (Current Year Federal Award)

LEAs meeting certain eligibility criteria are given flexibility to reduce state and local effort for special education and related services by not more than 50 percent of the increase in the LEA's allocation under the Individuals with Disabilities Education Act (IDEA), Part B, Section 611, over the prior fiscal year. Use this code in combination with Finance Code 000 to track the state and local expenditures for activities allowable under the Elementary and Secondary Education Act (ESEA) that otherwise would have been used for special education. For FY 2019 and later, the 50 percent MOE reduction will be handled on a district by district basis.

634 Highly Qualified Staff (Current Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds to ensure that staff members in core academic subject areas meet the highly qualified provisions. 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 2019 equals the "current" federal award year (2018). The current federal award

year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

635 LEA Level Activities (Current Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for activities that are conducted by the district for all Title I schools. 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 2019 equals the “current” federal award year (2018). The current federal award year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

636 Neglected (Current Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for comparable services to neglected students. 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 2019 equals the “current” federal award year (2018). The current federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

637 Homeless (Current Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify set-aside funds for comparable services to homeless/highly mobile children, regardless of school attendance area. 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 2019 equals the “current” federal award year (2018). The current federal award year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

638 Parent Involvement (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 or spent on parental involvement activities. 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 2019 equals the “current” federal award year (2018). The current federal award year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

639 School Choice and Supplemental Educational Services (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 choice and supplemental education services. 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 2019 equals the “current” federal award year (2018). The current federal award year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

640 Professional Development (Current Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify staff development costs. 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 2019 equals the “current” federal award year (2018). The current federal award year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

641 Professional Development (Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify staff development costs. Use this code for expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

642 Professional Development (Second Prior Year Federal Award)

Use only with federal finance codes to track expenditures that have a program, finance and object code designation. Also, identify staff development costs. Use this code for expenditures for federal funds awarded two years prior to the current state fiscal year. The second prior year federal award, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

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 2019 equals the “current” federal award year (2018). The current federal award year, 2018, is the calendar year when the federal award was initially awarded (October 1, 2018 to September 30, 2019, forward-funded back to July 1, 2018).

668 School Improvement Implementation Set-Aside (Prior 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 for expenditures for federal funds awarded a year prior to the current state fiscal year. State fiscal year 2018 equals the “current” federal award year (2017). The current federal award year, 2017, is the calendar year when the federal award was initially awarded (October 1, 2017 to September 30, 2018, forward-funded back to July 1, 2017).

669 School Improvement Implementation Set-Aside (Second Prior 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 for expenditures for federal funds awarded two years prior to the current state fiscal year. State fiscal year 2017 equals the “current” federal award year (2016). The current federal award year, 2016, is the calendar year when the federal award was initially awarded (October 1, 2016 to September 30, 2017, forward-funded back to July 1, 2016).

016-619, 643-666, 670-999

Long-Term Facilities Maintenance (LTFM) Projects

The course dimension code is used to track LTFM project expenditures authorized under Minnesota Statutes, section [123B.595](#), subdivision 12. The course code is optional beginning with FY 2017.

The process involves identification by the district of a course code when the project is entered for approval. Since many projects are not completed within a fiscal year, this course code will continue to identify the project across fiscal years. The district is able to track the changing costs of a project through multiple fiscal years and application years by means of the Alternative Facilities (revised) website, in a unit record format.

900 Series of Course Codes

During FY 2003, the *Manual on Activity Accounting (MAFA)* was implemented. It contained a suggestion on the use of the 900 series of course codes for student activities. See *Chapter 14*. **The use of these codes (900s) is not a requirement for districts. It was only a sample of a UFARS-based tracking mechanism for student activities.**

Course Dimension Changes – FY 2019

Additions

Account	Description
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Deletions

Account	Description
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Changes

Account	Description
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000	Non-Federal Projects that End During the Current Year or Current Federal Awards (July 2018)
011	Prior Year Federal Awards (July 2018)
012	Second Prior Year Federal Awards (July 20182018)
013	Third Prior Year Federal Awards (July 2018)
014	Fourth Prior Year Federal Awards (July 2018)
015	Fifth Prior Year Federal Awards (July 2018)
016-619, 643-666, 670-999	Long-Term Facilities Maintenance (LTFM) Projects (July 2018)
621	Highly Qualified Staff (Second Prior Year Federal Award) (July 2018)
622	LEA Level Activities (Second Prior Year Federal Award) (July 2018)
623	Neglected (Second Prior Year Federal Award) (July 2018)
624	Homeless (Second Prior Year Federal Award) (July 2018)
625	Parent Involvement (Second Prior Year Federal Award) (July 2018)
626	School Choice and Supplemental Educational Services (Second Prior Year Federal Award) (July 2018)
627	Highly Qualified Staff (Prior Year Federal Award) (July 2018)
628	LEA Level Activities (Prior Year Federal Award) (July 2018)
629	Neglected (Prior Year Federal Award) (July 2018)
630	Homeless (Prior Year Federal Award) (July 2018)
631	Parent Involvement (Prior Year Federal Award) (July 2018)
632	School Choice and Supplemental Educational Services (Prior Year Federal Award) (July 2018)
633	Special Education 50 Percent Maintenance of Effort Reduction (Current Year Federal Award (July 2018)
634	Highly Qualified Staff (Current Year Federal Award) (July 2018)
635	LEA Level Activities (Current Year Federal Award) (July 2018)
636	Neglected (Current Year Federal Award) (July 2018)
637	Homeless (Current Year Federal Award) (July 2018)
638	Parent Involvement (Current Year Federal Award) (July 2018)
639	School Choice and Supplemental Educational Services (Current Year Federal Award) (July 2018)
640	Professional Development (Current Year Federal Award) (July 2018)
641	Professional Development (Prior Year Federal Award) (July 2018)
642	Professional Development (Second Prior Year Federal Award) (July 2018)
667	School Improvement Implementation Set-Aside (Current Year) (July 2018)
668	School Improvement Implementation Set-Aside (Prior Year Federal Award) (July 2018)
669	School Improvement Implementation Set-Aside (Second Prior Year Federal Award) (July 2018)

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Chapter 8 – Balance Sheet Accounts

Introduction

A balance sheet is a financial statement that reports the assets, liabilities, and fund balances of a district. It exhibits the financial position of the district at a specified date. This differs from revenue and expenditure reporting that describes the flow of resources during a period of time which impact the net worth of the district.

Balance sheet accounts are meaningful in understanding the financial status of each fund and the resources of the district as a whole. Some of the accounts may be used in any fund. Any fund may have cash, receivables (money owed to the fund), or payables (money owed by the fund) that together provide a means by which a fund balance may be calculated.

However, not all of the accounts are appropriate to all of the funds because of the specific nature of the activity allowed in each fund.

Generally Accepted Accounting Principles (GAAP) are used in the application of the Uniform Financial Accounting and Reporting Standards (UFARS) unless they conflict with state law. A basic rule of GAAP is that assets equal liabilities plus fund balance. Governmental funds are termed self-balancing, since each fund's assets minus its liabilities must equal its fund balance. To accomplish this, each entry that increases or decreases an asset, liability, or fund balance account will be offset by a corresponding entry to another account within the same fund. This is known as double entry accounting.

The amounts stated in the current asset, current liability and fund balance accounts are required to show the net worth of the Local Educational Agency (LEA). For a full depiction of the financial condition of the LEA, two additional account groups are used. The General Fixed Asset Account Group represents historical dollars spent for land, buildings and equipment. The General Long-Term Debt Account Group represents the long-term liabilities of the district, such as bonds payable, severance pay, or vacation pay.

When balance sheet accounts may be used with only specific funds, the funds are noted in the title. Otherwise, any appropriate fund is to be used.

Due to its use of the full accrual method of accounting, an internal service fund may use all of the balance sheet codes listed. Included are codes previously reserved for the General Fixed Asset Account Group (98) and the General Long Term Debt Account Group (99).

The Balance Sheet Dimension has the following categories:

Asset Accounts:

Current Asset Accounts (Funds 01-09 and 20)	101-139
General Fixed Asset Account Group (Fund 20 and Account Group 98)	140-149, 171-174

General Long-Term Debt Account Group (Account Group 99)	150-162
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Liability Accounts:

Current Liability Accounts (Funds 01-09, and 20)	201-235
Long-Term Liabilities (Fund 20 and Account Group 99)	250-262

Fund Balance Accounts:

Nonspendable	460
Restricted/Reserved	403-417, 424-428, 431-453, 459, 467-476
Restricted	464
Committed	418, 461
Assigned	462
Unassigned	422, 463

Investment in General Fixed Assets:

(General Fixed Asset Account Group 98 only)	430
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Asset Accounts (100)

Assets are defined as the resources owned or held by a school district. Since each fund has its own asset accounts, every account must include a fund number to identify which fund is to be affected.

Current Asset Accounts (101-139)**Code Title and Definition****101 Cash and Cash Equivalents**

Cash includes currency on hand and demand deposits (checking accounts and liquid savings accounts) deposited with board-approved banks or other financial institutions. Petty cash, change funds and travel advance funds are to be included as cash on hand. An investment which, when acquired, matures in three months or less may be considered to be a cash equivalent. Depository institutions must be selected in compliance with [Minnesota Statutes, section 118A](#).

103 Cash with Fiscal Agent

Represents deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest. An example that would utilize this account would be an advance repurchase agreement.

104 Investments

Represents purchases of securities held for the production of revenues. The value of investments in this account should be the purchase price when the investment is purchased. For securities that have been

sold, this account should be reduced by only the amount of the initial investment. Districts may invest only in authorized securities that include commercial certificates of deposit or obligations of governmental units (Minn. Stat. § [136F.91](#)).

110 Current Property Taxes Receivable

Represents current real and personal property tax levies which were certified the previous October and are payable in the current calendar year. Current taxes receivable equals the current spread tax levy that is the net of state or county adjustments. The spread tax levy is calculated according to the *School Tax Report* (ED-00119-XX):

	The certified levy (positive)
+	County auditor adjustments (negative or positive)
+	Fiscal disparity adjustments (negative)
+	Homestead Agriculture Credit Aid (HACA) adjustments (negative)
+	<u>Disparity aid adjustments (negative)</u>
=	Current Property Taxes Receivable

The current property taxes receivable account should be reduced for current property taxes received prior to year-end for county auditor tax settlements received in May and June. The net amount in this account will be carried on the year-end books for current property taxes receivable.

111 Delinquent Property Taxes Receivable

Represents taxes payable in the prior six calendar years that have not been received by the school district. A district should verify its records of delinquent taxes receivable by fund against the information supplied by the local county auditor.

115 Other Accounts Receivable

Represents amounts received from individuals, firms or corporations for goods and services furnished by the district. Exclude any receivables listed in a separate account in this series.

116 Interest Receivable

Represents the amount of interest earned but not received from outstanding investments or interest-bearing cash deposits.

118 Due from other Funds

Represents amounts due from one fund to another fund in the district for goods sold, services rendered or short-term borrowing. This account includes only short-term obligations and not long-term loans. For a reporting unit, the sum total of all 118 Due from Other Funds accounts equals the sum total in all funds of Balance Sheet Code 205, Due to Other Funds.

120 Due from other Minnesota School Districts

Represents amounts due from other school districts and joint power organizations. This includes tuition, transportation costs, reimbursable expenditures and other interdistrict agreements earned but not received.

121 Due from Minnesota Department of Education

Represents amounts due and unpaid from the Minnesota Department of Education (MDE). At fiscal year-end, this account would include any estimated final aid payments. It is recommended that subaccounts be maintained locally for the individual aid categories.

122 Due from Federal Government through the Minnesota Department of Education

Represents amounts due from federal sources and unpaid by MDE. Includes only aids where the district has incurred eligible expenditures but has not yet been reimbursed.

123 Due from Federal Government Received Directly

Represents amounts due from federal sources and unpaid by the federal government. Includes aids where the district has incurred eligible expenditures but has not yet been reimbursed.

125 Due from other Governmental Units

Represents amounts due and unpaid from other governmental units. Includes uncollected revenues from all governmental units (e.g., county, another state) except those specifically listed above.

129 Commodities (Fund 02)

Represents the value of commodities donated by the U.S. Department of Agriculture and food purchased with cash-in-lieu-of commodities. The value of USDA donated commodities is computed from the "standardized commodities costs" provided by the Child Nutrition Section, MDE. The inventory value must be supported by an annual physical count. Commodities are not recognized as revenue until they are used; see Balance Sheet Code 230, Deferred Revenue.

130 Inventory

Represents amounts of supplies, textbooks, food and other items being stored for future use. The district shall use the consumption method for inventory reporting. The costs of land, buildings, and equipment are not included in the inventory account but rather are included in the General Fixed Asset Group of Accounts.

131 Prepaid Expenditures and Deposits

Represents advanced payment amounts for goods and services not yet received. This account represents the unexpired value of prepaid and deposit items. This account includes prepaid items such as rent, insurance and fuel oil. It also includes deposits of items such as funds deposited by districts as a prerequisite to receiving goods or services. If a district does not maintain central stores and expends supply items as purchased, this account may include purchases paid for at fiscal year-end and clearly identified to next year's budget.

139 Lease Receivable

Represents the amount to be received from a direct financing lease in succeeding fiscal years. This amount should also be accounted for in the Fund Balance Liability Code 230, Deferred Revenue.

General Fixed Asset Account Group (140 149)

This account group comprises a self-balancing group of accounts set up to account for the general fixed assets of a school district. It is not associated with any particular fund, except for Fund 20, Internal Service Fund. To comply with Generally Accepted Accounting Principles (GAAP), fixed assets (e.g., land or buildings) are recorded at historical cost (i.e., the original price). In instances where reliable historical cost figures are not available, a district may use an alternative method to approximate the historical cost. Donated assets are recorded at estimated fair value at the date of donation.

Code Title and Definition**140 Land**

Represents the cost of land owned by the district. This account includes the purchase price and costs such as legal fees, filling and excavation costs or any other costs that put the land in condition for its intended use. This account also includes land acquired by gift. Use the appraised value of the donated property at time of acquisition.

141 Land Improvements

Represents the cost of permanent improvements, other than buildings, which add value to land. This account includes improvements as landscaping, fences, retaining walls, parking lots, sidewalks and pavements. It also includes special assessment charges for permanent improvements.

142 Buildings

Represents the cost of permanent structures used to house staff, students and property that is owned by the district. This account includes the purchase or contract price of all permanent buildings and fixtures forming a permanent part of such buildings. It also includes the appraised value of buildings acquired by gift. This account also includes the cost of heating systems and related fuel storage tanks, air

conditioning, ventilation, electrical, plumbing, fire protection, and other building service systems, built in equipment, carpeting and draperies.

143 Equipment

Represents the cost of tangible property of a durable nature other than land, land improvements and buildings. Equipment includes machinery, tools, fully depreciated or noneligible pupil transportation vehicles, trucks, cars, furniture and fixtures. A distinction should be made between supplies and equipment in accordance with GAAP. Supplies are defined as those items that have a lesser value and are expendable or are consumed in use. Equipment items are tangible units of a nonexpendable character; are not consumed in use; have an extended useful life; and are of material value.

148 Property and Equipment under Capital Lease

The amount reported is generally the lesser of: (1) the present value of the minimum lease payments at the beginning of the lease term, excluding executory costs (e.g., insurance or maintenance) or (2) the fair value of the leased property at the inception of the lease.

For more detailed information on the accounting requirement for leases, refer to the Statement of Financial Accounting Standards (SFAS) 13 issued by the Financial Accounting Standards Board (FASB).

149 Construction Work In Progress

Represents the cost of construction work undertaken but not yet completed.

General Long-Term Debt Account Group – Budgeting Account (150-162)

This account group is not associated with the Debt Service Fund or any other fund except for Fund 99, General Long-Term Debt Group. It comprises a self-balancing group of accounts set up to account for the assets necessary to meet the general long-term liabilities of a district including bonds, loans and severance pay.

Code	Title and Definition
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150 Amount Available for Retirement of Bonds and State Loans

Represents the fund balance that is available in the Debt Service Fund 07 and the Other Postemployment Benefits (OPEB) Debt Service Fund 47 to retire bonds and state loans.

151 Amount to be provided from Property Taxes for Long-Term Debt Payments

Represents the amounts needed from property taxes in the future to retire the principal of all long-term debt other than severance pay and compensated absences. It equals the sum of Long-Term Liabilities less amounts in Balance Sheet Account Codes 150, 152, 160, 161 and 162. Charter schools are to use this balance sheet code for long-term bank loans.

152 Amount to be provided for Capital Lease Agreements

Represents the amount needed to meet capital lease agreements.

160 Amount Available for Separation/Retirement Benefits

Represents the Restricted/Reserved Fund Balances in the operating funds for Balance Sheet Account Code 452, Restricted/Reserved for OPEB Bond Proceeds not held in a Trust, Balance Sheet Account Code 453, Restricted/Reserved for Unfunded Severance and Retirement Levy, and the Committed Fund Balance in the operating funds for Balance Sheet Account Code 418, designated for Separation/Retirement Benefits.

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, Restricted/Reserved for OPEB Bond Proceeds not held in a trust.

162 Amount to be provided - Compensated Absences

Represents the amount needed to meet future commitments for compensated absences as recorded in Balance Sheet Account Code 262, Compensated Absences Payable.

General Fixed Asset Account Group - Depreciation (171-174)**171 Accumulated Depreciation on Land Improvements (Contra Asset)**

Represents the amount of accumulated depreciation to date on land improvements included in Balance Sheet Account Code 141, Land Improvements.

172 Accumulated Depreciation on Buildings (Contra Asset)

Represents the amount of accumulated depreciation to date on buildings included in Balance Sheet Account Code 142, Buildings.

173 Accumulated Depreciation on Equipment (Contra Asset)

Represents the amount of accumulated depreciation to date on equipment in use included in Balance Sheet Account Code 143, Equipment.

174 Accumulated Depreciation on Property and Equipment under Capital Lease (Contra Asset)

Represents the amount of accumulated depreciation to date on property and equipment under capital lease included in Balance Sheet Account Code 148, Property And Equipment Under Capital Lease.

Liability Accounts (200)

Liabilities are defined as the amounts owed by the school district.

Current Liabilities Accounts (201-235)

Code	Title and Definition
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201	Salaries and Wages Payable (Any Fund Except 07)
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Represents salaries and wages for personal services performed but not yet paid.

202	Short-Term Indebtedness
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Represents the principal due on short-term certificates issued in anticipation of tax collections and state aids (Minn. Stat. § 126C.50-56), warrants (Minn. Stat. § 123B.12), reverse repurchase agreements (Minn. Stat. § 118A.05), and lines of credits (Minn. Stat. § 123B.12). See Balance Sheet Code 208 for interest payable.

205	Due to other Funds
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Represents the amount due to one fund from another fund in the district for goods sold, services rendered, or short-term borrowing. This account includes only short-term obligations and not long term loans. For a reporting unit, the sum total in all funds of all Due To Other Fund accounts equals the sum total in all funds of all Balance Sheet Accounts 118, Due from Other Funds.

206	Other Accounts Payable
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Represents amounts owed to individuals, firms or corporations (not school districts or other governmental districts) for goods and services received by the district. Excluded from this account are other separately listed types of liabilities listed in other accounts in this series.

207	Judgments Payable
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Represents amounts to be paid by the district as the result of court decisions, including condemnation awards for private property taken for public use.

208 Interest Payable

Represents the amount of interest accrued but unpaid, including interest due on the Balance Sheet Account 202, Short-Term Indebtedness. Do not include interest on long-term debt that is accounted for in the Debt Service Fund and is recorded on its due date.

209 Other Current Liabilities

Represents the current portion of liabilities not recorded elsewhere in this series and not owed for goods and services (see *Balance Sheet Code 206*). Current liabilities are those that will be liquidated using current spendable resources.

210 Due to other Minnesota School Districts

Represents amounts owed to other school districts and joint power organizations. This includes tuition, transportation costs, reimbursable expenditures and other inter-district agreements.

212 Due to other Governmental Units

Represents amounts owed by the district to other governmental units excluding amounts owed as defined in Balance Sheet Code 210, Due To Other Minnesota School Districts. Include overpayments made to the district by the federal or state governments, and sales taxes collected on the sale of materials.

213 Property Tax Shift Adjustment (Fund 01)

Represents an (over/under) payment of state aid due to the property tax shift process. The balance in this account equals the difference between property tax shift revenue and actual state aid payment reductions. It is recommended that districts maintain subaccounts for each year's property tax shift adjustment.

214 Advance of Unearned General Education Aid

For districts that have statutory early recognition amounts in excess of spring tax settlements, this account represents the difference between cash receipts from spring tax settlements and the early recognition amount in [Minnesota Statutes, section 123B.75, subdivision 5](#). The difference is the amount of general education aid that is recognized early.

215 Payroll Deductions and Employer Contributions (Any Fund except Fund 07)

Represents amounts that have been deducted from employees' salaries but have not been paid to the designated agencies. This account also includes the employer's share of payroll liabilities and fringe benefits that are due or earned but unpaid. Include items such as withholding taxes, insurance, annuities, pensions, and union deductions.

218 Claims Payable

Represents liabilities for losses incurred but for which claims have not been paid. Include estimates of expenditures relating to self-insurance programs whereby a loss has occurred in the current period but the payment has not yet been made.

219 Charter School Building Lease Payable (Fund 01)

Represents amounts due but unpaid by a charter school for building lease payable or building rent payable for the current fiscal year.

220 Construction Contracts Payable (Any Fund except Fund 07)

Represents amounts due but unpaid by a district for work completed on contracts for the construction of buildings, structures, and improvements.

230 Unearned Revenue (Appropriate Fund)

Represents all payments of revenue received that will not be earned until a future period. Do not include property tax amounts recorded in Balance Sheet Code 235, Property Taxes Levied for Subsequent Year's Expenditures.

231 Deferred Inflows of Resources – Unavailable Revenue – Delinquent Taxes

Represents an amount equal to the Balance Sheet Code 111, Delinquent Property Taxes Receivable, less any delinquent taxes that are to be received within 60 days.

235 Deferred Inflows of Resources – Property Taxes Levied for Subsequent Year's Expenditures

Represents all current levies of local taxes (including state adjustments) that are not to be recognized as revenue until the following fiscal year. On June 30, the balance in this account equals the tax levy certified in the current fiscal year less the amount recognized in the current period as property tax shift revenue (Source Code 020, Property Tax Shift Recognition). The tax levy certified in the current fiscal year is also represented in the Balance Sheet Code 110, Current Taxes Receivable.

Long Term Liabilities (250-262)**Code Title and Definition****250 Bonds Payable**

Represents the face value of general obligation bonds issued and unpaid.

251 Equipment Notes Payable

Represents the capital notes and long-term certificates of indebtedness for equipment purchases. The principal and interest from notes payable will be repaid from the Debt Service Fund (Minn. Stat. § [123B.61](#)).

252 Capital Improvement Loans Payable

Represents the amount equal to the outstanding principal on loans received for the purpose of financing capital improvement.

253 Energy Loans Payable

Represents the outstanding principal of loans received from the Minnesota Department of Energy and Economic Development for the purpose of energy conservation investment (Minn. Stat. § [126C.40, subd. 5](#)).

254 Capital Lease Payable

Represents the principal of capital leases that are outstanding and unpaid. These are capital leases which have a terminal date and which result in the acquisition of equipment, vehicles, or technology equipment.

255 Capital Loans Payable

Represents the principal of capital loans that are outstanding and unpaid. Capital loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing or equipping school buildings under contract to be entered into within 12 months from and after the date on which each loan is granted (Minn. Stat. § [126C.69](#)).

Note: According to Minnesota Statutes, section 126C.69, subdivision 2, “beginning July 1, 1999, a district is not eligible for a capital loan unless the district’s estimated net debt tax rate as computed by the commissioner after debt service equalization aid would be more than 41.98 percent of adjusted net tax capacity. The estimate must assume a 20-year maturity schedule for new debt.” Only the following schools may report activity in Balance Sheet Account 255: Red Lake, Independent School District (ISD) 38; Foley, ISD 51; Ogilvie, ISD 333; Nett Lake, ISD 707.

256 Debt Service Loans Payable

Represents the principal of debt service loans that are outstanding and unpaid. The proceeds of the loan are to be used only for the payment of principal and interest on outstanding bonds (Minn. Stat. § [126C.68](#)). Loans are only available in years that Minnesota legislation has appropriated funds. Charter schools are to use this balance sheet code for long-term bank loans.

Note: Only Foley, ISD 51, may report activity in Balance Sheet Account 256.

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-postemployment 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.

261 Special Assessments and Compensated Absences

Represents long-term debt for special assessment charges and compensated absences [see Governmental Accounting Standards Board (GASB) 6].

262 Compensated Absences Payable

Represents the liability related to future vacation, sick leave and other leave benefits, excluding severance pay that is recorded in Balance Sheet Account Code 260, Separation and Severance Payable.

Fund Balance Accounts (400)

Effective for Fiscal Year (FY) 2011 and later years, Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, requires fund balance to be classified in one of five categories: nonspendable, restricted, committed, assigned or unassigned.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Amounts not in a spendable form include items that are not expected to be converted to cash, for example, inventories and prepaid amounts. Also included are the long-term amounts of loans and notes receivable, as well as property acquired for resale. An example of an amount legally or contractually required to be maintained intact would be the corpus (or principal) of a permanent fund (i.e. endowment). The government-wide statements will record this as “nonexpendable” within restricted net assets.

The restricted fund balance uses the same definition as reported for net assets under GASB Statement No. 34, Basic Financial Statements, and Management’s Discussion and Analysis – for State and Local Governments. Fund balance should be reported as restricted when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments).
- b. Imposed by law through constitutional provisions or enabling legislation which authorizes a government to levy, charge or otherwise mandate payment of resources from external providers.

In accord with GASB 54, MDE has retained existing balance sheet account codes for statutorily required reserves and re-titled these accounts “Restricted/Reserved.” Restricted/reserved fund balances represent the available resources dedicated by statute for specific purposes (e.g., staff development or adult basic education). If all of

the revenues are not used within a fiscal year, they are held separate from other balances to be expended in future fiscal years.

Generally, a restricted/reserved account fund balance may not go into deficit without specific legislative authority. However, some restricted balance's expenditure amounts may exceed the available fund balance and create a deficit fund balance until future funding is received. Also, the Restricted for Operating Capital Account 424 may be overspent only when there is prior approval from the commissioner on a deficit removal plan. A notation is included with each of the restricted fund balance account descriptions indicating whether a deficit balance is allowed. If disallowed, a district must reclassify expenditures at year-end to avoid having a negative fund balance account.

The committed fund balance classification will be used to describe the portion of fund balance designated for a particular use by formal action of the school district's highest level of decision-making authority (school board). Committed fund balance cannot be used for any other purpose unless the school board acts to remove or change the specified use by taking the same type of action it employed to previously commit those amounts (i.e. resolution). Formal action to constrain resources must occur prior to the year-end reporting period, but the amount can be determined in the subsequent period.

The Assigned Fund Balance classification covers that portion of fund balance that reflects a school district's intended use of resources that are not restricted or committed, which intent has been established at either the highest level of decision making (school board), or by a body (e.g., budget or finance committee), or an official (e.g., finance director) delegated that authority.

In the general fund, assigned fund balances represent amounts which use is constrained for a specific purpose by the school board or a body or official that has been delegated authority to assign amounts. For funds other than the general fund, assigned fund balances represent any remaining positive amounts not classified as nonspendable, restricted or committed.

The Unassigned Fund Balance classification in the General Fund represents funds not classified as nonspendable, restricted, committed or assigned. Unassigned fund balances in Fund 01 represent resources available to meet any current and future years' expenditures. The General Fund is the only fund that would report a positive amount in unassigned fund balance. In governmental funds other than the General Fund, if expenditures exceed the amounts restricted, committed or assigned, the deficit is recorded as a negative unassigned fund balance.

Important Note: for UFARS reporting, unassigned fund balances in Funds 04 and 06 represent deficits outside of those associated with any activity that closes to restricted/reserved accounts that may have a negative balance. Any deficits in restricted/reserved accounts that may record a negative fund balance must be reported in these accounts to permit statutory revenue calculations based on these accounts' fund balances reported on UFARS. In the presentation of financial statements, however, the sum of any deficits reported in restricted/reserved accounts on UFARS will be interpreted by auditors, MDE and UFARS as unassigned deficit fund balance.

Code Title and Definition**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 Code 316. Expenditures for staff development must equal at least two percent of the basic General Education Revenue, unless legal stipulations are met (Minn. Stat. § [122A.61, subd. 1](#)). *This restricted/reserve account is not allowed to go into deficit.*

406 Restricted/Reserved for Health and Safety (Fund 01)

Represented available resources to be used for health and safety projects in accordance with an approved health and safety plan through June 30, 2016. The June 30, 2016 ending fund balance in Balance Sheet Account 406 will continue to have levy adjustments applied through June 30, 2019. A positive or negative balance at June 30, 2019 must be transferred to the General Fund 01 Unassigned Balance Sheet Account 422.

407 Restricted/Reserved for Capital Projects Levy (Funds 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.*

408 Restricted/Reserved for Cooperative Programs (Fund 01)

Represents the resources available to purchase services from entities for cooperative purposes or to provide educational services in a cooperative manner. Related to Finance Code 310, Cooperative Revenue (Minn. Stat. § [123A.27](#)). *This restricted/reserved account is not allowed to go into deficit.*

413 Restricted/Reserved for Building Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) Agreement with Related Lease Levy Authority (Funds 01 and 06)

This account represents the June 30 balance in the building construction fund (Fund 06) for projects funded by certificates of participation/lease purchase agreement with related lease levy authority under Minnesota Statutes, section [126C.40](#). It is related to Finance Code 791, Projects Funded by Certifications of Participation/Lease Purchase Agreement with Related Lease Levy Authority. *This restricted/reserved account is not allowed to go into deficit.*

414 Restricted/Reserved for Operating Debt (Fund 01)

Represents the amount of remaining operating debt for districts under legislative authority given to them. The Operating Debt Levy is posted directly to this account and is not reflected in the district's revenue accounts. *This restricted/reserved account may go into deficit to the extent of future levy authority.*

416 Restricted/Reserved for Levy Reduction (Fund 01)

Represents resources in the General Fund that are transferred from the Debt Service Fund. This restricted fund balance becomes an available resource in the fiscal year in which the related tax levy adjustment is recognized as revenue (Minn. Stat. § [475.61](#), subd. 4). *This restricted/reserved account is not allowed to go into deficit.*

417 Restricted/Reserved for Excess Taconite Building Maintenance Funds (Fund 01)

Represents resources remaining from the distribution of taconite revenue for the purpose of building maintenance and repair. See Finance Code 390 Taconite Revenue used for Building Maintenance and Repair for a description of expenditures [Minn. Stat. § [298.28](#), subd. 4(b) (ii)]. *This restricted/reserved account is not allowed to go into deficit.*

418 Committed for Separation/Retirement Benefits (Fund 01)

Represents resources segregated from the Unassigned Fund Balance for retirement benefits, including compensated absences, pensions, other post-employment benefits and termination benefits (as defined in GASB Statement Numbers 16, 27, 45, 47 and 50) (Minn. Stat. § [123B.79](#), subd. 7). *This committed account is not allowed to go into deficit.*

422 Unassigned Fund Balance (Fund 01; Funds 08, 20, 25, 45)

Used in Fund 01 to record Unassigned Fund Balance available to meet current and future years' expenditures. These are resources in Fund 01 that are not restricted and have not been committed or assigned. The fund balance may be positive or negative.

Statutory Operating Debt (SOD) is calculated by using the yearly activity and ending balances of the following six accounts in the General Fund (01) only: 418 Committed for Separation/Retirement Benefits; 460 Nonspendable Fund Balance; 461 Committed Fund Balance; 462 Assigned Fund Balance; 464 Restricted Fund Balance; and 422 Unassigned Fund Balance. See the UFARS Compliance Report for the SOD percentage that is calculated from these accounts.

Balance Sheet Account 422 is also used to record net assets in the following funds, where GASB 54 is not applicable:

Fiduciary Funds

- 08 Trust Fund
- 45 Postemployment Benefits Irrevocable Trust Fund

Note: Fiduciary Fund 09 may not have a fund balance and should not be closed to Balance Sheet Account 422.

Proprietary Funds

- 20 Internal Service Fund
- 25 Postemployment Benefits Revocable Trust Fund

424 Restricted/Reserved for Operating Capital (Fund 01)

Represents available resources in the General Fund to be used to purchase equipment and facilities. Related to Finance Code 302, Operating Capital (Minn. Stat. § [126C.10, subd. 14](#)). *This restricted/reserved account may go into deficit for a period of up to three years with prior approval of a plan submitted to the commissioner of Education (Minn. Stat. § [123B.78, subd. 5](#)).*

425 Restricted/Reserved for Bond Refunding (Fund 07 and 47)

Represents resources set aside from the proceeds of refunded obligations that have not met the criteria of defeasance (crossover bonds). These resources will be used to pay off future bonded obligations. *This restricted/reserved account is not allowed to go into deficit.*

426 Restricted/Reserved for \$25 Taconite (Funds 01 and 04)

Represents available resources for outcome-based learning programs or early childhood learning programs from taconite referendum revenue. Related to Finance Code 371, \$25 Taconite [Minn. Stat. § [298.28 subd. 4\(d\)](#)]. *This restricted/reserved account is not allowed to go into deficit.*

427 Restricted/Reserved for Disabled Accessibility (Fund 01)

Represents resources restricted for disabled accessibility. Related to Finance Code 794, Disabled Accessibility (Minn. Stat. § [123B.58](#)). *This restricted/reserved account may go into deficit to the extent of future levy authority.*

428 Restricted/Reserved for Learning and Development (Fund 01)

Learning and Development is funded by general education revenue. This reserve represents available general education revenues for learning and development, which is mainly for reducing the pupil-to-

staff ratio. Related to Finance Code 330 (Minn. Stat. § [126C.12](#)). This revenue is generated by extra weightings on the pupil units. *This restricted/reserved account is not allowed to go into deficit.*

430 Investment in General Fixed Assets (General Fixed Asset Account Group 98 Only)

Represents the district's equity in the general fixed asset accounts. Equals the sum of all assets minus their accumulated depreciation.

431 Restricted/Reserved for Community Education (Fund 04)

Represents the resources available to provide programming such as: nonvocational, recreational and leisure time activities, programs for adults with disabilities, non-credit summer programs, adult basic education programs, youth development and youth service programming, early childhood family education, and extended day programs. Includes aids, levies, fees, grants, and all other revenues received by the school district for community education programs. Activities associated with Finance Code 321 Community Education must be restricted in this code (Minn. Stat. § 124D.20). *This restricted/reserved account may go into deficit. However, if future revenues cannot eliminate the deficit, a transfer from the general fund should be made to eliminate the deficit.*

432 Restricted/Reserved for Early Childhood and Family Education (Fund 04)

Represents the resources available to provide for services for early childhood family education programming. Related to Finance Code 325, Early Childhood and Family Education and Finance Code 328, Home Visiting (Minn. Stat. § [124D.135](#)). Includes aids, levies, fees, grants and all other revenues received by the school district for early childhood education programs. *This restricted/reserved account is allowed to go into deficit.*

433 Restricted/Reserved for Maximum Effort Loan Aid (Fund 07)

Represents the resources available to reduce current year property taxes levied on net tax capacity within the district or to reduce future years' tax levies by either:

1. Retaining payments made under this section in the district's debt redemption fund for up to 20 years, notwithstanding the two-year limit under section 475.61, subdivision 3.
2. Financing a defeasance of any future payments on outstanding bonded debt.

Related to Finance Code 333, Maximum Effort Loan Aid. There are only 10 districts that should use this finance code. *This restricted/reserved account is not allowed to go into deficit*

434 Restricted/Reserved for Area Learning Center (Fund 01)

Represents amounts restricted for students attending area learning centers. Each district that sends students to an area learning center must restrict an amount equal to the sum of 1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2,

times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. The amount restricted may only be spent on program costs associated with the area learning center (Minn. Stat. § [123A.05, subd. 2](#)). Finance Code 303, Area Learning Center, is used to identify revenues and expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*

435 Restricted/Reserved for Contracted Alternative Programs (Fund 01)

Pursuant to Minnesota Statutes, section 124D.68, subdivision 3(d) and Minnesota Statutes, section 124D.69, subdivision 1, school districts must restrict at least 95 percent of the average general education revenue, less basic skills revenue, per pupil unit times the number of pupil units for pupils attending this program, and (2) the amount of basic skills revenue generated by pupils attending the program according to section [126C.10, subdivision 4](#). Finance Code 304, Contracted Alternative Program, is used to identify revenues and expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*

436 Restricted/Reserved for State-Approved Alternative Programs (Fund 01)

Per Minnesota Statutes, section 123.05, subdivision 2, each district that is a member of a state approved alternative learning program must restrict/reserve revenue in an amount equal to the sum of (1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to section [126C.10, subdivision 2](#), times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved public alternative program, plus (2) the amount of basic skills revenue generated by pupils attending the alternative learning program. Finance Code 305, State-Approved Public Alternative Programs is used to identify revenues and expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*

438 Restricted/Reserved for Gifted and Talented (Fund 01)

The part of general education aid revenue for the gifted and talented program that is unspent at year end must be restricted in this balance sheet account. See Finance Code 388 for the proper accounting of revenue and expenditures for this program [refer to Minn. Stat. § [126C.10](#), subd. 2(b)]. *This restricted/reserved account is not allowed to go into deficit.*

440 Restricted/Reserved for Teacher Development and Evaluation (Funds 01 and 04)

Represents resources available for teacher development and evaluation uses listed in Minnesota Statutes, section 122A.40, subdivision 8 or section 122A.41, subdivision 5. Related to Finance Code 319, Teacher Development and Evaluation (Minn. Stat. § [122A.414-415](#)). *This restricted/reserved account is not allowed to go into deficit*

441 Restricted/Reserved for Basic Skills Programs (Fund 01)

Represents resources available for the basic skills uses listed in Minnesota Statutes, section [126C.15, subdivision 1](#). Related to Finance Code 317, Basic Skills (Minn. Stat. § [126C.10](#), subd. 4). Please see Balance Sheet Account Code 459 for Restricted/Reserved or Basic Skills for Extended Time. *This restricted/reserved account is not allowed to go into deficit.*

444 Restricted/Reserved for School Readiness (Fund 04)

Represents the resources available to provide for services for school readiness programs. This includes aids, fees, grants and all other revenues received by the school district. Related to Finance Code 344 – School Readiness (Minn. Stat. § [124D.16](#)). If Finance Codes 337 – Pathway II and Finance Code 338 – Pathway I are used in conjunction with the School Readiness Program, these accounts would close to Fund Balance Account 444. *This restricted/reserved account is allowed to go into deficit.*

445 Restricted/Reserved for Career and Technical Programs (Fund 01)

Represents the balance a district must restrict from the career and technical revenue. See Finance Code 830 for description (Minn. Stat. § [124D.4531](#)). The district must recognize the full amount of the levy as revenue for the fiscal year in which it is certified. Revenue received under this section must be restricted and used only for career and technical programs. *This restricted/reserved account is not allowed to go into deficit.*

447 Restricted/Reserved for Adult Basic Education (Fund 04)

This account will represent the balance of carryover monies for all activity involving Adult Basic Education. This would include all state aid and any grants or local funding used in support of ABE. The activity in this code will come from Finance Codes (FIN) 322, 324, 438/638, 801/901, 802/902, and 803/903 plus any local funding (FIN 000) received by the district (refer to Minn. Stat. § [124D.52](#)). *This restricted/reserved account is not allowed to go into deficit.*

448 Restricted/Reserved for Achievement and Integration Revenue (Fund 01 and 09)

The unspent resources available from the Achievement and Integration program must be restricted in this account for use within the fiscal year (no carryover is allowed). All activity in this account must be related to Finance Code 313 and 318 (Minn. Stat. § [124D.862](#)) and spent on the students that generated the revenue in the current year. *This restricted/reserved account is not allowed to go into deficit.*

449 Restricted/Reserved for Safe Schools Levy (Fund 01)

The unspent resources available from the safe schools levy must be restricted in this account for future use. All activity in this account must be related to Finance Code 342 (refer to Minn. Stat. § [126C.44](#)). *This restricted/reserved account is allowed to go into deficit.*

451 Restricted/Reserved for QZAB and QSCB Payments (Fund 01 and 07)

Represents resources required by agreement to be segregated for future payments of Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bonds (QSCB) debt instruments. These resources are held by the district and will pay off the debt at maturity. Districts segregate operating capital funds for lease purchase instruments (Fund 01). Districts segregate levy proceeds for bond instruments (Fund 07). *This restricted/reserved account is not allowed to go into deficit.*

452 Restricted/Reserved for Funded OPEB Liabilities not Held in a Trust (Funds 01, 02, 04)

Represents available resources from OPEB bond proceeds used to fund OPEB liabilities that are not held in a trust. Activity for this reserve will be related to Finance Code 793 (Minn. Stat. § [475.52, subd. 6](#)). *This restricted/reserved account is not allowed to go into deficit.*

453 Restricted/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 restricted/reserved account is not allowed to go into deficit.*

459 Restricted/Reserved for Basic Skills Extended Time (Fund 01)

Represents resources available for the basic skills extended time uses listed in Minnesota Statutes, section [126C.15, subdivision 1](#). Related to Finance Code 309, Basic Skills for Extended Time. Portions of compensatory revenue must be used for extended time activities according to the following ratios: 1.7 percent for fiscal year 18; 3.5 percent for fiscal year 19; and for fiscal year 20 and later, 3.5 percent plus the percentage change in the formula allowance from fiscal year 19 ([Minn. Stat. § 126C.10, subd. 3\(d\)](#)). Please see Balance Sheet Account Code 441 for Restricted/Reserved or Basic Skills. *This restricted/reserved account is not allowed to go into deficit.*

460 Nonspendable Fund Balance (Funds 01, 02, 04 06, 07 and 47)

Represents amounts that cannot be spent due to form such as inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned. This also includes amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund). *The nonspendable account is not allowed to go into deficit.*

461 Committed Fund Balance (Fund 01)

Represents amounts constrained for a specific purpose by the district using the highest level of decision making authority (generally the school board). It requires action by the same group to remove or change the constraints placed on the resources. *The committed account is not allowed to go into deficit.*

462 Assigned Fund Balance (Fund 01)

Represents amounts constrained by the school district's intent to be used for a specific purpose, but are not restricted or committed. Intent is expressed by the school board itself, or a body (budget or finance committee) or an official (finance director) to which the school board has delegated the authority to assign amounts to be used for specific purposes. The actions to remove or modify assignments are not as strict as for committed fund balances. *The assigned account is not allowed to go into deficit.*

463 Unassigned Fund Balance (Funds 02, 04, 06, 07 and 47)

Represents negative unassigned fund balances in funds other than Fund 01. The fund balance must be negative. When used in Funds 04, 06 and 07 this account records the deficits outside of those associated with any activity that closes to restricted/reserved accounts that are allowed to have a deficit. Deficits in restricted/reserved accounts that may record deficits must report deficits, if any, to permit statutory revenue formula calculations based on these accounts' fund balances reported on UFARS.

464 Restricted Fund Balance (Funds 01, 02, 04, 06, 07 and 47)

Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Constraints are placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions of enabling legislation. If Finance Codes 337 – Pathway II and Finance Code 338 – Pathway I are not used in conjunction with the School Readiness Program, these accounts would close to Fund Balance Account 464. *The restricted account is not allowed to go into deficit.*

467 Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Funds 01 and 06)

Represents available resources to be used for LTFM projects in accordance with the Ten-Year Plan. (Minn. § Stat. [123B.595, subd. 12](#)). *This restricted/reserved account may go into deficit to the extent of future revenue authority*

472 Restricted/Reserved for Medical Assistance (Fund 01)

Represents available resources to be used for Medical Assistance expenditures in Finance Code 372 (Minn. Stat. § [125A.21, subd. 3](#)). *This restricted/reserved account is not allowed to go into deficit.*

**Note – This Balance Sheet Account is required for Charter Schools.*

475 Restricted for Title VII – Impact Aid Funds (Fund 01 and 06)

Represents the unspent resources available from the Title VII – Impact Aid funds. All activity in this account must be related to Finance Code 175 (Catalog of Federal Domestic Assistance (CFDA) Number (No.) 84.041 Elementary and Secondary Education Act (ESEA), Public Law (P.L.) 107-110) as reauthorized

under the Every Student Succeeds Act (ESSA). (34 C.F.R. § 200.35 (a)(i)(B)(2).) *This restricted balance sheet account is not allowed to go into deficit.*

476 Restricted for Payments in Lieu of Taxes (PILT) (Fund 01)

Represents the unspent resources available from the PILT funds. All activity in this account must be related to Finance Code 176 (CFDA No. 84.041 Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). *This restricted balance sheet account is not allowed to go into deficit.*

Balance Sheet Code Changes – FY 2019

Additions

Account	Description
433	Restricted/Reserved for Maximum Effort Loan Aid (Fund 07) (July 2017)
459	Restricted/Reserved for Basic Skills Extended Time (Fund 01) (July 2017)
475	Restricted for Title VII – Impact Aid (Fund 01) (July 2017)
476	Restricted for Payments in Lieu of Taxes (PILT) (Fund 01) (July 2017)

Deletions

Account	Description
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Changes

Account	Description
214	Advance of Unearned General Education Aid (July 2018)
255	Capital Loans Payable (July 2018)
256	Debt Service Loans Payable (July 2018)

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Chapter 9 – List of Codes

Fund Dimension

01	General Fund
02	Food Service Fund
04	Community Service Fund
06	Building Construction Fund
07	Debt Service Fund
08	Trust Fund
09	Agency Fund
20	Internal Service Fund
25	Postemployment Benefits Revocable Trust Fund
45	Postemployment Benefits Irrevocable Trust Fund
47	Postemployment Benefits Debt Service Fund

Account Groups

98	General Fixed Assets Group
99	General Long-Term Debt Group

Organization/Site Dimension

001-004	Budgeted Learning Sites (also Minnesota Automated Reporting Student System (MARSS) and Staff Automated Reporting (STAR) number)
005	Districtwide or Not Otherwise Identified By Budgeted Learning Site
006-798	Budgeted Learning Sites (also MARSS and STAR Number)
799	Home School Sites
800-997, 999	Budgeted Learning Sites (also MARSS and STAR Number)
998	Tuition Billing Site

Program Dimension

000	Districtwide (Revenue Use Only)
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Administration

010	Board of Education
020	Office of the Superintendent
030	Instructional Administration

050 School Administration

District Support Services

105 General Administrative Support
107 Other Administrative Support
108 Administrative Technology Service
110 Business Support Services
120 Cooperative Purchasing and Services (Service Cooperatives Only)

Elementary and Secondary Regular Instruction

200 Voluntary Prekindergarten
201 Education – Kindergarten
203 Education – Elementary General
204 Title II, Part A, Teacher and Principal Training and Recruiting Fund
205 Title III, Part A, English Language Acquisition, Language Enhancement and Academic Achievement
206 Title IV, Part A – Safe and Drug-Free Schools and Communities
207 Title V, Part A – Innovative Programs
210 Title II, Part D – Enhancing Education through Technology
211 Education – Secondary General
212 Visual Art
215 Business
216 Title I, Improving the Academic Achievement of the Disadvantaged
217 Assurance of Mastery
218 Gifted and Talented
219 English learners (EL)
220 English (Language Arts)
226 Title II – State Activities for School Leaders
230 Foreign Language/Native Language
240 Health, Physical Education and Recreation
250 Family Living Science
255 Industrial Education
256 Mathematics
257 Computer Science/Technology Education
258 Music
260 Natural Sciences
270 Social Sciences/Social Studies
291 Co-Curricular Activities (Non-Athletics)
292 Boys/Girls Athletics
294 Boys Athletics
296 Girls Athletics

- 297 Community Service Projects
- 298 Extra-Curricular Activities

Vocational Education Instruction

- 301 Agricultural Education
- 311 Distributive Education
- 321 Health Science Technology Education
- 331 Family and Consumer Science
- 341 Business and Office Education
- 361 Trade and Industrial Education
- 365 Service Occupations
- 371 Related Subjects/Diversified and Interrelated Occupations
- 380 Special Needs
- 385 Special Needs – Non-Disabled
- 399 Career and Technical – General

Special Education Instruction

- 400 General Special Education
- 401 Speech/Language Impaired
- 402 Developmental Cognitive Disabilities: Mild-Moderate
- 403 Developmental Cognitive Disabilities: Severe Profound
- 404 Physically Impaired
- 405 Deaf–Hard-of-Hearing
- 406 Visually Impaired
- 407 Specific Learning Disability
- 408 Emotional/Behavioral Disorder
- 409 Deaf-Blind
- 410 Other Health Disabilities
- 411 Autistic Spectrum Disorders
- 412 Developmentally Delayed Education
- 414 Traumatic Brain Injury
- 416 Severely Multiply Impaired
- 420 Special Education – Aggregate (three or more disabilities)
- 422 Special Education – Students without Disabilities

Community Education and Services

- 505 General Community Education
- 510 Adults with Disabilities
- 520 Adult Basic and Continuing Education
- 570 School Age Care

- 579 Preschool – Instructional (Fund 04)
- 580 Early Childhood and Family Education
- 581 Prekindergarten Programs
- 582 School Readiness
- 583 Early Childhood Screening
- 584 School Readiness Plus
- 585 Youth Development/Youth Services/After School Enrichment
- 590 Other Community Programs

Instructional Support Services

- 605 General Instructional Support
- 610 Curriculum Consultant and Development
- 620 Library Media Center
- 630 Instruction-Related Technology
- 640 Staff Development

Pupil Support Services

- 710 Secondary Counseling and Guidance Services
- 712 Elementary Counseling and Guidance Services
- 720 Health Services
- 730 Psychological and Health Services
- 740 Social Work Services
- 760 Pupil Transportation
- 770 Food Services
- 790 Other Pupil Support Services

Sites, Buildings and Equipment

- 805 Equipment Repair Services for Other Clients
- 810 Operations and Maintenance
- 850 Capital Facilities
- 865 Long-Term Facilities Maintenance (LTFM) – Excluding Costs in Program Codes 866 and 867 (Fund 01 and/or Fund 06)
- 866 Long-Term Facilities Maintenance (LTFM) – \$100,000 - \$1,999,999.99 per Site for Finance Codes 358, 363, 366 (Fund 01 and/or Fund 06)
- 867 Long-Term Facilities Maintenance (LTFM) Projects that are \$2,000,000 or More per Site (Fund 06)
- 870 Building Construction

Fiscal and Other Fixed Costs Programs

- 910 Retirement of Long-Term Obligations

920	Retirement of Non-bonded Obligations
930	Employee Benefits (Clearing Account Only)
935	Postemployment Benefits
940	Insurance
950	Transfers
960	Other Nonrecurring Items

Finance Dimension

000	Districtwide
175	Title VII – Impact Aid
176	Payments in Lieu of Taxes (PILT)

State Supported Programs

302	Operating Capital
303	Area Learning Center
304	Contracted Alternative Programs
305	State-Approved Public Alternative Programs
309	Basic Skills for Extended Time
310	Interdistrict Cooperative Activities
311	Telecommunications Access Costs
313	Achievement and Integration Aid and Levy
316	General Education Revenue for Staff Development
317	Basic Skills
318	Incentive Revenue
319	Teacher Development and Evaluation
320	American Indian Education Aid
321	Community Education
322	State Adult Basic Education (ABE)
324	General Educational Development (GED) Testing and Adult Basic Education Supplemental Services
325	Early Childhood and Family Education
326	Adults with Disabilities
328	Home Visiting
330	Learning and Development
332	After School Enrichment Program
333	Maximum Effort Loan Aid
335	Quality Compensation – Alternative Teacher Professional Pay System
336	Raised Academic Achievement – Advanced Placement Programs
337	Early Learning Scholarships Program – Pathway II
338	Early Learning Scholarships Program – Pathway I

341	Regional Mathematics and Science Teacher Centers
342	Safe Schools – Levy
343	Systemic Science, Technology, Engineering and Mathematics (STEM) School Redesign
344	School (Learning) Readiness
346	Iron Range Resources and Rehabilitation Board Taconite Grants
347	Physical Hazards
348	Charter School Building Lease Aid
349	Other Hazardous Materials
350	Aid to Nonpublic Pupils – Health Services
351	Aid to Nonpublic Pupils – Textbooks and Tests
352	Environmental Health and Safety Management
353	Aid to Nonpublic Pupils – Guidance and Counseling
354	Early Childhood Screening Program
355	Voluntary Prekindergarten
358	Asbestos Removal and Encapsulation
362	Youth Development Service
363	Fire Safety
364	Hearing Impaired Support Services
366	Indoor Air Quality
367	Accessibility
368	Building Envelope (excluding roof)
369	Building Hardware and Equipment
370	Electrical
371	Taconite \$25 Reserve
372	Medical Assistance/Third Party Revenue
375	Grants to Prepare Indian Teachers
377	Family Services and Mental Health Initiative
379	Interior Surfaces
380	Mechanical Systems
381	Plumbing
382	Professional Services and Salary
383	Roofing Systems
384	Site Projects
388	Gifted and Talented
390	Taconite Revenue for Building Maintenance and Repair

Federal Program Aid Received Through Minnesota Department of Education for Targeted American Recovery and Reinvestment Act (ARRA) and Formula Grants

401	Title I, Part A – Improving the Academic Achievement of the Disadvantaged
406	Title I, Part D – Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent or At-Risk
414	Title II, Part A – Teacher and Principal Training and Recruiting

- 417 Title III, Part A – English Language Acquisition, Language Enhancement and Academic Achievement
- 419 Individuals with Disabilities Education Act (IDEA) Part B Section 611
- 420 Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Preschool Grant for Children with Disabilities
- 421 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Low Incidence
- 422 Infants and Toddlers Programs – Ages Birth through 2
- 423 Individuals with Disabilities Education Act (IDEA) Part C – Regional IEC Grant for Children Ages Birth Through 2
- 424 Title V, Part B, Subpart 2 – Rural and Low-Income Schools
- 425 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Coordinated Early Intervening Services (CEIS)
- 428 Carl Perkins Vocational and Applied Technology
- 429 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Mandatory Coordinated Early Intervening Services
- 430 Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Centers of Excellence Discretionary Regional CSPD Grant
- 431 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Schoolwide Title I
- 432 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Comprehensive System of Personnel Development(CSPD)
- 438 Federal Adult Basic Education Formula Revenue
- 442 Title III, Part A – Immigrant Grant
- 446 Individuals with Disabilities Education Act (IDEA) Part C – Regional Centers of Excellence CSPD Grant
- 469 Child Care Food Program
- 475 Carl Perkins Career and Technical Education – Reserve
- 499 Miscellaneous Federal Revenue Received from the Department of Education

Federal Aid Received Directly from Federal Sources

- 510 Indian Elementary and Secondary School Assistance
- 514 Title V, Part A – Small, Rural Education Achievement Program Grants
- 518 ARRA Targeted Funds – Head Start Grants
- 599 Miscellaneous Direct Federal Revenue

Federal Subaward or Subgrants from Other Districts/Agencies

- 600-696 Same Account Number as in the 400 Finance Series of Federal Codes
- 699 Miscellaneous Federal Funds Received From Other Districts/Agencies

Child Nutrition

- 701 National School Lunch Program – NSLP

- 702 After-School Snack Program
- 703 Special Milk Program (SMP)/Minnesota Kindergarten Milk Program (MKMP)
- 705 School Breakfast Program (SBP)
- 706 Fresh Fruit and Vegetable Grant Program
- 707 A La Carte/Other
- 709 Summer Food Service Program for Children

Transportation

- 711 Learning Year – Summer
- 713 Open Enrollment Transportation – Outside the District
- 714 Transportation to Multi-District Integration/Desegregation Programs
- 715 Foster Care Transportation
- 716 Noon Kindergarten Transportation
- 717 Late Activities Bus for Public School Pupils
- 718 Student Transportation Safety
- 719 Traffic Hazards – Walkers
- 720 Regular To-And-From School
- 721 Regular Summer School
- 723 Special Transportation of Pupils Attending Special Education Programs
- 725 Between Schools – Public
- 726 Nonpublic Nonregular
- 728 Special Transportation of Selected Pupils
- 733 Non-Authorized Transportation
- 737 Ineligible/Nonresident Pupils
- 739 Low-Income Families Enrollment Options Transportation Reimbursement

Special Education

- 740 State – Special Education, Ages 3 through 21 (Fund 01)
- 756 State – Special Student Aid

State Placement

- 761 Non-Special Education State Placement

Levy Supported Programs

- 791 Projects Funded by Certificates of Participation
- 792 Unfunded Severance and Retirement Levy
- 793 Funded Other Post-employment Benefits (OPEB) Liabilities Not Held in a Trust
- 794 Disabled Accessibility
- 795 Capital Projects Levy
- 796 Health Benefits

- 797 OPEB Pay-as-you-go Levy (Funds 1, 2 and 4)
- 798 Children with Disabilities in School Age Care
- 799 Collaboration-Expansion of Early Intervention and Prevention Services

Federally Funded Competitive Grants and Career and Technical Education

- 801 ABE EL – Civics Competitive Allocation
- 803 ABE Statewide Supplemental Services – Regular Federal Competitive
- 806 Discretionary Positive Behavior Intervention Support (PBIS) Multiple Grants
- 817 Discretionary Statewide Low Incidence Project
- 830 Career and Technical Education Revenue
- 835 Career and Technical Programs – Children with Disabilities
- 836 Deaf Blind Technical Assistance Project for Children and Youth who are Deaf-Blind, – Sole Source – newest five-year award
- 848 No Child Left Behind (NCLB) – Adequate Yearly Progress (AYP) Improvement Grant
- 849 Title I – School Improvement Grants
- 851 NCLB AYP Improvement Grant II
- 859 Title V, Part B – Charter School Federal Grant
- 863 Title I, Part C – Education of Migrant Children
- 866 Carl Perkins Competitive Grants
- 867 Learn and Serve America Grants
- 868 Title VIII Education for Homeless Children and Youths
- 869 Minnesota Reading First Statewide Model for Scaling Up K-3 Reading Instruction
- 870 Title I, Part H – School Dropout Prevention, Retention and Graduation Initiative
- 873 Discretionary Interagency Early Intervention Regional Planning Grants
- 883 Voluntary School Choice – Choice is Yours Information and Support Services

Federal Subaward or Subgrants from Other Districts/Agencies

- 901-999 Same Account Number as in the 801-899 Finance Series of Federal Codes

Object Dimension

Salaries and Wages

- 110 Administration/Supervision
- 120 Early Childhood/School Readiness Administration/Supervision
- 140 Licensed Classroom Teacher
- 141 Non-Licensed Classroom Personnel
- 143 Licensed Instructional Support Personnel
- 144 Non-Licensed Instructional Support Personnel
- 145 Substitute Teacher Salaries
- 146 Substitute Non-Licensed Classroom/Instructional Salaries

150	Physical Therapist
151	Occupational Therapist
152	Educational Speech/Language Pathologist
153	Audiologist
154	School Nurse
155	Licensed Nursing Services
156	School Social Worker
157	School Psychologist
158	Qualified Mental Health Professional
159	Mental Health Behavioral Aide
160	Mental Health Practitioner
161	Certified Paraprofessional and Personal Care Assistant
162	Certified One-to-one Paraprofessional
163	Foreign Language Interpreter
164	Interpreter for the Deaf
165	School Counselor
166	Child Find Facilitator
167	Regional Low Incidence Consultant
168	Security Specialist
169	Alcohol and Chemical Dependency Counselor
170	Non-Instructional Support
172	Physician (evaluation only)
173	Certified Orientation and Mobility Specialist/Assistant
174	Therapeutic Recreational Service and Developmental Adaptive Physical Education (DAPE) Specialist
175	Cultural Liaison
176	Social Worker for Interagency Activities
185	Other Salary Payments (Licensed or Certified)
186	Other Salary Payments (Non-Licensed or Non-Certified)
190	Sabbatical Leave
191	Severance
195	Interdepartmental Employee Salaries and Wages (Chargeback)
199	Salary Adjustments – Full Cafeteria Plans/Cash In Lieu of Benefits

Employee Benefits

210	FICA (Federal Insurance Contribution Act)/Medicare
214	PERA (Public Employees Retirement Association)
218	TRA (Teacher Retirement Association)
220	Health Insurance
230	Life Insurance
235	Dental Insurance
240	Long-Term Disability Insurance

250	Tax Sheltered Annuities/Minnesota Deferred Compensation Plan
251	Tax Advantage Employer-Sponsored Health Arrangements
252	Other Postemployment Benefits (Up to and equal to Annual Required Contribution (ARC)
270	Workers Compensation
280	Unemployment Compensation
289	OPEB Contributions (Not Pay-as-you-go or ARC)
290	Other Postemployment Benefits (In excess of ARC)
291	Other Postemployment Benefits (Pay-as-you-go)
295	Interdepartmental Employee Benefits (Chargeback)
299	Other Employee Benefits

Purchased Services

303	Federal Subawards and Subcontracts – Amount up to \$25,000
304	Federal Subawards and Subcontracts – Amount in Excess of \$25,000
305	Consulting Fees/Fees for Services
306	Special Education Litigation Costs
307	Contracted Substitutes for Special Education Programs
308	Federal Tuition Bill Payment (Amount up to \$25,000)
309	Federal Tuition Bill Payment (Excess Amount over \$25,000)
315	Repairs and Maintenance for Computers and Technology
316	Services Purchased from other Minnesota Joint Powers Agencies
318	Data-Processing and Data Entry Services
319	Computer and Technology Services
320	Communication Services
329	Postage and Parcel Services
330	Utility Services
340	Insurance
341	Physical Therapy Services (Excess Amount over \$25,000)
342	Occupational Therapy Services (Excess Amount over \$25,000)
343	Educational Speech/Language Pathologist Services (Excess Amount over \$25,000)
344	Audiologist Services (Excess Amount over \$25,000)
345	Licensed School Nurse Services (Excess Amount over \$25,000)
346	Licensed Nursing Services (Excess Amount over \$25,000)
347	Licensed School Social Worker Services (Excess Amount over \$25,000)
348	Licensed School Psychologist Services (Excess Amount over \$25,000)
349	Qualified Mental Health Professional Services (Excess Amount over \$25,000)
350	Repairs and Maintenance Services
351	Mental Health Behavioral Aide Services (Excess Amount over \$25,000)
352	Mental Health Practitioner Services (Excess Amount over \$25,000)
353	Certified Paraprofessional/Personal Care Assistant Services (Excess Amount over \$25,000)
354	Certified One-to-One Paraprofessional Services (Excess Amount over \$25,000)
355	Foreign Language Interpreter Services (Excess Amount over \$25,000)

356	Interpreter for the Deaf Services (Excess Amount over \$25,000)
357	Interpreter for the Deaf Services (Amount up to \$25,000)
358	Foreign Language Interpreter Services (Amount up to \$25,000)
359	Certified One-to-One Paraprofessional Services (Amount up to \$25,000)
360	Transportation Contracts With Private or Public Carriers
361	Certified Paraprofessional/Personal Care Assistant Services (Amount up to \$25,000)
362	Mental Health Practitioner Services (Amount up to \$25,000)
363	Mental Health Behavioral Aide Services (Amount up to \$25,000)
364	Transportation Contracts with Private or Public Carriers Paid with Federal Funds (Excess Amount over \$25,000)
365	Interdepartmental Transportation (Allocation)
366	Travel, Conventions and Conferences
368	Federal Reimbursed Out-of-State Travel
369	Entry Fees/Student Travel Allowances
370	Operating Leases or Rentals
371	Physical Therapy Services (Amount up to \$25,000)
372	Occupational Therapy Services (Amount up to \$25,000)
373	Educational Speech/Language Pathologist Services (Amount up to \$25,000)
374	Audiologist Services Purchased (Amount up to \$25,000)
375	Licensed School Nurse Services (Amount up to \$25,000)
376	Licensed Nursing Services (Amount up to \$25,000)
377	Licensed School Social Worker Services (Amount up to \$25,000)
378	Licensed School Psychologist Services (Amount up to \$25,000)
379	Qualified Mental Health Professional Services (Amount up to \$25,000)
380	Computer and Technology Related Hardware Rental
381	Medicaid Reimbursed Equipment
382	Medicaid Reimbursed Services
384	Third Party Reimbursed Equipment, Not Medicaid
385	Third Party Reimbursed Services, Not Medicaid
389	Staff Tuition and Other Reimbursements
390	Payments for Educational Purposes to Other Minnesota School Districts
391	Payments to Minnesota School Districts (Cost Sharing Agreements)
392	Payments for Educational Purposes to Out-of-State School Districts and Other Agencies
393	Special Education and Transition Programs for Children with a Disability Contracted Services
394	Payments for Educational Purposes to other Agencies (Non-school districts)
395	Shared Costs for Paired Districts Only
396	Salary Purchased from another District
397	Benefits Purchased from another District
398	Interdepartmental Services (Chargeback)
399	Purchase of Special Education Contacted Services from another District/Cooperative

Supplies and Materials

401	Supplies and Materials – Non-Instructional
405	Non-Instructional Computer Software and Software Licensing
406	Instructional Software License Agreements
430	Supplies and Materials – Non-Individualized Instructional
433	Supplies and Materials – Individualized Instruction
440	Fuels
455	Non-Instructional Technology Supplies
456	Instructional Technology Supplies
460	Textbooks and Workbooks
461	Standardized Tests
465	Non-Instructional Technology Devices
466	Instructional Technology Devices
470	Media Resources
490	Food
491	Commodities
495	Milk
499	Warehouse Inventory Adjustment

Capital Expenditures

505	Capitalized Non-Instructional Technology Software
506	Capitalized Instructional Technology Software
510	Site or Grounds Acquisition
520	Building Acquisition or Construction
530	Other Equipment Purchased
531	Depreciation Expense
532	Bus Equipment – Purchased (Updating Bus Equipment)
533	Other Equipment Purchased for Special Education Direct Instruction
535	Capital Leases
545	Interdepartmental Operating Capital (Chargeback)
548	Pupil Transportation Vehicles
550	Other Vehicles Purchased
555	Capitalized Non-Instructional Technology Hardware
556	Capitalized Instructional Technology Hardware
580	Principal on Capital Lease/Installment Sales Contracts
581	Interest on Capital Lease/Installment Sales Contracts
582	Principal on Capital Lease/Installment Sales Contracts Used for Direct Instruction of Special Education Students
583	Principal on Capital Lease/Installment Sales Contracts Used for Vehicles Used for Special Education Students
589	Lease Transactions/Installment Sales (Fund 01-Other Financing Source)
590	Other Capital Expenditures

Debt Service

710	Bond, Redemption of Principal
720	Bond, Interest
730	Loans, Redemption of Principal
740	Loans, Interest
750	Indebtedness of Discontinued School Districts
790	Other Debt Service Expenditures

Other Expenditures

810	Judgments against the School District
820	Dues, Membership, Licenses and Certain Fees
890	Federal In-Kind Match Expenditures
891	TRA Special Funding Situations Pension Expense
895	Federal and Nonpublic Indirect Cost (Chargeback)
896	Taxes, Special Assessments and Interest Penalties
897	Affordable Care Act (ACA) Penalties
898	Scholarships
899	Miscellaneous Expenditures

Other Financing Uses

910	Permanent Transfers to other Funds
920	Bond Refunding Payment

Source Dimension

Local Sources

001	Property Tax Levy – General
004	Revenue from Municipalities for Tax Increment Finance
009	Fiscal Disparities Revenue
010	County Apportionment
014	Taconite Property Tax Relief and Supplementary Homestead Property Tax Relief Revenue
015	Iron Range Resources and Rehabilitation Board Grant
016	Taconite Levy Replacement Revenue
017	Taconite General Education Aid Replacement Revenue
018	Taconite Referendum Revenue
019	Miscellaneous Tax Revenue paid by County
020	Property Tax Shift Recognition Revenue (Computed)

Tuition, Fees and Admissions

021	Tuition and Reimbursements from Minnesota School Districts
022	Reimbursement Revenue for Special Education Services from another District
031	Tuition from Out-of-State School Districts
035	Out-of-State Nonschool Revenues
040	Tuition from Patrons
050	Fees from Patrons
060	Admissions
071	Medical Assistance Revenue Received from Minnesota Department of Human Services
072	Third Party Revenue Received from Private Insurance Providers
092	Interest Earnings
093	Rent

Other Local Revenue

096	Gifts and Bequests
097	Federal In-Kind Match Revenue
099	Miscellaneous Revenues from Local Sources

State Sources

201	Endowment Fund Apportionment
211	General Education Aid
212	Literacy Incentive Aid
213	Shared Time Aid
227	Abatement Aid
229	Disparity Reduction Aid
234	Agricultural Market Value Credit
235	Private Alternative Programs Aid
258	Other State Credits and Exempt Property Reimbursements
296	Property Tax Shift Offset Adjustment
298	Levy Equity Adjustment
299	State Aid Adjustment for Property Tax Shift
300	State Aids Received From Minnesota Department of Education for which a Finance Code Is Specified
301	Nonpublic Aid
306	Refund of an Overpayment of State Aids/Grants – Contra Account
307	Health and Safety Aid
308	Interactive Telecommunications Aid (ITV)
309	Debt Service Equalization Aid
317	Long-Term Facilities Maintenance (LTFM) State Aid
360	State Aid for Special Education

- 369 Other Revenue from Other State Agencies
- 370 Other Revenue from Minnesota Department of Education
- 397 TRA Special Funding Situations Revenue

Federal Aids Received Through Minnesota Department of Education and Other Agencies

- 400 Federal Aids Received through Minnesota Department of Education for which a Finance Code is Specified (Except Food and Nutrition)
- 405 Federal Aid Received through Other State, Local and Fiscal Agencies
- 406 Refund of an Overpayment of Federal Aids/Grants – Contra Account
- 471 School Lunch Program
- 472 Special Assistance – Needy Child Program
- 473 Commodity Cash Rebate Program
- 474 Commodity Distribution Program
- 475 Special Milk Program
- 476 School Breakfast Program
- 477 Cash In Lieu of Commodities
- 479 Summer Food Service Program
- 495 Special Education Contract Placement General Education Deduction (contra account)

Federal Aid Received Directly from Federal Sources

- 500 Federal Aid Received Directly from Federal Sources for which a Finance Code is Specified
- 506 Impact Aid

Local Sales and Insurance Recovery

- 601 Food Service Sales to Pupils
- 606 Food Service Sales to Adults
- 608 Special Function Food Sales
- 614 Contributions to Postemployment Benefits Trust
- 615 Contributions for Postemployment Benefits
- 616 Retiree Contributions to Postemployment Benefits Trust
- 619 Cost of Materials for Revenue Producing Activities (Contra Revenue)
- 620 Sale of Materials from Revenue Producing Activities
- 621 Sale of Materials Purchased for Resale (Net of Tax)
- 622 Sale of Materials (Net of Tax)
- 623 Sale of Real Property
- 624 Sale of Equipment
- 625 Insurance Recovery
- 628 Judgments for the School District
- 629 Health and Safety Other Revenue

Sale of Bonds and Loans

- 631 Sale of Bonds
- 635 Certificates of Participation
- 636 Capital Loans
- 637 Debt Service Loans
- 639 Proceeds from Other State and Non-State Loans Received

Incoming Transfers

- 649 Permanent Transfers from Other Funds

Course Dimension

Course Dimension Codes for Designated Years

- 000 Non-Federal Projects that End during the Current Year or Current Federal Awards
- 001 Projects That End During the FY that ends with “1” (20x1)
- 002 Projects That End During the FY that ends with “2” (20x2)
- 003 Projects That End During the FY that ends with “3” (20x3)
- 004 Projects That End During the FY that ends with “4” (20x4)
- 005 Projects That End During the FY that ends with “5” (20x5)
- 006 Projects That End During the FY that ends with “6” (20x6)
- 007 Projects That End During the FY that ends with “7” (20x7)
- 008 Projects That End During the FY that ends with “8” (20x8)
- 009 Projects That End During the FY that ends with “9” (20x9)
- 010 Projects That End During the FY that ends with “0” (20x0)
- 011 Prior Year Federal Awards
- 012 Second Prior Year Federal Awards
- 013 Third Prior Year Federal Awards
- 014 Fourth Prior Year Federal Awards
- 015 Fifth Prior Year Federal Awards
- 619 Intermediate Districts (Non-reimbursable Special Education Expenditures)
- 620 Individuals with Disabilities Education Act Birth through Age 2 (B-2) Maintenance of Effort (MOE)
- 621 Highly Qualified Staff (Second Prior Federal Award)
- 622 Local Educational Agency (LEA) Level Activities Set-Aside (Second Prior Year Federal Award)
- 623 Neglected Set-Aside (Second Prior Year Federal Award)
- 624 Homeless Set-Aside (Second Prior Year Award)
- 625 Parent Involvement Set-Aside (Second Prior Year Federal Award)
- 626 School Choice and Supplemental Education Set Aside (Second Prior Year Federal Award)
- 627 Highly Qualified Staff (Prior Year Federal Award)
- 628 LEA Level Activities (Prior Year Federal Award)
- 629 Neglected (Prior Year Federal Award)

630	Homeless (Prior Year Federal Award)
631	Parent Involvement (Prior Year Federal Award)
632	School Choice and Supplemental Educational Services (Prior Year Federal Award)
633	Special Education 50 Percent Maintenance of Effort Reduction (Current Year Federal Award)
634	Highly Qualified Staff (Current Year Federal Award)
635	LEA Level Activities (Current Year Federal Award)
636	Neglected (Current Year Federal Award)
637	Homeless (Current Year Federal Award)
638	Parent Involvement (Current Year Federal Award)
639	School Choice and Supplemental Educational Services (Current Year Federal Award)
640	Professional Development (Current Year Federal Award)
641	Professional Development (Prior Year Federal Award)
642	Professional Development (Second Prior Year Federal Award)
667	School Improvement Implementation Set-Aside (Current Year Federal Award)
668	School Improvement Implementation Set-Aside (Prior Year Federal Award)
669	School Improvement Implementation Set-Aside (Second Prior Year Federal Award)

Balance Sheet Accounts

Asset Accounts

Current Asset Accounts

101	Cash and Cash Equivalents
103	Cash with Fiscal Agent
104	Investments
110	Current Property Taxes Receivable
111	Delinquent Property Taxes Receivable
115	Other Accounts Receivable
116	Interest Receivable
118	Due from Other Funds
120	Due from Other Minnesota School Districts
121	Due from Minnesota Department of Education
122	Due from Federal Government through the Minnesota Department of Education
123	Due from Federal Government Received Directly
125	Due from Other Governmental Units
129	Commodities
130	Inventory
131	Prepaid Expenditures and Deposits
139	Lease Receivable

General Fixed Asset Account Group (Fund 20 and 98)

- 140 Land
- 141 Land Improvements
- 142 Buildings
- 143 Equipment
- 148 Property and Equipment under Capital Lease
- 149 Construction Work In Progress

General Long-Term Debt Account Group – Budgeting Account

- 150 Amount Available for Retirement of Bonds and State Loans
- 151 Amount to be provided From Property Taxes for Long-Term Debt Payments
- 152 Amount to be provided for Capital Lease Agreements
- 160 Amount Available for Separation/Retirement Benefits
- 161 Amount to be provided for Separation and Severance Pay
- 162 Amount to be provided – Compensated Absences

General Fixed Asset Account Group – Depreciation

- 171 Accumulated Depreciation on Land Improvements (Contra Asset)
- 172 Accumulated Depreciation on Buildings (Contra Asset)
- 173 Accumulated Depreciation on Equipment (Contra Asset)
- 174 Accumulated Depreciation on Property and Equipment under Capital Lease (Contra Asset)

Liability Accounts**Current Liabilities Accounts (Funds 01-09 and 20)**

- 201 Salaries and Wages Payable
- 202 Short-Term Indebtedness
- 205 Due to Other Funds
- 206 Other Accounts Payable
- 207 Judgments Payable
- 208 Interest Payable
- 209 Other Current Liabilities
- 210 Due to Other Minnesota School Districts
- 212 Due to Other Governmental Units
- 213 Property Tax Shift Adjustment
- 214 Advance of Unearned General Education Aid
- 215 Payroll Deductions and Employer Contributions
- 218 Claims Payable
- 219 Charter School Building Lease Payable
- 220 Construction Contracts Payable

- 230 Unearned Revenue (Appropriate Fund)
- 231 Deferred Inflows of Resources – Unavailable Revenue – Delinquent Taxes
- 235 Deferred Inflows of Resources – Property Taxes Levied for Subsequent Year's Expenditures

Long-Term Liabilities

- 250 Bonds Payable
- 251 Equipment Notes Payable
- 252 Capital Improvement Loans Payable
- 253 Energy Loans Payable
- 254 Capital Lease Payable
- 255 Capital Loans Payable
- 256 Debt Service Loans Payable
- 260 Separation and Severance Payable
- 261 Special Assessments and Compensated Absences
- 262 Compensated Absences Payable

**Fund Balance Accounts – Nonspendable, Restricted/Reserved, Committed, Assigned,
Unassigned and Restricted**

- 403 Restricted/Reserved For Staff Development
- 406 Restricted/Reserved for Health and Safety
- 407 Restricted/Reserved For Capital Projects Levy
- 408 Restricted/Reserved For Cooperative Programs
- 413 Restricted/Reserved For Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) Agreement with Related Lease Levy Authority
- 414 Restricted/Reserved For Operating Debt
- 416 Restricted/Reserved For Levy Reduction
- 417 Restricted/Reserved For Taconite Building Maintenance Funds
- 418 Committed for Separation/Retirement Benefits
- 422 Unassigned Fund Balance
- 424 Restricted/Reserved For Operating Capital
- 425 Restricted/Reserved For Bond Refunding
- 426 Restricted/Reserved For \$25 Taconite
- 427 Restricted/Reserved For Disabled Accessibility
- 428 Restricted/Reserved For Learning and Development
- 430 Investment in General Fixed Assets
- 431 Restricted/Reserved For Community Education
- 432 Restricted/Reserved For Early Childhood and Family Education
- 433 Restricted/Reserved For Maximum Effort Loan Aid
- 434 Restricted/Reserved For Area Learning Center
- 435 Restricted/Reserved For Contracted Alternative Programs
- 436 Restricted/Reserved For State-Approved Alternative Programs

438	Restricted/Reserved For Gifted and Talented
440	Restricted/Reserved For Teacher Development and Evaluation
441	Restricted/Reserved For Basic Skills Programs
444	Restricted/Reserved For School Readiness
445	Restricted/Reserved For Career and Technical Programs
447	Restricted/Reserved For Adult Basic Education
448	Restricted/Reserved For Achievement and Integration
449	Restricted/Reserved For Safe Schools Levy
451	Restricted/Reserved For Qualified Zone Academy Bond (QZAB) and Qualified School Construction Bond (QSCB) Payments
452	Restricted/Reserved For Funded OPEB Liabilities Not Held in a Trust
453	Restricted/Reserved For Unfunded Severance and Retirement Levy
459	Restricted/Reserved For Basic Skills Extended Time
460	Nonspendable Fund Balance
461	Committed Fund Balance
462	Assigned Fund Balance
463	Unassigned Fund Balance
464	Restricted Fund Balance
467	Restricted/Reserved for Long – Term Facilities Maintenance (LTFM)
472	Restricted/Reserved for Medical Assistance
475	Restricted/Reserved for Title VII – Impact Aid
476	Restricted/Reserved for Payments in Lieu of Taxes (PILT)

General Fixed Asset Account Group

Investment in General Fixed Assets (Fund 20 and Account Group 98)

(District Use Only)

301	Open Encumbrances (Use is Optional – Not used for State Reporting)
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Revenue Summary Accounts

501	Revenue Summary – Community Education
502	Revenue Summary – Early Childhood and Family Education
503	Revenue Summary – Student Transportation Safety
504	Revenue Summary – Operating Capital
505	Revenue Summary – School Readiness
510	Revenue Summary – Reemployment Insurance
515	Revenue Summary – Health and Safety
516	Revenue Summary – Disabled Accessibility
519	Revenue Summary – Unassigned

Expenditure Summary Accounts

530	Expenditure Summary – Reemployment Insurance
532	Expenditure Summary – Bus Purchases
535	Expenditure Summary – Health and Safety
536	Expenditure Summary – Disabled Accessibility
539	Expenditure Summary – Unassigned
541	Expenditure Summary – Community Education
542	Expenditure Summary – Early Childhood and Family Education
543	Expenditure Summary – Student Transportation Safety
544	Expenditure Summary – Operating Capital
545	Expenditure Summary – School Readiness

Chapter 10 – Permitted Code Combinations

Introduction

The main objective of UFARS is to uniformly collect district financial data from all reporting units. The purpose of this chapter is to provide guidance as to the permitted combinations of dimension codes to ensure compliance with state, federal and other external reporting requirements.

Expenditure codes are divided into two basic categories – unrestricted and restricted. Unrestricted codes are used to record expenditures of a Local Educational Agency (LEA) that spends nonspendable, committed, assigned or unassigned revenues of the district. Restricted codes are used to record expenditures of an LEA that spends restricted/reserved revenues. These expenditure accounts utilize a finance code other than 000.

As an assurance that all expenditures are reported in compliance with these formats, each approved financial system must include edit programs that prevent an LEA from reporting data in accounts that do not contain approved combinations of dimension codes. The Department of Education also performs the same edits to double check each account before the data is entered into the state's database. If, for any reason, data is reported that does not comply with the state's edit program, the entire submission is rejected. An LEA must then make the appropriate corrections and resubmit its data.

Revenue accounts have the same classification as expenditures. Unrestricted revenues are recorded to the nonspendable, committed, assigned or unassigned fund balance accounts; restricted revenues are recorded to the appropriate restricted/reserved fund balance accounts. Again, restricted/reserved revenues can be identified through the use of a finance code other than 000. However, there currently are no grids contained in this manual to aid in revenue coding, nor are there edit programs to ensure the compliance of revenue account code combinations. Using the combination of the Finance and Source chapters of this manual, along with the payment information indicated on the warrant of the Integrated Department of Education Aids System (IDEAS) report; an LEA will be able to determine the permitted revenue code combinations.

The following pages of this chapter contain tables to aid in the selection of proper code combinations for expenditures.

Unrestricted Expenditure Grid

Unrestricted Expenditures – Permitted Coding Grids

Unrestricted expenditure account codes must conform to the reporting standards outlined in this section. The unrestricted grids contain the allowable combinations, by fund, organization, program and object.

To use these grids, a determination must first be made regarding the appropriate fund and program. Once these two determinations are made and located on the grids, the allowable organization(s) and object(s) can be located on the horizontal axis of the grids.

A complete and correct determination for unrestricted expenditure codes can be made following those steps.

Example: Salary for the superintendent

	Dimension	Account Code	
Determine	Fund:	01	General
Determine	Program:	020	Office of the Superintendent
Grid	Organization:	005	Districtwide
Grid	Object:	110	Administration/Supervision

Unrestricted – General Fund 01**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
010	Board of Education	X			X	X	X	X	X		X	
020	Office of the Superintendent	X			X	X	X	X	X		X	
030	Instructional Administration	X			X	X	X	X	X		X	
050	School Administration	X	X	X	X	X	X	X	X		X	
105-120	District Support Services	X			X	X	X	X	X		X	
201	Kindergarten	X	X	X	X	X	X	X	X		X	
203	Elementary Education	X	X	X	X	X	X	X	X		X	
200	Voluntary Prekindergarten	X	X	X	X	X	X	X	X		X	
211	Secondary Education	X	X	X	X	X	X	X	X		X	
212-270	Instructional Education	X	X	X	X	X	X	X	X		X	
291-298	Co-curricular and Extracurricular	X	X	X	X	X	X	X	X		X	
301-399	Career and Technical Education	X	X	X	X	X	X	X	X		X	
401-499	Special Education Instruction	X	X	X	X	X	X	X	X		X	
605-640	Instructional Support Services	X	X	X	X	X	X	X	X		X	
710-760	Pupil Support Services	X	X	X	X	X	X	X	X		X	
790	Pupil Support Services	X	X	X	X	X	X	X	X		X	
805-850	Sites, Buildings and Equipment	X	X	X	X	X	X	X	X		X	
865-867	Long-Term Facilities Maintenance (LTFM)	X	X	X	X	X	X	X	X	790	820	
910	Retirement of Long-Term Obligations	X					305					910
920	Retirement of Non-bonded Obligations	X								X		
930	Employee Benefits	X	X	X		200-251, 253-288, 292-299						
940	Property and other Insurance	X	X	X			X					
950	Transfers	X										X
960	Other Nonrecurring Items	X									X	

Expenses in Program Code 930, Employee Benefits must be allocated out at year end.

Unrestricted – Food Service Fund 02**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
910	Retirement of Long-Term Obligations	X					305					910

Unrestricted – Community Service Fund 04**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
301-380	Adult Career and Technical Instruction	X	X	X	X	X	X	X	X		X	
505-585	Community Service	X	X	X	X	X	X	X	X		X	X
590	Other Community Service	X	X	X	X	X	X	X	X	X	X	X
910	Retirement of Long-Term Obligations	X					305					910

Unrestricted – Building Construction Fund 06**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
810-850	Operations and Maintenance Capital Expenditures	X	X	X	X	X	X	X	X	X	X	
865-867	Long-Term Facilities Maintenance	X	X	X	X	X	X	X	X	790	820	910
870	Building Construction	X	X	X	X	X	X	X	X	X	X	910
910	Retirement of Long-Term Obligations	X	X	X	X	X	X	X	X	X	X	

Unrestricted – Debt Service Fund 07**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
910-920	Fiscal and Other Fixed Costs Programs	X					390		580 590	X		910 920

Unrestricted – Internal Service Fund 20**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
010-030, 105-120	All Programs as Enumerated	X			X	X	X	X	X	X	X	X
050, 201-929, 931-960	All Programs as Enumerated	X	X	X	X	X	X	X	X	X	X	X

Unrestricted – Postemployment Benefits Revocable Trust Fund 25**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
935	Post-Employment Benefits	X				220-235, 251	305					

Unrestricted – Postemployment Benefits Irrevocable Trust Fund 45**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
935	Post-Employment Benefits	X				220-235, 251	305					

Unrestricted – Postemployment Benefits Debt Service Fund 47**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
010-999	All Programs	X								710-720, 790		X

Unrestricted – General Fixed Assets Group Fund 98**Permitted Expenditure Code Grid**

Program No.	Program	ORG Series 005	ORG Series 001-004	ORG Series 006-999	Object Series 100	Object Series 200	Object Series 300	Object Series 400	Object Series 500	Object Series 700	Object Series 800	Object Series 900
010-999	All Programs	X	X	X	X	X	X	X	X	X	X	X

Restricted Finance Grid

Restricted Expenditures – Detailed Accounting and Reporting Requirements

School district expenditures that require a finance code because they are funded by federal grants, state statute or rule, or entitlements must be classified in accordance with the UFARS Chapter 10 Restricted Finance Grid that is described below.

The first section of the grid, Restricted Operating Capital Expenditure, is used for capital expenditures that use facilities, equipment, or disabled accessibility revenues. The second section, Restricted Finance Grid, is used for all other restricted expenditures.

Grid Layout

FIN	DESCRIPTION	FUND	ORGANIZATION	PROGRAMS	OBJECT
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FIN and DESCRIPTION refer to the Finance Dimension as described in the Finance chapter of this manual. The finance dimension is the key dimension of this grid. Finance codes are listed in ascending numerical order.

Please note that the restricted grid requirements do not change the UFARS code layout. Restricted expenditure codes must follow the usual UFARS coding sequence as follows:

FUND	ORG	PRO	FIN	OBJ	CRS
XX	XXX	XXX	XXX	XXX	XXX

Once a requirement for a finance dimension is determined and the finance number has been located in the Restricted Finance Grid, the remaining possible expenditure code dimensions can be determined.

Further questions on the use of the Restricted Finance Grid can be addressed to a Regional Accounting Coordinator (RAC) or the Department of Education (Financial Management Team). Both of these resources are listed in the appendix.

The use of this Restricted Finance Grid does not supersede state and federal grant regulations. Individual grants may be more restrictive. Be sure to refer to the grant applications for greater detail.

Permitted Code Combinations for Finance Code 302 – Operating Capital (Minn. Stat. § 126C.10, subd. 14)

No.	Activity	Organization	Program	Object
1.	Acquire Land	005	850	510
2.	Acquire, Construct Buildings	001-999	850	520
3.	Rent or Lease Buildings	001-999	010-999	370, 535, 580, 581, 589
4.	Improve/Repair Sites, Buildings and Permanent attached Fixtures	001-999	850	520, 530, 555, 556
5.	Capital Project to Surplus School used for Public Non-School Purpose	001-999	850	510, 520
6.	Eliminate Barriers or Increase Access for Handicapped	001-999	850	520
7.	State Fire Code Compliance	001-999	850	520
8.	Asbestos Removal	001-999	850	520
9.	Polychlorinated Biphenyl Clean-Up	001-999	850	520
10.	Transportation /Heating Fuels Clean-up	001-999	850	510, 520
11.	Energy Audits and Modifications (if cost can be recovered within 10 years)	001-999	850	305
12.	Buildings Leased according to M.S. 123B.51	001-999	850	520
13.	Special Assessments against School Property	001-999	850	896
14.	Pay Principal and Interest–Energy Conservation or Douglas Johnson Economic Protection Trust Fund	001-999	850	730, 740
15.	Purchase or Lease Interactive Telecommunications Equipment	001-999	010-999	380, 535, 555, 556, 580, 581, 589
16.	Transfer Money into the Debt Redemption Fund	005	950	910
17.	To Pay Capital Expenditure Equipment related Assessment of an Entity formed under a Cooperative Agreement	005	010-999	316
18.	Purchase or Lease Computers and Related Materials, Copying Machines and Other Non-Instructional Equipment	001-999	010-999	380, 405-406, 465, 505-506, 530, 535, 555, 580, 581, 589
19.	Purchase or Lease Equipment for Instructional Programs	001-999	010-999	380, 466, 530, 535, 556, 580, 581, 589
20.	Purchase Textbooks	001-999	201-499	460
21.	Purchase Library Media Sources or Technology	001-999	620	470 and 506
22.	Purchase Vehicles	001-999	010-999	370, 535, 548, 550, 580, 581, 589
23.	Purchase or Lease Telecommunications	005	108	380, 530, 535, 555-556, 580, 581, 589
	Purchase or Lease Telecommunications (line 23 continued)	001-999	630	380, 530, 535, 555-556, 580, 581, 589
24.	Technology Coordinator	005	108	110, 170, 185, 186, 199, 201-299, 305
	Technology Coordinator (line 24 continued)	001-999	630	110, 170, 185, 186, 199, 201-299, 305
25.	Costs Associated with Closing a School Facility	001-999	850	305

Balance Sheet Account 427 Restricted/Reserved for Disabled Accessibility Finance Code 794 – Disabled Accessibility (Fund 01)

All activities related to removal of architectural barriers and fire safety improvements in accordance with [Minnesota Statutes, section 123B.58.](#)

PRO 850
OBJ 110-599, 810-899

Restricted Finance Grid

FIN	Description	Funds	Org	Programs	Object
175	Title VII – Impact Aid	01	001-999	010-050 Administration 105-120 District Support Services 200-298 Elem and Sec Reg Inst’n 301-399 Voc Ed Instruction 400-422 Spec Ed Instruction 605-640 Inst’n Support Services 710-790 Pupil Support Services 805-850 Sites and Buildings	110-191, 199-291, 299-304, 306-397, 399-535, 548-590, 810-898
175	Title VII – Impact Aid	06	001-999	810-850 Sites and Buildings	100-599 and 810-899
176	Payments in Lieu of Taxes (PILT)	01	001-999	010-050 Administration 105-120 District Support Services 200-298 Elem & Sec Reg Inst’n 301-399 Voc Ed Instruction 400-422 Spec Ed Instruction 605-640 Inst’n Support Services 710-790 Pupil Support Services 805-850 Sites and Buildings	110-191, 199-291, 299-304, 306-397, 399-535, 548-590, 810-898
302	Operating Capital	01	005	010-999 All Programs	316
302	Operating Capital	01	005	108 Admin. Technology Services	110, 170, 185-186, 199, 201-299, 305, 380, 530, 535, 555-556, 580-581, 589
302	Operating Capital	01	005	950 Transfers	910
302	Operating Capital	01	001-999	630 Instruction-Related Tech.	110, 170, 185-186, 199, 201-299, 305, 380, 530, 535, 555-556, 580-581, 589
302	Operating Capital	01	001-999	201-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 401-499 Special Ed. Instruction	460
302	Operating Capital	01	001-999	620 Library Media Center	470 and 506
302	Operating Capital	01	001-999	850 Capital Facilities	305, 510, 520, 530, 555-556, 730, 740, 896
302	Operating Capital	01	001-999	010-999 All Programs	370, 380, 405-406, 465-466, 505-506, 530, 535, 548, 550, 555-556, 580, 581, 589

FIN	Description	Funds	Org	Programs	Object
303	Area Learning Center	01	005	010-030 Administration 105-120 District Support Services	110-599, 810-899
303	Area Learning Center	01	001-999	050 School Administration 201-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 400-420 Special Ed. Instruction 505-590 Comm. Ed. & Services 605-640 Instructional Support 710-760, 790 Pupil Support Serv. 810-850 Sites and Buildings 910-960 Fiscal, Other Fixed Costs	110-599, 810-899
304	Contracted Alternative Programs	01	005	010-030 Administration 105-120 District Support Services	305-399
304	Contracted Alternative Programs	01	001-999	050 School Administration 201-299 Elem./Sec. Regular Instr.	305-399
305	State Approved Public Alternative Programs	01	005	010-030 Administration 105-120 District Support Services	110-599, 810-899
305	State Approved Public Alternative Programs	01	001-999	All Other Programs except 770	110-599, 810-899
309	Basic Skills Extended Time	01	001-999	050 School Administration 201-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 400 General Special Education 605-640 Instructional Support 740-760, 790 Pupil Support Serv.	110-599, 810-899
310	Interdistrict Cooperative Activities	01	005	010-030 Administration 105-120 District Support Services	110-599, 810-899
310	Interdistrict Cooperative Activities	01	001-999	All Other Programs except 770	110-599, 810-899
311	Telecommunications Access Costs	01	001-999	001-999 All Programs	110-599
311	Telecommunications Access Costs	04	005	505-590 Comm. Ed. & Services	110-599

FIN	Description	Funds	Org	Programs	Object
313	Achievement and Integration Aid and Levy	01, 09	005	010-030 Administration 105-120 District Support Services	110, 120, 140-146, 156-157, 163, 165, 170, 175, 185-186 191, 195-199, 210-289, 291-299, 305, 320-329, 358, 360, 365-366, 369-370, 380, 389-391, 394, 398, 401-433, 455-456, 460-461, 465, 470, 490, 555-556, 820, 898, 899
313	Achievement and Integration Aid and Levy	01, 09	001-999	050 School Administration 201-203 Elem. Regular Instr. 211-215 Sec. Regular Instr. 220-298 Sec. Reg. Instruction 301-399 Career & Technical Instr. 605-640 Instructional Support 710-712, 740-760, 790 Pupil Support	110, 120, 140-146, 156-157, 163, 165, 170, 175, 185-186 191, 195-199, 210-289, 291-299, 305, 320-329, 358, 360, 365-366, 369-370, 380, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 555-556, 820, 898, 899
316	General Education Revenue for Staff Development	01	001-999	010-050 Administration 105-110 District Support Services 200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 401-420 Special Ed. Instruction 605-640 Instructional Support 710-760, 790 Pupil Support Serv.	110-186, 190, 195-280, 295-299, 305, 307, 320-329, 365-366, 370, 389-392, 396-398, 401-405, 455, 465, 470-490, 505, 555, 820

FIN	Description	Funds	Org	Programs	Object
317	Basic Skills	01	005	030 Instructional Admin. 105 General Admin. Support	110-599, 810-899
317	Basic Skills	01	001-999	400 General Special Education	110-599, 810-899
317	Basic Skills	01	001-999	401-416 Special Education Instruction	110, 140, 143-146, 150-166, 168-170, 172-176, 185-186, 191, 195, 199, 210-251, 270-280, 295- 299, 305, 307, 315, 320-329, 340, 350,- 365- 366, 369-370, 380, 384-385, 391-394, 396-399, 401-406, 433, 455-456, 465-466, 470, 490, 505- 506, 530, 533, 535, 555-556, 582, 589, 820, 898
317	Basic Skills	01	001-999	420 Special Education Instruction	110, 143-146, 150-151, 153-166, 168-170, 172- 176, 185-186, 191-195, 199, 210-251, 270-280, 295,-299, 305, 307, 315, 320-329, 340, 350, 365-366, 369-370, 380-385, 391-394, 396-398, 401-406, 433, 455-456, 465-466, 470, 490, 505- 506, 530, 533, 535, 555-556, 581-582, 589, 820, 898
317	Basic Skills	01	001-999	422 Special Education – Students without Disabilities	110, 140, 143, 152, 156, 157, 159, 161-163, 165, 175-176, 191, 199, 210-251, 270- 280,295299, 305, 307, 329, 394, 396-398, 401, 405-406, 433, 455-456, 465-466, 505-506, 530, 533, 535, 545, 555-556, 580-581
317	Basic Skills	01	001-999	050 School Administration 200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 579, 581-582 Comm. Ed & Serv. 605-640 Instructional Support 710-760, 790 Pupil Support Serv.	110-599, 810-899

FIN	Description	Funds	Org	Programs	Object
318	Incentive Revenue	01, 09	005	010-030 Administration 105-120 District Support Services	110, 120, 140-146, 156-157, 163, 165, 170, 175, 185-186 195-199, 210-289, 291-299, 305, 320-329, 358, 360, 365-366, 369-370, 380, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 555-556, 820, 898, 899
318	Incentive Revenue	01, 09	001-999	050 School Administration 201-203 Elem. Regular Instr. 211-215 Sec. Regular Instr. 220-298 Sec. Reg. Instruction 301-399 Career & Technical Instr. 605-640 Instructional Support 710-712, 740-760, 790 Pupil Support	110, 120, 140-146, 156-157, 163, 165, 170, 175, 185-186 195-199, 210-289, 291-299, 305, 320-329, 358, 360, 365-366, 369-370, 380, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 555-556, 820, 898, 899
319	Teacher Development and Evaluation	01	001-999	020-050 Administration 105-120 District Support Services 200-205 Elem./Sec. Regular Instr. 210-270 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 401-422 Special Ed. Instruction 605-640 Instructional Support 710-740 Pupil Support Serv.	110-140, 143, 145, 150-154, 156-158, 160, 165, 167, 169-170, 174, 185, 191-280, 295-299, 305, 316-329, 365-366, 370, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 555, 820
319	Teacher Development and Evaluation	04	001-999	520 Adult Basic/Continuing Ed. 580 Early Childhood and Family Education 582 School Readiness	110-140, 143, 145, 150-154, 156-158, 160, 165, 167, 169-170, 174, 185, 191-280, 295-299, 305, 316-329, 365-366, 370, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 555, 820
320	American Indian Education	01	001-999	105 General Admin. Support 200-270 Elem./Sec. Regular Instr. 401-420 Special Ed. Instruction 605-640 Instructional Support 710-760, 790 Pupil Support Serv.	110,120, 140-146, 156-158, 162, 164, 169-170, 175-186, 191-195, 199, 210-299, 305, 315-340, 350, 360, 365-366, 369-370, 389-392, 394-395, 398, 401, 405-406, 430, 440-460, 465-466, 470-490, 530, 555-556, 590, 820, 898
321	Community Education	04, 09	001-999	505-590 Comm. Ed. & Services	110-599, 740, 810-899
322	State Adult Basic Education	04, 09	001-999	520 Adult Basic/Continuing Ed.	110-499, 505-506, 530, 555-556, 580-581, 820
324	GED Testing & Adult Basic Education Supplemental Services	04	001-999	520 Adult Basic/Continuing Ed.	110-390, 392-499, 505-506, 530, 555-556, 820

FIN	Description	Funds	Org	Programs	Object
325	Early Childhood & Family Education	04	001-999	580 Early Childhood & Family Education	110-146, 154-160, 163-164, 170, 175-176, 185-186, 191,, 199, 210-280, 290-291, 299, 305, 315, 320-340, 350, 355, 357-358, 360, 363, 365-366, 369-370, 376, 378-380, 389, 390-391, 394-398, 401-433, 455-456, 460-461, 465-466, 470-490, 505-506, 520-530, 535, 555-556, 580-581, 589, 820
326	Adults with Disabilities	04	001-999	510 Adults with Disabilities	110-599, 810-899
328	Home Visiting	04	001-999	580 Early Childhood & Family Education	110-143, 145-146, 154-160, 163-164, 170, 175-176, 185-186, 191, 199-291, 299, 305, 315, 320-329, 360, 363, 365-366, 376, 378-380, 389-391, 394-398, 401-433, 455-456, 461, 465-466, 470, 505-506, 535, 555-556, 589, 820
330	Learning & Development	01	001-999	200-201 Education – Kindergarten 203 Ed. Elementary – General	140, 195, 199, 210-299, 305, 366, 390-391, 395, 430, 433, 460, 465-466, 470, 505-506, 555-556
332	After School Enrichment Program	04	001-999	585 Youth Development/Youth Services	110-599, 810-895, 898
333	Maximum Effort Loan	01	005	211 Education-Secondary General	430
333	Maximum Effort Loan	04	005	505 General Community Education	305
333	Maximum Effort Loan	07	005	910 Retirement of Long-Term Oblig	710-720, 790
335	Quality Compensation – Alternative Teacher Professional Pay System	01	001-999	010-050 Administration 100-199 District Support Services 200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 401-499 Special Ed. Instruction 600-699 Instr. Support Services 700-740 Pupil Support Serv. 790 Other Pupil Support Serv.	110-140, 143, 145, 150-154, 156-158, 160, 165, 167, 169-170, 174, 185, 191-280, 295-299, 305, 307, 320-329, 365-366, 370, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 555, 820
335	Quality Compensation – Alternative Teacher Professional Pay System	04	001-999	520 Adult Basic/Continuing Ed. 580 Early Childhood and Family Ed. 582 School Readiness	110-140, 143, 145, 150-154, 156-158, 160, 165, 167, 169-170, 174, 185, 191-280, 295-299, 305, 307, 320-329, 365-366, 370, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 555, 820

FIN	Description	Funds	Org	Programs	Object
336	Raised Academic Achievement – Advanced Placement Programs	01	001-999	001-999 All Programs	110-499, 810-898
337	Early Learning Scholarships – Pathway II	04	001-999	200 Voluntary Prekindergarten 581 Prekindergarten 582 School Readiness 584 School Readiness Plus 590 Other Community Programs	110-146, 150-160, 163-164, 170, 175-176, 185-186, 191, 199, 210-280, 290-291, 299, 305, 315, 320-340, 345-349, 350-352, 355-358, 360, 362-363, 365-366, 369-374, 375-380, 390-391, 394-395, 397-398, 401-433, 455-456, 460-461, 465-466, 470, 490, 505-506, 530, 535, 555-556, 589, 820, 898
338	Early Learning Scholarships – Pathway I	04	001-999	200 Voluntary Prekindergarten 581 Prekindergarten 582 School Readiness 584 School Readiness Plus 590 Other Community Programs	110-146, 150-160, 163-164, 170, 175-176, 185-186, 191, 199, 210-280, 290-291, 299, 305, 315, 320-340, 345-349, 350-352, 355-358, 360, 362-363, 365-366, 369-374, 375-380, 390-391, 394-395, 397-398, 401-433, 455-456, 460-461, 465-466, 470, 490, 505-506, 530, 535, 555-556, 589, 820, 898
341	Regional Mathematics & Science Teacher Centers	01	001-999	001-999 All Programs	110-499, 810-898
342	Safe Schools Levy	01	001-999	001-499 All Programs 600-999 All Programs	110-599, 810-895
342	Safe Schools Levy	06	001-999	810, 850, 870 Sites, Building, and Equipment	465-466, 505-506, 520-530, 535, 555-556, 589
343	Systemic STEM School Redesign	01	001-999	001-999 All Programs	110-499, 810-898

FIN	Description	Funds	Org	Programs	Object
344	School Readiness	01	001-999	200 Voluntary Prekindergarten 581 Prekindergarten 582 School Readiness	110-146, 150-160, 163-165, 170, 175-176, 185-186, 191, 199, 210-291, 299, 305, 315, 320-340, 345-348, 350-352, 355, 357-358, 360, 362-363, 365-366, 369-380, 389, 390-391, 394-395, 397-398, 401-433, 455-456, 460-461, 465-466, 470, 490, 495, 505-506, 520-530, 535, 555-556, 589, 820, 898
344	School Readiness	04	001-999	200 Voluntary Prekindergarten 581 Prekindergarten 582 School Readiness 584 School Readiness Plus	110-146, 150-160, 163-165, 170, 175-176, 185-186, 191, 199, 210-291, 299, 305, 315, 320-340, 345-348, 350-352, 355, 357-358, 360, 362-363, 365-366, 369-380, 389, 390-391, 394-395, 397-398, 401-433, 455-456, 460-461, 465-466, 470, 490, 495, 505-506, 520-530, 535, 555-556, 589, 820, 898
346	Iron Range Resources & Rehabilitation Board Grants	01	001-999	810 Operations & Maintenance 850 Facilities	110-599, 810-899
347	Physical Hazards	01	001-999	865 LTFM, Excluding Costs in Program Codes 866 and 867	110-599, 910
347	Physical Hazards	06	001-999	865 LTFM, Excluding in Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 910
348	Charter School Building Lease Aid	01	001-999	850 Facilities	370

FIN	Description	Funds	Org	Programs	Object
349	Other Hazardous Materials	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 910
349	Other Hazardous Materials	06	001-999	865 LTFM Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 910
350	Aid to Nonpublic Pupils – Health Services	04	001-999	590 Other Community Programs 720 Health Services	143-144, 154-155, 170, 195, 199, 210-299, 305, 320, 330, 345-346, 350, 366, 370, 375-376, 380, 398, 401-405, 455, 465, 530, 535, 555, 895
351	Aid to Nonpublic Pupils – Textbooks & Tests	04	001-004, 006-999	590 Other Community Programs	398, 430-433, 460-461, 466, 895
352	Environmental Health & Safety Management	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
352	Environmental Health & Safety Management	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
353	Aid to Nonpublic Pupils – Guidance & Counseling	04	001-999	590 Other Community Programs 710-712 Counseling & Guidance	110, 143-144, 146, 165, 170, 185-305, 320, 330, 350, 366, 370, 380, 398, 401-405, 455, 465, 530, 535, 555, 895
354	Early Childhood Screening Program	04	001-999	583 Preschool Screening	110-146, 150-160, 163-165, 170, 175, 185-186, 195, 199, 210-299, 305, 315, 320-329, 345-348, 350, 355, 357-358, 360, 365-366, 370, 375-380, 390-391, 394, 398, 401-433, 455-456, 461, 465-466, 470, 490, 505-506, 530, 555-556, 820

FIN	Description	Funds	Org	Programs	Object
355	Voluntary Prekindergarten	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
355	Voluntary Prekindergarten	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed	110-599, 820, 910
358	Asbestos Removal & Encapsulation	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 866 LTFM – \$100,000 to \$1,999,999 Per Site for Finance Codes 358, 363 and 366	110-599, 820, 910
358	Asbestos Removal & Encapsulation	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 866 LTFM – \$100,000 to \$1,999,999 Per Site for Finance Codes 358, 363 and 366 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
362	Youth Development/Youth Services	04	005	585 Youth Development	110-599, 810-895

FIN	Description	Funds	Org	Programs	Object
363	Fire Safety	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 866 LTFM – \$100,000 to \$1,999,999 Per Site for Finance Codes 358, 363 and 366	110-599, 910
363	Fire Safety	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 866 LTFM – \$100,000 to \$1,999,999 Per Site for Finance Codes 358, 363 and 366 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 910
364	Hearing Impaired Support Services	01	001-999	301-399 Career & Technical Instr.	110-599, 810-899
364	Hearing Impaired Support Services	04	001-999	505-590 Community Ed. & Serv.	110-599, 810-899
366	Indoor Air Quality	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 866 LTFM – \$100,000 to \$1,999,999 Per Site for Finance Codes 358, 363 and 366	110-599, 820, 910
366	Indoor Air Quality	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 866 LTFM – \$100,000 to \$1,999,999 Per Site for Finance Codes 358, 363 and 366 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910

FIN	Description	Funds	Org	Programs	Object
367	Accessibility	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
367	Accessibility	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
368	Building Envelope (Excluding Roof)	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
368	Building Envelope (Excluding Roof)	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
369	Building Hardware and Equipment	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
369	Building Hardware and Equipment	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910

FIN	Description	Funds	Org	Programs	Object
370	Electrical	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
370	Electrical	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
371	Taconite \$25 Restricted/Reserved	01	001-999	412 Developmentally Delayed 605 General Instructional Support	110-599, 810-899
371	Taconite \$25 Restricted/Reserved	04	001-999	579 Preschool – Instructional 580 Early Childhood & Family Education 581 Prekindergarten 582 School Readiness	110-599, 810-899
372	Medical Assistance/Third Party Revenue	01	001-999	400 Special Education Instr.	110, 170, 199-280, 295, 305, 308-329, 340, 360, 365-366, 380, 384, 390-391, 396-397, 401-405, 455, 465, 490, 505, 520, 530, 555, 583
372	Medical Assistance/Third Party Revenue	01	001-999	401-416 Special Education Instr.	110, 140, 143-166, 168-170, 172-186, 191, 195-251, 270-280, 295-299, 305, 307, 315, 320-329, 340, 350, 365-366, 369-370, 380, 384-385, 391-394, 396-399, 401-406, 433, 455-456, 465-466, 470-490, 505-506, 530, 533-535, 555-556, 581-583, 589, 820, 898
372	Medical Assistance/Third Party Revenue	01	001-999	420 Special Education Instr.	110, 143-151, 153-166, 168-186, 191, 195 199, 210--251, 270-280, 295299, 305, 307, 315, 320-329, 340, 350, 365-366, 369-370, 380, 384-385, 391-394, 396-399, 401-406, 433, 455-456, 465-466, 470,490, 505-506, 530, 533, 535, 548, 555-556, 581-583, 589, 820, 898
375	Grants to Prepare Indian Teachers	01	001-999	640 Staff Development	110-599, 810-899

FIN	Description	Funds	Org	Programs	Object
377	Family Service & Mental Health Initiatives	01	005	105-110 District Support Services	110-499, 810-899
377	Family Service & Mental Health Initiatives	01	001-999	200-211 Elem./Sec. Regular Instr. 710-760, 790 Pupil Support Serv.	110-499, 810-899
377	Family Service & Mental Health Initiatives	04	005	505, 590 Community Education	110-499, 810-899
379	Interior Surfaces	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
379	Interior Surfaces	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
380	Mechanical Systems	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
380	Mechanical Systems	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
381	Plumbing	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
381	Plumbing	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910

FIN	Description	Funds	Org	Programs	Object
382	Professional Salaries and Services	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
382	Professional Salaries and Services	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
383	Roofing Systems	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
383	Roofing Systems	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
384	Site Projects	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-599, 820, 910
384	Site Projects	06	001-999	865 LTFM, Excluding Costs in Programs 866 and 867 867 LTFM Projects That Are \$2,000,000 or More Per Site that are Bond Financed 868 LTFM Projects That Are \$2,000,000 or More Per Site that are Financed on a Pay-As-You-Go Basis	110-599, 820, 910
388	Gifted & Talented	01	001-999	218 Gifted & Talented	110-599, 810-899
390	Taconite Revenue used for Building Maintenance & Repair	01	001-999	850 Capital Facilities	110-898

FIN	Description	Funds	Org	Programs	Object
401/601	Title I, Part A – Improving the Academic Achievement of the Disadvantaged	01, 04	001-999	216 Title I, Part A of ESEA	110, 120, 140-146, 154-157, 161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 315, 318-329, 360, 364-368, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
401/601	Title I, Part A – Improving the Academic Achievement of the Disadvantaged	01	001-999	201 Education – Kindergarten	110, 120, 140-146, 154-157, 161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 315, 318-329, 360, 364-368, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
401/601	Title I, Part A – Improving the Academic Achievement of the Disadvantaged	04	001-999	579 Preschool – Instructional 581 Prekindergarten	110, 120, 140-146, 154-157, 161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 315, 318-329, 360, 364-368, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
406/606	Title I, Part D – Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent or At-Risk	01	001-999	216 Title I, Part A of ESEA	110, 140-146, 156-158, 160-161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 315, 318-320, 329, 345-350, 352, 360, 362, 364-368, 375-379, 401-433, 455-456, 461-490, 505-506, 530, 555-556, 820, 895
414/614	Title II, Part A – Teacher and Principal Training and Recruiting	01	001-999	204 Improve Teacher Quality	110, 140-146, 161, 170, 185-186, 199-280, 299, 303-304, 320, 329, 366-368, 389, 401, 405, 455, 470-490, 505, 555, 895
414/614	Title II, Part A – Teacher and Principal Training and Recruiting *Program 205 and 505 for use by Reap Districts Only	01	001-999	205 Language Instruction/EL*	110, 140-146, 154-161, 163-165, 168-173, 175-186, 199-280, 299, 303-304, 315, 318-320, 329, 345-352, 355-358, 360, 362-368, 376-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
414/614	Title II, Part A – Teacher and Principal Training and Recruiting	01	001-999	206 Safe and Drug – Free Schools	110, 140-146, 154-161, 163-165, 168-170, 175-176, 185-186, 199-280, 299, 303-304, 329, 345-352, 355-358, 360, 362-368, 375-379, 389, 401-433, 455, 460-490, 505, 530, 555, 820-895

FIN	Description	Funds	Org	Programs	Object
414/614	Title II, Part A – Teacher and Principal Training and Recruiting	01	001-999	207 Innovative Programs	110, 140-146, 154-157, 161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 329, 345-350, 360, 364-368, 375-378, 389, 401-433, 455, 460-490, 505, 530, 555, 820-895
414/614	Title II, Part A – Teacher and Principal Training and Recruiting	01	001-999	226 State Activities for School Leaders	110, 120, 140-146, 161, 170, 175, 185-186, 199-280, 299, 303-304, 329, 360, 364-368, 389, 401-433, 455, 460-490, 505, 530, 555-556, 820, 895
414/614	Title II Part A – Teacher and Principal Training and Recruiting	01	001-999	216 Title I, Part A of ESEA	110, 120, 140-146, 154-157, 161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 315, 318-320, 329, 360, 364-368, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
414/614	Title II, Part A – Teacher and Principal Training and Recruiting *Program 205 and 505 for use by Reap Districts Only	04	001-999	505 General Community Education (for 21st Century)*	110, 140-168, 170, 173-176, 185-186, 199-280, 299, 303-304, 316-379, 389, 401-455, 460, 470-490, 495, 505, 530, 555, 589-590, 820-895, 898
417/617	Title III, Part A – English Language Acquisition, Language Enhancement and Academic Achievement	01	001-999	205 Language Instruction/EL	110, 140-146, 154-161, 163-165, 168-173, 175-186, 199-280, 299, 303-304, 315, 318, 320, 329, 345-350, 351-352, 355-358, 360, 362-368, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895

FIN	Description	Funds	Org	Programs	Object
419/619	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Note: Capital Expenditures Require Prior Minnesota Department of Education Approval.	01	005	010 Board of Education	110, 199-280, 299, 366-368, 820-895
419/619	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Note: Capital Expenditures Require Prior Minnesota Department of Education Approval.	01	001-999	401-416 Special Ed. Instruction	140, 143-166, 168, 172-186, 199-280, 299-304, 307-309, 315, 320, 329, 341-380, 389, 392-393, 401-406, 433, 455-456, 465-466, 470-490, 505-506, 520-530, 532-535, 548, 550-556, 582-583, 820-895, 898
419/619	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Note: Capital Expenditures Require Prior Minnesota Department of Education Approval.	01	001-999	420 Special Ed. Instruction	110, 143-151, 153-166, 168-186, 199-280, 299-304, 307-309, 315, 320-329, 340-380, 389, 401-406, 433, 455-456, 465-466, 470-490, 505-506, 520-530, 532-535, 548, 550-556, 581-583, 820-895
420/620	Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Preschool Grant for Children with Disabilities Note: Capital Expenditures Require Prior Minnesota Department of Education Approval.	01	005	010 Board of Education	110, 199-280, 299, 366-368, 820-895
420/620	Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Preschool Grant for Children with Disabilities Note: Capital Expenditures Require Prior Minnesota Department of Education Approval.	01	001-999	401-416 Special Ed. Instruction	140, 143-166, 168, 172-186, 199-280, 299-304, 307, 315, 320-329, 341-380, 389, 392-393, 401-406, 433, 455-456, 465-466, 470-490, 505-506, 520-530, 532-535, 548, 550-556, 582-583, 820-895, 898
420/620	Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Preschool Grant for Children with Disabilities Note: Capital Expenditures Require Prior Minnesota Department of Education Approval.	01	001-999	420 Special Ed. Instruction	110, 143-151, 153-166, 168-186, 199-280, 299-304, 307, 315, 320-329, 340-380, 389, 401-406, 433, 455-456, 465-466, 470-490, 505-506, 520-530, 532-535, 548, 550-556, 581-583, 820-895

FIN	Description	Funds	Org	Programs	Object
421/621	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Low Incidence Discretionary Programs and Grants	01	001-999	401-416 Special Ed. Instruction	110, 140, 143-168, 170-186, 199-280, 299, 303-304, 307, 315, 320-329, 341-363, 366-368, 370-380, 389, 401, 405, 455, 465, 470, 490, 505, 530, 531, 535, 555, 580, 582-583, 820-895
421/621	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Low Incidence Discretionary Programs and Grants	01	001-999	420 Special Ed. Instruction	110, 140, 143-168, 170-186, 199-280, 299, 303-304, 307, 315, 320-329, 341-363, 366-368, 370-380, 389, 401, 405, 455, 465, 470, 490, 505, 530, 531, 535, 555, 580, 582-583, 820-895
422/622	Infants and Toddlers Programs – Ages 0-2	01	001-999	401-420 Special Ed. Instruction	110, 140-141, 143-146, 150-158, 161-164, 166, 170-173, 175-186, 199, 210-280, 299, 303-304, 315, 320, 329, 341-350, 353-361, 366, 368, 370-380, 389, 401-406, 433, 455-456, 465-466, 470-490, 505-506, 530, 533, 555-556, 895
423/623	Individuals with Disabilities Education Act (IDEA) Part C, Regional IEIC – Grants for Children Ages 0-2	01	001-999	401-420 Special Ed. Instruction	110, 163-164, 166, 170-173, 175, 185-186, 199, 210-280, 299, 303-304, 320, 329, 357-358, 366, 370, 389, 401-405, 455, 465, 470-490, 895

FIN	Description	Funds	Org	Programs	Object
424/624	Title V, Part B – Rural and Low-Income Schools	01	001-999	204 Improve Teacher Quality	110, 140-146, 161, 170, 185-186, 199-280, 299, 303-304, 320, 329, 366-368, 389, 401-405, 455, 470-490, 505, 555, 895
424/624	Title V, Part B – Rural and Low-Income Schools	01	001-999	205 Language Instruction/EL	110, 140-146, 154-161, 163-165, 168-173, 175-186, 199-280, 299, 303-304, 315, 318-320, 329, 345-352, 355-358, 360, 362-368, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
424/624	Title V, Part B– Rural and Low-Income Schools	01	001-999	206 Safe and Drug – Free Schools	110, 140-146, 154-161, 163-165, 168-170, 175-176, 185-186, 199-280, 299, 303-304, 329, 345-352, 355-358, 360, 362-368, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820-895
424/624	Title V, Part B– Rural and Low-Income Schools	01	001-999	207 Innovative Programs	110, 140-146, 154-157, 161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 329, 345-350, 360, 364-368, 375-378, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820-895
424/624	Title V, Part B– Rural and Low-Income Schools	01	001-999	216 Title I, Part A of ESEA	110, 120, 140-146, 154-157, 161, 165, 170, 175, 185-186, 199-280, 299, 303-304, 318-320, 329, 360, 364-368, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
424/624	Title V, Part B– Rural and Low-Income Schools	04	001-999	505 General Community Education (for 21st Century)	110, 140-168, 170, 173-176, 185-186, 199-280, 299, 303-304, 316-379, 389, 401-460, 465-466, 470-490, 495, 505-506, 530, 555-556, 589-590, 820-895, 898
425/625	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Coordinated Early Intervening Services (CEIS)	01	001-999	422 Special Education – Students without Disabilities	140, 141, 143-146, 153-166, 168-172, 175-186, 199-280, 299, 303-304, 307, 315, 320-329, 344-352, 355-358, 360, 362-368, 374-379, 389, 396-397, 401-406, 433, 455-456, 465-466, 470, 506

FIN	Description	Funds	Org	Programs	Object
428/628	Carl Perkins Vocational & Applied Technology	01	005	105-120 District Support Services	110, 140-146, 154-155, 161-162, 164-165, 168, 170-172, 185-186, 199-280, 299, 303-304, 316-330, 350, 360, 364-370, 401-495, 505-506, 530-531, 535, 555-556, 590, 820-895
428/628	Carl Perkins Vocational & Applied Technology	01	001-999	301-399 Career & Technical Instr. 605-640 Instructional Support 710, 730-790 Pupil Support Serv.	110, 140-146, 154-155, 161-162, 164-165, 168, 170-172, 185-186, 199-280, 299, 303-304, 316-330, 350, 360, 364-370, 401-495, 505-506, 530-531, 535, 555-556, 590, 820-895
429/629	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Mandatory Coordinated Early Intervening Services	01	001-999	422 Special Education – Students without Disabilities	140, 141, 143-146, 153-166, 168-172, 175-186, 199-280, 299, 303-304, 307, 315, 320-329, 344-352, 355-358, 360, 362-368, 374-379, 389, 396-397, 401-406, 433, 455-456, 465-466, 470, 506
430/630	Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Centers of Excellence Discretionary Regional CSPD Grants	01	001-999	401-416 Special Ed. Instruction	140, 143-166, 170, 173-186, 199-280, 299, 303-304, 307, 315, 320-329, 355-358, 366-368, 370, 380, 389, 401-405, 455, 465, 470-490, 505, 530,, 555, 820-895
430/630	Individuals with Disabilities Education Act (IDEA) Part B Section 619 – Centers of Excellence Discretionary Regional CSPD Grants	01	001-999	420 Special Education Aggregate	140, 143-166, 170, 173-186, 199-280, 299, 303-304, 307, 315, 320-329, 355-358, 366-368, 370, 380, 389, 401-405, 455, 465, 470-490, 530,, 555, 820-895
431/631	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Schoolwide Title I	01	001-999	422 Special Education – Students without Disabilities	140-166, 168-186, 199-280, 299, 303-304, 307-329, 341-368, 370-380, 389, 401-406, 433, 455-456, 460-490, 505-506, 520-530, 533, 555-556, 582-583, 820-895, 898
432/632	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Comprehensive System of Personnel Development – CSPD	01	001-999	401-416 Special Ed. Instruction	110, 140, 143-168, 170-186, 199-280, 299, 303-304, 307, 315, 320-329, 341-363, 366-368, 370-380, 389, 401, 405, 455 465, 470, 490, 505, 530, 531, 535, 555, 580 582-583, 820-895
432/632	Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Comprehensive System of Personnel Development – CSPD	01	001-999	420 Special Education Aggregate	110, 143-151, 153-186, 199-280, 299, 303-304, 307, 315, 320-329, 340-363, 366-368, 370-380, 389, 401, 405, 455, 465, 470, 490, 505, 530, 531, 535, 555, 582-583, 820-895

FIN	Description	Funds	Org	Programs	Object
438/638	Federal Adult Basic Education Formula Revenue	04	005	520 Adult Basic/Continuing Ed.	110-146, 156-158, 161-165, 168, 170-172, 175, 185-186, 199-280, 299, 303-304, 315, 320-340, 343-344, 347-350, 353-361, 366-370, 373-374, 377-378, 380, 389-392, 394-395, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 895
442/642	Title III, Part A – Immigrant Grant	01	001-999	205 Language Instruction/EL	110, 140-146, 156-158, 160-163, 165-167, 170, 174-186, 199-280, 303-304, 329, 347-349, 353-355, 358-361, 364-368, 377-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 820, 895
446/646	Individuals with Disabilities Education Act (IDEA) Part C – Regional Centers of Excellence CSPD Grants	01	001-999	401-420 Special Ed. Instruction	140, 143, 145, 146, 150-158, 160, 163-165, 167, 170, 175-176, 185-186, 200-280, 299, 303-304, 315, 320, 329, 330, 340-349, 352, 355-358, 366, 370-380, 389, 401-405, 440, 455, 465, 470, 490, 505, 555, 820, 895
469	Child and Adult Care Food Program	02	001-999	770 Food Services	110, 170, 185-186, 210-214, 218, 220-251, 270-280, 303-304, 315-340, 350, 366-368, 370, 380, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 580-581, 820-895
469	Child and Adult Care Food Program	04	001-999	505-599 Comm. Ed. & Services	110, 170, 185-186, 210-214, 218, 220-251, 270-280, 303-304, 315-340, 350, 366-368, 370, 380, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 580-581, 820-895
475/675	Carl Perkins Career & Technical Education-Reserve	01	005	105-120 District Support Services	110, 140-146, 154-155, 161-162, 164-165, 168, 170-172, 185-186, 199-280, 299, 303-304, 316-330, 350, 360, 364-370, 401-495, 505-506, 530-531, 535, 555-556, 590, 820-895
475/675	Carl Perkins Career & Technical Education-Reserve	01	001-999	301-399 Career & Technical Instr. 605-640 Instructional Support 710, 730-790 Pupil Support Serv.	110, 140-146, 154-155, 161-162, 164-165, 168, 170-172, 185-186, 199-280, 299, 303-304, 316-330, 350, 360, 364-370, 401-495, 505-506, 530-531, 535, 555-556, 590, 820-895
499	Miscellaneous Federal Revenue Received from the Minnesota Department of Education	01, 02, 04	001-999	001-999 All Programs	110-898

FIN	Description	Funds	Org	Programs	Object
510	Indian Elementary & Secondary School Assistance	01	001-999	200-270 Elem./Sec. Regular Instr. 605-640 Instructional Support 710-760, 790 Pupil Support Serv.	110-190, 199-288, 299, 303-304, 306-397, 399-544, 546-599, 810-898
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	204 Improve Teacher Quality	110-186, 199-288, 292-299, 303-304, 329, 350, 365-368, 370, 380, 389, 401-433, 455-456, 465-466, 470-490, 505-506, 530, 555-556, 895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	205 Language Instruction/EL	110-186, 199-288, 292-299, 303-304, 329, 350-369, 389, 391, 398-433, 455-456, 460-490, 505-506, 530, 555-556, 820-895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	206 Safe and Drug Free Schools	110-186, 199-288, 292-299, 303-304, 320-329, 350-369, 389, 398-433, 455-456, 460, 465-466, 470-490, 505-506, 530, 555-556, 820-895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	207 Innovative Programs	110-186, 199-288, 292-299, 303-304, 329, 350-369, 389, 394, 398-433, 455-456, 460-490, 505-506, 530, 555-556, 820-895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	210 Enhancing Ed. Thru Tech.	110-186, 199-288, 292-299, 303-304, 320-329, 350-369, 389, 398-433, 455-456, 460-490, 505-506, 530, 555-556, 820-895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	216 School Improvement	110-186, 199-288, 292-299, 303-304, 329, 350-369, 389, 394, 398-433, 455-456, 460-490, 505-506, 530, 555-556, 820-895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	04	001-999	505 General Community Education (for 21st Century)	110, 140-168, 170, 173-176, 185-186, 199-280, 299, 303-304, 316-363, 365-379, 389, 401-460, 465-466, 470-490, 495, 505-506, 530, 555-556, 589-590, 820-895, 898
518	ARRA Targeted Head Start Grants	04	001-999	580 Early Childhood & Family Ed	110-305, 320-330, 350, 360, 365-366, 370, 380, 390-391, 394-395, 398-430, 455, 470-490, 505, 530, 555-556, 580-581, 820
599	Miscellaneous Direct Federal Revenue	01, 02, 04	001-999	001-999 All Programs	110-898
699	Miscellaneous Federal Revenue Received from Another Agency	01, 02, 04	001-999	001-999 All Programs	110-898

FIN	Description	Funds	Org	Programs	Object
701	National School Lunch Program – NSLP	02	001-999	770 Food Services	110, 170-174, 176-340, 342-350, 365-370, 380, 398-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-590, 820-899
702	After-School Snack Program	02	001-999	770 Food Services	110, 170-174, 176-340, 342-350, 365-370, 380, 398-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-590, 820-899
702	After-School Snack Program	04	001-999	505-590 Comm. Ed. & Services	110, 170-174, 176-340, 342-350, 365-370, 380, 398-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-590, 820-899
703	Special Milk Program – SMP/MN Kindergarten Milk Program – MKMP	02	001-999	770 Food Services	110, 170-174, 176-340, 342-350, 365-370, 380, 398-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-590, 820-899
705	School Breakfast Program – SBP	02	001-999	770 Food Services	110, 170-174, 176-340, 342-350, 365-370, 380, 398-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-590, 820-899
706	Fresh Fruit & Vegetable Grant Program	02	001-999	770 Food Services	110, 170, 210-240, 250-251, 270-280, 299, 303-304, 401-405, 490, 530
707	A La Carte/Other	02	001-999	640 Staff Development	366
707	A La Carte/Other	02	001-999	770 Food Services	110, 170-174, 176-340, 342-350, 365-370, 380, 398-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-590, 820-899
709	Summer Food Service Program for Children	02	001-999	770 Food Services	110, 170-174, 176-340, 342-350, 365-370, 380, 398-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-590, 820-899
711	Learning Year – Summer	01	001-999	760 Pupil Transportation	110-455, 820-899
713	Open Enrollment Transportation–Outside the District	01	001-999	760 Pupil Transportation	110-455, 465, 820-899
714	Transportation to Multi-District Integration/Desegregation Programs	01, 09	001-999	760 Pupil Transportation	110-455, 465, 820-895
715	Foster Care Transportation	01	001-999	760 Pupil Transportation	110-455, 465, 820-895

FIN	Description	Funds	Org	Programs	Object
716	Noon Kindergarten Transportation	01	001-999	760 Pupil Transportation	110-455, 465, 820-899
717	Late Activities Bus for Public School Pupils	01	001-999	291-298 Extra/Co-Curr Activities 760 Pupil Transportation	110-455, 465, 820-899
717	Late Activities Bus for Public School Pupils	04	005	505-590 Comm. Ed. & Services	110-455, 465, 820-899
718	Student Transportation Safety	01	001-999	760 Pupil Transportation	110-455, 465, 470-599, 810-899
719	Traffic Hazards – Walkers	01	001-999	760 Pupil Transportation	110-455, 465, 470-599, 810-899
720	Regular-to-and-from School	01	001-999	760 Pupil Transportation	110-455, 465, 820-899
721	Regular Summer School	01	001-999	200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 760 Pupil Transportation	110-455, 465, 820-899
723	Transportation of Pupils Attending Special Education Programs	01	001-999	200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 400-420 Special Ed. Instruction 760 Pupil Transportation	110-140, 143-455, 465, 820-899
725	Between Schools – Public	01	001-999	760 Pupil Transportation	110-455, 465, 820-899
726	Nonpublic Nonregular	01	001-999	291-298 Extra/Cocurr Activities 760 Pupil Transportation	110-455, 465, 820-899
728	Special Transportation of Selected Pupils	01	001-999	760 Pupil Transportation	110-455, 465, 820-899

FIN	Description	Funds	Org	Programs	Object
733	Non-Authorized Transportation	01	005	010-030 Administration 105-110 District Support Services	110-455, 465, 470-599, 810-899
733	Non-Authorized Transportation	01	001-999	050 School Administration 200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 401-420 Special Ed. Instruction 605-640 Instructional Support 710-760, 790 Pupil Support Serv. 800-899 Sites, Building, Equip	110-455, 465, 470-599, 810-899
733	Non-Authorized Transportation	02	001-999	770 Pupil Support Services	110-455, 465, 470-599, 810-899
733	Non-Authorized Transportation	04	001-999	505-590 Comm. Ed. & Services	110-455, 465, 470-599, 810-899
737	Ineligible/Nonresident Pupils	01	001-999	760 Pupil Transportation	110-455, 465, 820-899
739	Low Income Families Enrollment Options Transportation Reimbursement	01	001-999	760 Pupil Transportation	305-399
740	State – Special Education	01, 09	001-999	401-416 Special Ed. Instruction	110, 140, 143-146, 150-166, 168-170, 172-176, 185-186, 191, 195, 199, 210-251, 270-280, 295- 299, 305, 307, 315, 320-329, 340, 350, 365- 366, 369-370, 380-385, 391-394, 396-399, 401- 406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 535, 555-556, 581-582, 589, 820, 898
740	State – Special Education	01, 09	001-999	420 Special Education Instruction	110, 143-146, 150-151, 153-166, 168-170, 172- 176, 185-186, 191-195, 199, 210-251, 270-280, 295, 299, 305, 307, 315, 320-329, 340, 350, 365-366, 369-370, 380-385, 391-394, 396-399, 401-406, 433, 455-456, 465-466, 470, 490, 505- 506, 530, 533, 535, 555-556, 581-582, 589, 820, 898
740	State – Special Education	01, 09	001-999	422 Special Education – Students without Disabilities	110, 140, 143, 144, 152, 156, 157, 159, 161- 162, 163, 165, 175-176, 191, 199, 210-251, 270- 280, 295, 299, 305, 329, 394, 396-398, 401, 405- 406, 433, 455-456, 465-466, 505-506, 530, 533, 545, 555-556, 580-581

FIN	Description	Funds	Org	Programs	Object
756	State – Special Student Aid	01	005	010-030 Administration 105-120 District Support Services	110-599, 810-898
756	State – Special Student Aid	01	001-999	All Other Programs except 770	110-599, 810-898
761	Non-Special Education State Placement	01	001-999	201, 203, 211 Instr. Programs 422 Special Education – Students without Disabilities	390, 392, 394
791	Projects Funded by Certificates of Participation (Lease-Purchase Agreement)	06	001-999	870 Building Construction	110-305, 350, 366, 505-506, 510, 520-530, 532-533, 535, 555-581, 820
792	Unfunded Severance & Retirement Levy	01	005	010-030 Administration 105-120 District Support Services	191, 200-299
792	Unfunded Severance & Retirement Levy	01	001-999	All Other Programs except 770	191, 200-299
792	Unfunded Severance & Retirement Levy	02	001-999	770 Food Services	191, 200-299
792	Unfunded Severance & Retirement Levy	04	005	505-590 Comm. Ed. & Services	191, 200-299
793	Funded OPEB Liabilities not Held in a Trust	01, 02, 04	001-999	All programs	291
794	Disabled Accessibility	01	001-999	850 Facilities	110-599, 810-899
795	Capital Projects Levy	01	005	010-999 All Programs	316
795	Capital Projects Levy	01	005	108 Admin. Technology Services 630 Instruction-Related Tech.	110, 170, 185-186, 199, 201-299, 305, 380, 530, 535, 555-556, 580, 581, 589
795	Capital Projects Levy	01	001-999	010-999 All Programs	370, 380, 405-406, 465-466, 505-506, 530, 535, 548, 550, 555-556, 580, 581, 589
795	Capital Projects Levy	01	001-999	200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 401-499 Special Ed. Instruction	460
795	Capital Projects Levy	01	001-999	620 Library Media Center	470 and 506
795	Capital Projects Levy	01	001-999	850 Capital Facilities	305, 510, 520, 530, 555-556, 730, 740, 896
795	Capital Projects Levy	01	005	950 Transfers	910
795	Capital Projects Levy	06	001-999	870 Building Construction	110, 170, 185, 186, 199, 201-299, 305, 505-506, 510-530, 555-556, 910

FIN	Description	Funds	Org	Programs	Object
796	Health Benefits	01	005	010-030 Administration 105-120 District Support Services	220, 291-295
796	Health Benefits	01	001-999	All Other Programs except 770	220, 291-295
796	Health Benefits	02	001-999	770 Food Services	220, 291- 295
796	Health Benefits	04	005	505-590 Comm. Ed. & Services	220, 291- 295
797	OPEB Pay As You Go Levy	01, 02, 04	005	010-050 Administration 105-120 District Support Services 200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 400-499 Special Ed. Instruction 505-590 Comm. Ed. & Services 605-640 Instructional Support 700-799 Pupil Support Services 810 Operations and Maintenance	291
798	Children with Disabilities in School – Age Care	04	005	570 School – Age Care	110-599, 810-899
799	Collaboration – Expansion of Early Intervention & Prevention Services	01, 09	001-999	400 Special Education	110-599, 810-899
799	Collaboration – Expansion of Early Intervention & Prevention Services	01, 09	001-999	401-416 Special Education Instruction	110, 140, 143-146, 150-166, 168-170, 172-176, 185-186, 191,195 199, 210-251, 270-280,295,299, 305, 307, 315, 320-329, -340, 350, , 365-366, 369-370, 380-385, 391-394, 396-399, 401-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 535, 555-556, 581-582, 589, 820, 898
799	Collaboration – Expansion of Early Intervention & Prevention Services	01, 09	001-999	420 Special Education Instruction	110, 143-146, 150-151, 153-166, 168-170, 172-176, 185-186, 191,195, 199, 210-251, 270-280, 295,299, 305, 307, 315, 320-329, 340, 350,-365-366, 369-370, 380-385, 391-394, 396-399, 401-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 535, 555-556, 581-582, 589, 820, 898

FIN	Description	Funds	Org	Programs	Object
799	Collaboration – Expansion of Early Intervention & Prevention Services	01, 09	001-999	422 Special Education – Students without Disabilities	110, 140-141, 152, 156-157, 159, 161-163, 165, 175-176, 191, 199, 210-251, 270-280, 295,299, 305, 329, 394, 396-399, 401, 405, 433, 455, 465, 505, 530, 533, 545, 555, 580
799	Collaboration – Expansion of Early Intervention & Prevention Services	04	001-999	505-590 Comm. Ed. & Services	110, 140-141, 143-146, 150-166, 168-170, 172-176, 185-186, 190-191, 195, 199, 210-280, 291-299, 305-394, 396-399, 401-433, 455-456, 465-466, 470, 490, 505-506, 520- 530, 533, 535, 555-556, 582-589, 820, 898
801/901	ABE EL – Civics Competitive Allocation	04	005	520 Adult Basic/Continuing Ed.	110, 120, 140-146, 156-158, 161-165, 168, 170-172, 175, 185-186, 199-280, 299, 303-304, 315, 320-340, 344-345, 347-350, 353-361, 364-370, 373-374, 377-378, 380, 389-392, 394-395, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 895
803/903	ABE Statewide Supplemental Services – Regular Federal Competitive	04	005	520 Adult Basic/Continuing Ed.	110-146, 156-158, 161-165, 168, 170-172, 175, 185-186, 199-280, 299-300, 303-304, 315, 320-340, 344, 347-350, 353-361, 364-370, 373-374, 377-378, 380, 389-392, 394-395, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 895
806/906	Positive Behavior Supports	01	001-999	640 Staff Development	110-190, 199-280, 299, 303-304, 320-329, 366, 370, 389, 401-430, 490, 895
817/917	Statewide Low Incidence	01	001-999	640 Staff Development	110-190, 199-280, 299, 303-304, 307, 315, 320-329, 350, 356-357, 360, 366-370, 380, 389, 401-430, 490, 530-531, 820, 895, 899
830	Career and Technical Education Revenue* *Check Secondary Vocational Education Manual for Reimbursed Object Codes.	01	001-999	301-341 Career & Technical Instr. 361-371 Career & Technical Instr. 385-399 Career & Technical Instr. 610 Curriculum Consultant/Dev.	110-599, 810-899
830	Career and Technical Education Revenue* *Check Secondary Vocational Education Manual for Reimbursed Object Codes.	01	001-999	920 Retirement of Non-bonded Obligations	740
835	Career and Technical Programs – Children with Disabilities	01	001-999	380 Special Needs	100-599, 810-899

FIN	Description	Funds	Org	Programs	Object
836/936	Deaf Blind Technical Assistance Project for Children and Youth Who are Deaf-Blind	01	001-999	640 Staff Development	110, 170, 172, 185-186, 210-280, 299, 303-304, 315, 320-340, 344, 350, 354-358, 360, 366-370, 374, 380, 389-390, 392-393, 396-397, 399, 401-433, 460, 470-490, 820-895, 898
848/948	No Child Left Behind (NCLB) – Adequate Yearly Progress (AYP) Improvement Grant	01	001-999	216 Title I, Part A of ESEA	110, 140-146, 170, 185-186, 199-280, 299, 303-304, 316-329, 350, 365-368, 370, 389, 401, 430-433, 455-456, 465, 470-490, 530, 555, 820-895
849/949	Title I – School Improvement Grants	01	001-999	216 Title I, Part A of ESEA	110, 140-146, 154-165, 168-170, 175-186, 199-280, 299, 303-304, 320-329, 345-352, 355-369, 375-379, 389, 401-433, 455-490, 505-506, 530, 555-556, 820-895
851/951	NCLB AYP Improvement Grant II	01	001-999	216 Title I, Part A of ESEA	110, 140-146, 170, 185-186, 199-280, 299, 303-304, 316-329, 350, 365-368, 370, 389, 401, 430-433, 455-456, 465, 470-490, 530, 555, 820-895
859/959	Title V, Part B – Charter School Federal Grant	01	001-999	010-050 Administration 100-120 District Support Services 605-640 Instructional Support 810 Operations & Maintenance 930 Employee Benefits 940 Insurance	110, 140-146, 170, 185-186, 199-280, 299, 303-304, 315, 320-340, 350, 360, 364, 366-368, 370, 380, 389, 401-430, 455-456, 465-466, 470, 505-506, 530, 535, 555-556, 580-581, 589, 820, 895
859/959	Title V, Part B – Charter School Federal Grant	01	001-999	200-299 Elem./Sec. Regular Instr. 301-399 Career & Technical Instr. 710-740 Pupil Support	315, 360, 364, 370, 380, 401-433, 455-456, 460-470, 505-506, 530, 535, 555-556, 580-581, 589, 820, 895
859/959	Title V, Part B – Charter School Federal Grant	02	001-999	770 Food Services	401, 530
863/963	Title I, Part C – Education of Migrant Children	01	001-999	216 Title I, Part A of ESEA	110-145, 146, 152, 154-156, 161-162, 165, 170, 175, 185-186, 199-251, 270, 299, 303-304, 316-340, 350, 360, 364, 365-370, 380, 389, 401-433, 455-456, 460, 465-466, 470-490, 505-506, 555-556, 895

FIN	Description	Funds	Org	Programs	Object
866/966	Carl Perkins Competitive	01	005	105-120 District Support Services	110, 140-146, 154-155, 161-162, 164-165, 168, 170-172, 185-186, 199-280, 299, 303-304, 316-330, 350, 360, 366-370, 401-495, 505-506, 530-531, 535, 555-556, 590, 820-895
866/966	Carl Perkins Competitive	01	001-999	301-399 Career & Technical Instr. 605-640 Instructional Support 710, 730-790 Pupil Support Serv.	110, 140-146, 154-155, 161-162, 164-165, 168, 170-172, 185-186, 199-280, 299, 303-304, 316-330, 350, 360, 366-370, 401-495, 505-506, 530-531, 535, 555-556, 590, 820-895
867/967	Learn and Serve America School Based	01	001-999	201 Education – Kindergarten 203 Ed. Elementary – General 211 Ed. Secondary – General	140-141, 145, 185-186, 210-270, 280, 299, 303, 316, 320, 329, 360, 366-368, 401-430, 455-456, 465-466, 505-506, 530, 555-556
867/967	Learn and Serve America School Based	04	005	505 General Community Ed. 585 Youth Development/Youth Services	140-141, 145, 185-186, 210-270, 280, 299, 303, 316, 320, 329, 360, 366-368, 401-430, 455-456, 465-466, 505-506, 530, 555-556
868/968	Title VIII – Sub B: Education for Homeless Children and Youths	01	001-999	201 Education – Kindergarten 203 Elem Education General 211 Ed. Secondary – General	110, 140, 143-145, 154-160, 165, 169-170, 173, 175-176, 185-186, 210-280, 299, 303-304, 315, 320-329, 347-349, 351-352, 360, 362-363, 366, 368-369, 370, 375-380, 389, 394, 397, 401, 405-406, 430-433, 455-456, 465-466, 470-490, 555-556, 820, 890, 895, 898
869/969	Minnesota Reading First Statewide Model for Scaling up K-3 Reading Instruction	01	001-999	201-203 Elem./Sec. Regular Instr.	143, 145, 185-186, 210-280, 303-304, 315, 329, 350, 366, 368, 370, 380, 405-406, 433, 455-456, 460-461, 465-466, 505-506, 555-556, 895
870/970	Title I, Part H, School Dropout Prevention, Retention & Graduation Initiative	01	001-999	605-640 Instructional Support 710-760, 790 Pupil Support Serv.	110, 143, 145, 170, 185-186, 199-280, 303-304, 360, 366-368, 370, 401-433, 460, 470-490, 820-895
873/973	Interagency Early Intervention Regional Planning Grants	01	001-999	640 Staff Development	110-190, 199, 210-280, 299, 303-304, 320, 329, 366, 370, 389, 401-430, 490, 895
883/983	Voluntary Public School Choice–Choice Information & Support Services	01	001-999	001-999 All Programs	110, 140, 143-146, 170, 185-186, 210-280, 299, 303-304, 307-340, 350, 360, 364-366, 369-370, 380, 389-391, 394-395, 401-495, 505-506, 530, 532, 535, 548, 555-556, 590, 820-895, 898

Appendix A

Aid to Nonpublic Pupils

Expenditures Recognized for Reimbursement (by UFARS Code)

	FUND	ORG	PRO	FIN	OBJ	
Textbooks/Tests						
Textbooks	04	001-004,006-999	590	351	460	Textbooks and Workbooks
Instructional Material	04	001-004,006-999	590	351	398	Interdepartmental Misc. Services
					430	Instructional Supplies and Materials – Individualized
					433	Supplies and Materials – Individualized Instruction
Standardized Tests	04	001-004,006-999	590	351	461	Standardized Tests
Health Services						
Physical and Mental	04	001-004,006-999	720*	350	143	Licensed Instructional Support Personnel
					144	Non–Licensed Instructional Support Personnel
					154	School Nurse
					155	Licensed Nursing Services
					170	Non–Instructional Support
					195	Interdepartmental Employee Salaries (Chargeback)
					210-299	Employee Benefits
					305	Consultant Fees/Fees for Services
					320	Communication Services
					330	Utility Services
					345/375	School Nurse Purchased Services
					346/376	Purchased Nursing Services
					350	Repairs and Maintenance Service
					366	Travel, Conventions, and Conferences
					370	Operating Leases or Rental
					398	Interdepartmental Misc. Services (Chargeback)
					401	Supplies and Materials-Non Instructional
					405	Non–Instructional Computer Software and Licensing
					530	Equipment – Purchased
					535, 555	Capital Leases
					895	Federal Indirect Cost (Chargeback)

*Note: Use of Program Code 720 is preferred.

Aid to Nonpublic Pupils**Expenditures Recognized for Reimbursement (by UFARS Code)**

	FUND	ORG	PRO	FIN	OBJ	
Guidance/Counseling Services						
Secondary Level	04	001-004,006-999	710+	353	110	Administration/Supervision
				590	143	Licensed Instructional Support Personnel
					144	Non-Licensed Instructional Support Personnel
					146	Substitute Non-Licensed Classroom/Instructional Salaries
					165	School Counselor
					170	Non-Instructional Support
					185	Other Salary Payments – Licensed or Certified
					186	Other Salary Payments – Non-licensed or Noncertified
					199 280	Employee Benefits
					295	Interdepartmental Employee Benefits (Chargeback)
					305	Consultant Fees/Fees for Services
					320	Communication Services
					330	Utility Services
					350	Repairs and Maintenance Service
					366	Travel, Conventions, and Conferences
					370	Operating Leases and Rentals
					398	Interdepartmental Services (Chargeback)
					401	Supplies and Materials–Non–Instructional
					405	Non Instructional Computer Software and Licensing
					530	Equipment – Purchased
					535	Capital Leases
					555	Technology Equipment
Administrative Costs						
	04	001-004,006-999	590	350**	895	Federal Indirect Cost (Chargeback)
					351**	Providing nonpublic services
					353**	

+Note: Use of Program Code 710 is preferred.

**Note: Districts may use one, or combination of the three finance codes to account for nonpublic administrative cost.

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Chapter 11 – Revenue Source Reference

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Chapter 12 – Authorized Borrowing for School Districts

Introduction

This chapter can assist district personnel in understanding the legal requirements of borrowing funds. It does not contain all the legal and financial information a school district may need to borrow funds nor does it replace the possible need for legal assistance or the services of a municipal advisor. Section 1 provides a description of the various types and conditions of borrowing. Section 2 provides detail on the Credit Enhancement Program.

Section 1: Authorized Borrowing Conditions and Types

School districts do not have the authority to borrow funds unless that authority is specifically provided in statute. Minnesota Statutes provide for two types of borrowing: (1) Cash Management and Short-Term Debt, and (2) Long-Term Debt. School districts are not allowed to enter into any other forms of borrowing, including common private sector forms such as mortgages, cash advances, and commercial paper.

School districts are also limited to an amount of net long-term debt of 15 percent of actual market value of all taxable property situated within its corporate limits (Minn. Stat. § [475.53, subd. 4](#)). Net debt generally means the amount remaining after deducting from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt, and also after deducting any other debt which authorizing legislation has specified to not be included as part of net debt. Certain exceptions to the above debt limits exist for districts located within a city of the first class (Minn. Stat. § [475.51, subd. 4](#)). Finally, there is no limit on the rate of interest that a school district obligation can carry (Minn. Stat. § [475.55, subd. 2](#)).

Cash Management and Short-Term Debt

Each fiscal year, a school district should analyze its cash flow by estimating cash receipts and disbursements to determine if a cash flow deficit is projected at any time during any month of the year. There are five authorized methods to eliminate a cash flow deficit.

1. **Borrowing to cover insufficient funds to pay orders** – In the event that a district has insufficient funds to pay its usual lawful current obligations, the board may enter into agreements with banks or any person to take its orders (warrants) [Minn. Stat. § [123B.12 \(a\)](#)]. A district may also enter into a line of credit agreement with a financial institution [Minn. Stat. § [123B.12 \(b\)](#)].

Proceeds from either of the above are not revenue but would increase the amount of cash (General Ledger Asset Account Number 101) and increase the amount recorded in short-term indebtedness (General Ledger Liability Account Number 202). Warrants can only be issued to pay for current lawful obligations. They cannot be used to circumvent the restrictions on borrowing. For example, a district cannot issue warrants for the sole purpose of investing the proceeds.

2. **Tax Settlement Advance** – A district, upon written request to the county treasurer, may possibly receive advances from tax collections prior to the next settlement and distribution (Minn. Stat. § [276.11](#)).

3. **Emergency State Aid** – A district may appeal to the commissioner to revise the state aid payment dates and percentages prescribed in statute if there is an emergency or there are serious cash flow problems that cannot be resolved by issuing warrants or other forms of indebtedness (Minn. Stat. § 127A.45, subd. 4). A cash flow waiver to minimize a district's need for short-term borrowing may be negotiated with the commissioner if the district is exceeding its expenditure limitations. (Minn. Stat. § 127A.45, subd. 6).
4. **Certificates of Indebtedness** – A school district may issue certificates of indebtedness. These certificates are intended to provide cash needed in the short-term by borrowing against either property taxes or state aids receivable (Minn. Stat. § 126C.50 to 126C.56).
 - a. **Tax Anticipation Certificates** are issued in the calendar year in which the taxes are due and payable. They must mature by the earlier of the anticipated date of payment in full of the taxes anticipated, or three months after the end of the calendar year in which the certificates are issued. The aggregate borrowing must not exceed 75 percent of the current taxes that are due and payable in the calendar year when the certificates are issued.
 - b. **Aid Anticipation Certificates** are issued in the fiscal year (July 1 to June 30) in which the aids are receivable. They must mature no later than 13 months after issuance, but in no event later than three months after the end of the school year (June 30). The Minnesota Department of Education (MDE) supplies a certificate of aids receivable through June 30. They are limited to 75 percent of aids that are receivable in the fiscal year issued.

These two certificates can be in the Credit Enhancement Program which was established to allow Minnesota school districts (with levy authority) to borrow funds at a lower interest rate by extending the state's credit rating to the districts. See *Section 2* for details.

5. **Reverse Repurchase Agreements** help a district to receive additional cash when it sells a security it has purchased with an agreement to repurchase at a fixed future date and price. (Minn. Stat. § 475.51, subd. 12). This reverse repurchase agreement allows a school district to borrow money over an extended period of time at tax-exempt interest rates. In this respect, the reverse repurchase agreement is similar to a general obligation bond. However, payments are based upon an annual expenditure appropriation and the school district is not obligated to payments for more than one year at a time. In addition, the reverse repurchase agreement does not require voter approval and does not affect any general obligation debt limitations. Default on lease payments results in asset repossession by the Lessor.

Long-Term Debt

A school district may issue bonds for the **acquisition or betterment of school facilities**, including gymnasiums, athletic fields, stadia, teacher ages, school garages, school buses, and all other facilities for administration, academic instruction, and physical and vocational education according to Minnesota Statutes, section [475.52](#), subdivision 5. In general, voter approval is required prior to any bond issue. However, statutes do authorize certain bonds to be issued without an election. Refer to Minnesota Statutes, sections [123B.595 to 123B.62](#) for special authorities that do not require an election (Long-Term Facilities Maintenance (LTFM), Building Bonds for Calamities, Purchase of Certain Equipment, Bonds for Certain Capital Facilities). Because of the election requirements and other complexities, general obligation bonds should only be undertaken with the assistance of a qualified municipal advisor and proper legal advice.

School districts are also permitted by Minnesota Statutes, section [123B.63](#), to establish a **capital project referendum account** funded by an annual tax levy to finance capital projects. As with a bond issue,

establishment of the annual levy must be approved by voters. However, this type of election does not result in the issuance of bonds and does not create long-term debt. This statute is intended to give districts the ability to save funds for a building project over a period of years which reduces the amount a district would need to borrow and the interest costs it would pay. A capital project referendum can also be used when there is no issuance of bonds at a future date.

The only other authorized debt is to **purchase certain capital equipment**. The board of a school district may issue certificates of indebtedness or capital notes, subject to the school district debt limits, to purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes. The certificates or notes must be payable in not more than five years (Minn. Stat. § [123B.61](#)).

Alternative to Long-Term

Some lending institutions have set up **Tax-Exempt Lease Purchase Programs** for school districts as an alternative to issuing long-term indebtedness. A lease purchase may be arranged for a wide variety of essential equipment such as energy improvements, vehicles, food service equipment, computers, gym and playground equipment, and modular classrooms. These obligations are not included in net debt since the district must have the right to terminate a lease purchase agreement at the end of any fiscal year during its term (Minn. Stat. § [465.71](#)).

Section 2: Credit Enhancement Program

The Credit Enhancement Program (CEP) was established to allow Minnesota school districts (with levy authority) to borrow funds at a lower interest rate than the current rate of an individual district by extending the state's credit rating to districts. This program was authorized in Minnesota Statutes, sections [126C.50 to 126C.56](#). ***A school district must covenant and obligate itself to be bound by this statute prior to the issuance of debt obligations in order to ensure participation in this program.***

The state promises to pay from available cash balances on any obligation (both short- and long-term) of the debt service when a district is unable to pay. Payments may be available from the state for debt issued prior to the beginning of the program or otherwise not included in the program. The availability of payments for debt not included in the program will be dependent on the determined effect on the state's credit rating.

General Instructions for Inclusion in the Program

The ***School District Credit Enhancement Application for Program Participation (ED-02110-08)*** form comprises the application, paying agent acknowledgment, record of municipal advisor (or attorney) and certification of participation from MDE. This form must be completed and signed by all parties before a district is included in the program. A separate form is required for each new debt obligation to be included in the program. An application to participate in the Credit Enhancement Program is available from the local municipal advisor or the [MDE Financial Management Credit Enhancement Program webpage](#).

The general steps to complete an application are:

1. The school district contacts its municipal advisor with a potential need to participate in the program. The municipal advisor will provide the district with borrowing limits and assist it in moving the issue through the bidding and/or quoting procedures.
2. The Board of Education will pass a required resolution that covenants and obligates itself to the conditions of the program. The minutes of the meeting at which the resolution was passed and the resolution itself are retained in the files at the school district. These items are not sent to the state.
3. The school district completes its portion of the application form and forwards it to the paying agent.
4. When the application is forwarded to the paying agent, the paying agent affixes proper signatures to acknowledge its responsibility in the process. The rating agencies have requested the requirement that the paying agent be separate and independent of the school district. They also requested that MDE have the documentation (application with all signatures) on file by the paying agent prior to issuance of the certificate.
5. The application is forwarded to the district's municipal advisor (or attorney) who completes the municipal advisor portion of the application prior to forwarding the application to MDE for certification of participation.
6. Municipal advisors may send originals or emailed copies of the certificate with all signatures affixed to MDE for final review, approval and processing.
7. A copy of the application containing all required signatures will be retained at MDE and also emailed to Minnesota Management and Budget (MMB). The completed original or copy of the application will be returned (by mail or email) to the municipal advisors for inclusion in their documentation. The advisors should enclose a self-addressed stamped envelope to facilitate the return of any requested originals or copies. The municipal advisors may file the original with the district or at least provide the district with a copy of the application that has all signatures affixed.
8. For general obligation bonds, the municipal advisor sends the final maturity and interest schedule in an Excel spreadsheet format to MDE and to MMB.
9. For refunding bonds:
 - a. The municipal advisor sends the final maturity schedule and interest (Excel spreadsheet format) to MDE and to MMB.
 - b. There is an indication of when payment on new refunding bonds will change from escrow to tax levies.
 - c. There is an indication as to whether the bond that is being refunded was part of the CEP.
 - d. If the original bonds were included in the CEP, the municipal advisor will provide the Dated Date, Series and Maturities of original bonds to be refunded.
 - e. There is an indication of the amount of debt service from the original bond issue that the school district will remain responsible to pay each six months after the refunding.
 - f. There is an indication where the money for the refunding is held in an escrow account.
10. The expected savings by using the CEP is calculated on each issue by the municipal advisor and sent to MDE with the debt service schedule.

Municipal advisors have also been requested to send copies of the ratings and savings to MDE and MMB in electronic format.

General Instruction in the Event of a Default

The ***Notification of Potential Default (ED-02111)*** is the form used to notify MDE of potential default on a debt obligation. This form is available from MDE on the MDE [Financial Management website](#) or from the municipal advisor of record. This form may be submitted to request payment in the event of a default, whether or not the issue is included in the program. Essential steps and conditions of the notification include:

1. The district will notify the commissioner of education not less than 15 working days before payment is due if the district believes it may be unable to make payment of principal or interest on any debt obligation.
2. If the state has paid all or part of a school district's debt obligation, the pledge of full faith and credit and unlimited taxing powers of the school district to repay the principal and interest due on the debt obligations shall also, without an election, become a pledge of the full faith and credit and unlimited taxing powers of the school district to repay to the state the amount paid, plus interest.
3. The amount paid by the state, plus interest, shall be reduced from state aid payable to the district, except that if a total reduction of the aids would cause an undue hardship, the commissioner may establish a different schedule for reduction of aids.
4. With approval of the commissioner, a school district may levy in the year the state makes a payment an amount up to the amount necessary to repay the state.
5. If the state is not repaid in full by November 30 of the calendar year following the year in which the state makes the payment, the commissioner will require the school district to certify a property tax in the amount necessary to repay the state. To prevent undue hardship, the commissioner may allow the district to certify the levy over a five-year period.
6. The district will include a provision in its agreement with the paying agent that requires the paying agent to inform the commissioner if it becomes aware of a potential default on the day three business days prior to the date a payment is due on the issue.

A separate and detailed set of instructions is available for use by MDE, MMB and municipal advisors in the potential or actual event of default. Those instructions and the default form can be obtained by contacting the municipal advisor or emailing [MDE UFARS](mailto:mde.ufars-accounting@state.mn.us) (mde.ufars-accounting@state.mn.us).

Credit Enhancement Program Activity

The Credit Enhancement Program continues to be utilized by the majority of districts in the state of Minnesota.

Table 1: Credit Enhancement Summary Report – FY 2013 through 2017.

Issue Type	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
General Obligation (G.O.) Bonds	79	74	80	56	48
G.O. Refunding	63	92	64	45	67
Aid Anticipation	15	20	31	41	112
Tax Anticipation	0	0	1	0	1
Capital Equipment	0	0	0	1	2
Certificate of Participation (COP)	2	2	1	1	2
Total Number of Issues	159	188	177	144	232
Total Amount Issued	\$1,541,724,049	\$2,784,457,738	\$1,969,053,685	\$1,300,377,058	\$1,626,740,838
Net Change in Program (Amount Issued)	-45%	41%	51%	-20%	-18%
Approximate Savings on Program	\$19,397,750	\$37,813,444	\$28,002,567	\$9,622,680	\$13,457,881

Chapter 14 – Student Activity Accounting

Uniform Financial Accounting and Reporting Standards

Chapter 14

Manual for Activity Fund Accounting (MAFA)

Minnesota Department of Education

Division of School Finance

This manual is established to provide accounting and best practices guidance to Minnesota school districts regarding extracurricular student activities and identifying requirements of the schools according to Minnesota Statutes, Minnesota Rules and other authoritative guidance. Charter schools and other entities with student activity accounts are required to follow the guidelines of this manual.

This version of the MAFA manual is effective for Fiscal Year 2017 and subsequent years unless revisions are deemed necessary.

The structure of this manual is to:

1. Provide the local Board of Education (hereafter “the Board” or “board”) with responsibilities of the Board;
2. Define “Under Board Control” and “Not Under Board Control” reporting options and requirements for student activities;
3. Identify and provide guidance for “best practices;”
4. Provide suggested documents and forms to maintain internal control over the management of student activity accounts; and
5. Provide Minnesota Statutes, Minnesota Rules and other authoritative guidance, which relate to the authority of this manual.

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Introduction

Student activity accounts are for extracurricular activities where funds are raised BY students and FOR students that are currently enrolled. Each approved student activity account **must** have an advisor who is charged with the oversight of the student activity account. The advisor's role is to advise and guide the student activity yet not influence or direct the decisions of the students.

Statutes and other required practices govern financial accounting and reporting requirements for Minnesota public schools. The Manual for the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota Schools contains the legal authority and the financial accounting system for all educational programs and the MAFA manual is a chapter of the UFARS manual. Student activities are under the direction and control of each school board. However, a school board may designate school administrators to direct and control certain activity funds, if they meet specific established criteria.

Activities could be identified in one of the following categories which could be placed under board control and accounted for using UFARS. The four items listed here are required to be placed under UFARS accounting.

- An activity that relates to a graduation requirement (credit, partial or full standard).
- An activity (or transactions) related to a contract.
- Activities (or transactions) that have an authorized fee attached.
- Activities (or transactions) that have taxable sales related to them.

Policies relating to student and district activity funds shall be in writing and provided to all students, faculty and staff involved with student activity funds. This chapter of the UFARS manual governs student activity accounting per Minnesota Statutes, section 123B.49 and Minnesota Rules, part 3545.0800, subdivision 5. The Board should establish and adopt general policies that would include recognition of student activities as either under board control or not under board control. These general policies would define areas such as management, operations, accounting, and audit as it relates to student activities.

Student activity funds are to be used for student activity purposes and for those students currently enrolled who participate in that student activity. Student activity funds may not be used for general district operations, except as described elsewhere in this chapter. (Example: A student activity must purchase the equipment through the district and the equipment becomes the property of the district.)

A student activity account must be either Under Board Control or Not Under Board Control. Decisions by the Board are made based upon each individual student activity account rather than student activity funds as a whole.

A district may have:

- All student activity accounts that are Under Board Control;
- All student activity accounts that are Not Under Board Control; or
- A combination of student activity accounts that are Under Board Control and Not Under Board Control.

Under Board Control

The Board, by authority of Minnesota Statutes, section 123B.49, subdivision 4(d), may assume direction and control of student activities. By taking control, the Board must also receive, disburse, and account for all funds of such activities in the same manner as all other revenue and expenditures of the district as directed by the Uniform Financial Accounting and Reporting Standards (UFARS) manual.

or

Not Under Board Control

Minnesota Statutes, section 123B.49, subdivision 4(c) states:

“If the Board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fund-raising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extracurricular activities must be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.”

For a student activity Not Under Board Control, the Board must designate school administrators or designee to direct and control student activity accounts. The handling and accounting for the funds of the activities is a cooperative venture of administrators, advisors and students. The Board has no direct involvement in this method, however, the Board must be assured that the funds are being properly administered and that proper records are being kept by means of periodic reports and audits presented to the Board. Each student activity organization must provide an activity report to the Board, at minimum, annually.

Note: All legal citations referenced in this document are stated in their entirety in Appendix C of this document.

Note: Within this manual, the use of the term “must” indicates a requirement and use of the term “should” indicates a best practice and is not mandatory.

Chapter I

Student Activity Determination

Student activities are authorized under [Minnesota Statutes, section 123B.49](#). Student activities are an essential part of the education process and the Board is responsible for student activities. The Board **must** first determine if the student activity is co-curricular or extracurricular prior to the granting authority for the activity.

Co-Curricular Activities (Non-Athletics)

[Minnesota Statutes, section 123B.49, subdivision 3](#) (UFARS Program Code 291)

Co-curricular activities means school sponsored and directed activities designed to provide opportunities for pupils to participate, on an individual or group basis, in school and public events for the improvement of skills. Co-curricular activities are not offered for school credit, cannot be counted toward graduation and have one or more of the following characteristics:

- They are conducted at regular and uniform times during school hours, or at times established by school authorities.
- Although not offered for credit, they are directed or supervised by instructional staff in a learning environment similar to that found in courses offered for credit.
- They are partially funded by public funds for general instructional purposes under direction and control of the Board.

When the Board determines a student activity is co-curricular in nature, the Board **must** take charge of and control all co-curricular school activities of the teachers and children of the public schools in the district under the supervision or direction of the School Board.

The Board **must** adopt rules and regulations for the conduct of co-curricular activities in which the schools of the district or any class or pupils therein may participate.

All money received as a result of such activities **must** be turned over to the district business office, who shall deposit the money into the general fund to be disbursed for expenses and salaries connected with the activities, as authorized by the Board with properly allowed itemized claims.

Participation in co-curricular activities by teachers or pupils in the school are permitted only by consent of the Board.

Co-curricular activities are accounted for in the General Fund as reported in UFARS.

ExtraCurricular Activities

[Minnesota Statutes, section 123B.49, subdivision 4](#) (UFARS Program Code 298)

A resolution by the Board determines if extracurricular student activities are to be “Under Board Control” or “Not Under Board Control”.

Minnesota Statutes, section 123B.49, subdivision 4 states:

- a) The Board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities are defined as all direct and personal services for pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. The Board shall allow all resident pupils receiving instruction in a home school as defined in section [123B.36, subdivision 1](#), paragraph (a), to be eligible to fully participate in extracurricular activities on the same basis as public school students.
- b) Extracurricular activities have all of the following characteristics:
 1. they are not offered for school credit nor required for graduation;
 2. they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;
 3. the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.
- c) If the Board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fund-raising events. The general fund **must** reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extracurricular activities **must** be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control **must** have an annual financial audit and **must** also be audited annually for compliance with this section.
- d) If the Board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.
- e) If the Board takes charge of and controls extracurricular activities, the teachers or pupils in the district **must** not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the Board.

Certain groups are never included in student activity accounts, nor are they part of the school district general fund. These groups can NOT use the district's tax identification number.

Examples of such groups include, but are not limited to, the following:

- Booster Club
- Parent Teacher Organizations (PTOs)
- Staff related accounts
- School Foundations
- Scholarship Fund

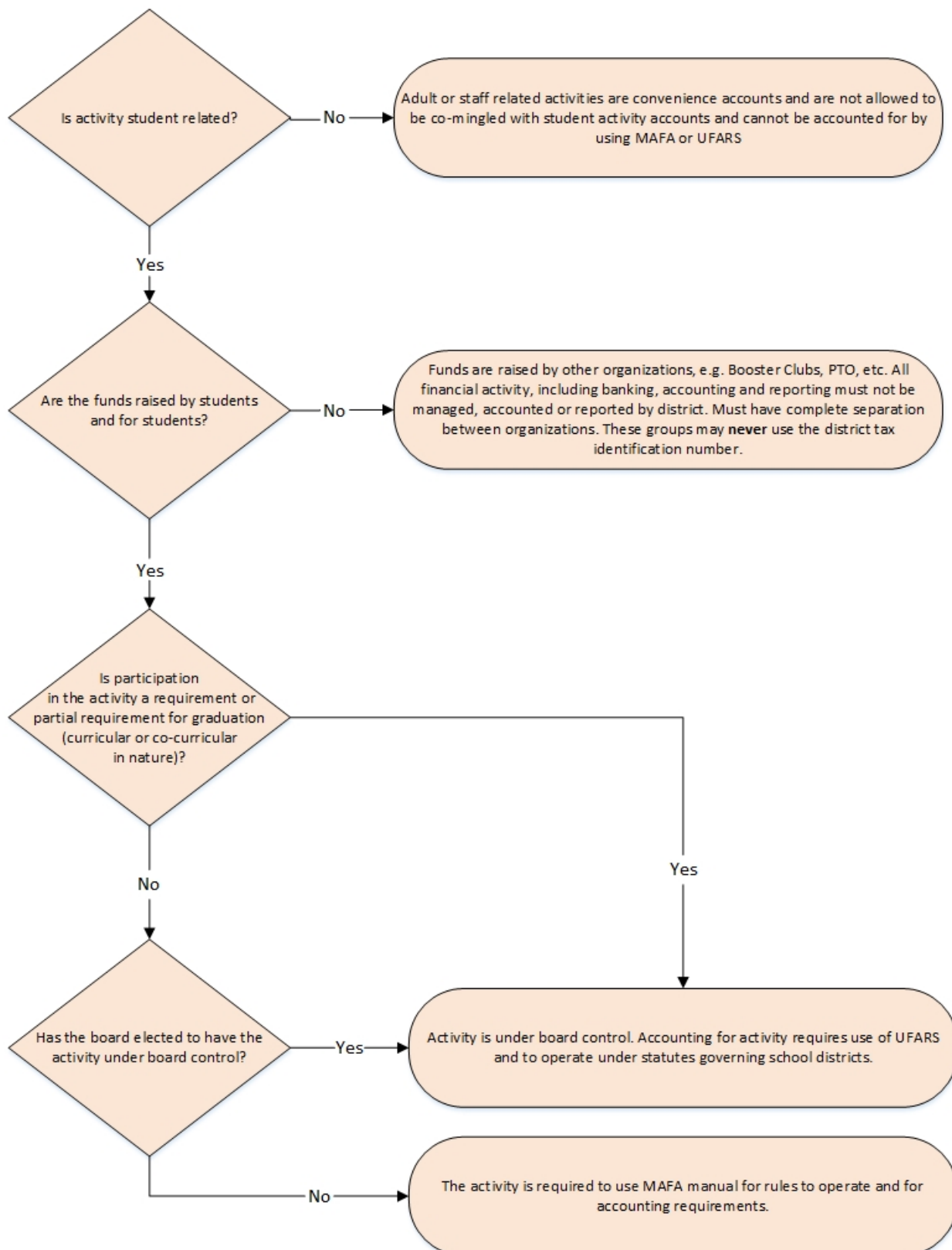
The district business office may provide guidance to the groups listed above regarding the processing of transactions between the district and these groups.

The decision tree, included on page eight, is to assist the Board with determining if a group is a student activity.

Due to potential conflict of interest, school employees must not direct or influence the activities of the groups listed above or similar groups.

Student Activity Account Decision Tree

This decision tree is to assist the Board with determining if a group is to be considered a student activity account.



Decision Tree

Is activity student related? If no, adult or staff related activities are convenience accounts and are not allowed to be co-mingled with student activity accounts and cannot be accounted for by using MAFA or UFARS.

If yes, are the funds raised by students and for students? If no, funds are raised by other organizations, e.g. Booster Clubs, PTOs, etc. All financial activity, including banking, accounting and reporting must not be managed, accounted or reported by district. Must have complete separation between organizations. These groups may **never** use the district tax identification number.

If yes, is participation in the activity a requirement or partial requirement for graduation (curricular or co-curricular in nature)? If yes, activity is under board control. Accounting for activity requires use of UFARS and to operate under statutes governing school districts.

If no, has the board elected to have the activity under board control? If yes, activity is under board control. Accounting for activity requires use of UFARS and to operate under statutes governing school districts. If yes, the activity is required to use MAFA manual for rules to operate and for accounting requirements.

Summary of Board Responsibilities

Student activity accounts **must** be either Under Board Control or Not Under Board Control. Decisions are made by the board for each individual student activity account rather than student activity funds as a whole.

The School Board, by authority of Minnesota Statutes, section 123B.49, subdivision 4, may assume direction and control of student activities. By taking control, the Board **must** also receive, disburse, and account for all funds of such activities in the same manner as all other revenue and expenditures of the district as directed by the UFARS manual.

Not Under Board Control

[Minnesota Statutes, section 123B.49, subdivision 4\(c\)](#) states:

“If the Board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fund-raising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extracurricular activities must be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.”

The Board is responsible for all activities within the school district. However, with regard to extracurricular student activities, the meaning of “Under Board Control” and “Not Under Board Control” takes on a slightly different context.

Student activities, which are “Under Board Control”, require all financial transactions related to the student activity accounts to be controlled by the UFARS manual and MAFA manual and follow district policies and procedures as established by the Board. Student activities **must** follow the school district’s requirement as it relates to the public purpose doctrine.

As noted in [Minnesota Statutes, section 123B.49, subdivision 4\(c\)](#), an activity, which is “Not Under Board Control”, **must** have board oversight to provide assurances that funds are properly administered; proper records are being retained by means of periodic reports and annual financial audits. Student activities “Not Under Board Control” are required to follow the sections of the MAFA manual for student activities “Not Under Board Control”.

Summary of Board Responsibilities

Characteristics of Student Activities	Student Activities Under Board Control (UFARS)	Student Activities Not Under Board Control (MAFA)
General Responsibility for Financial Accounting	The Board may delegate authority to the district administration.	The Board has oversight responsibility of all student activities. The Board must provide a means to account for student activities not under board control.
Budgeting	Both anticipated revenues and expenditures must be budgeted and approved by the Board consistent with the procedures used for any other district funds.	Budgets should be developed by the student leadership with approval by the advisor and/or district administrator.
Accounting	District must use the same accounting and control system approved by the district for any other district funds. Funds must be accounted for and reported to the Minnesota Department of Education under the current rules for school district financial accounting and reporting (UFARS).	A cash basis accounting system accepted by the Board is to be used.
Receipts/Deposits	Include any donations, membership fees, admissions, or proceeds of any activity sponsored by the Board. Gifts and donations may only be accepted by the Board.	Revenue may not include any public funds, but must rely on dues, proceeds of activity-sponsored fundraisers, etc. Gifts and donations may only be accepted by the Board.
Disbursements and Expenditures	Allowable expenditures include any expenditure deemed by the Board to be necessary and for a public purpose. Please review Minnesota Statutes, section 123B.49, subdivision 4 for Under Board Control versus Not Under Board Control allowed expenditures.	Allowable expenditures include any expenditure approved by the student membership and advisor permitted in accordance with their activity purpose form. Donations are permitted if conditions are met. Direct or indirect labor payments, contract payments and payroll related payments are not allowed.

Characteristics of Student Activities	Student Activities Under Board Control (UFARS)	Student Activities Not Under Board Control (MAFA)
Fund Balance	Individual student activity account balances are not required to be reported separately under UFARS. The student activities represent a minor portion of the dollars reflected in the district fund balances.	Fund balance should not be negative as this condition may incur a personal liability to the student activity advisor.
Reporting	Included with regular reports to the Board.	Financial reports shall be transmitted to the Board for their assurance that sound business practices are being followed, at least annually.
Termination or Dissolution	The Board may terminate a program or activity as long as such action does not violate any other statute. It is recommended that local policy be established regarding length of time before the balance is to be distributed.	May be dissolved by the members whenever membership graduates (class funds) or when the organization cannot be advised or maintained by a district employee. Balances shall be transferred as directed by the activity purpose form.
Auditing	Included with the district's annual audit.	A separate financial audit must be conducted annually by the school district's outside CPA firm.

Chapter II – Under Board Control

Student activities Under Board Control are required to follow the general accounting requirements in the UFARS manual as noted by Minnesota statute.

Minnesota Statutes, section 123B.77, subdivision 1 states:

“Uniform financial accounting and reporting standards. Each Minnesota school district must adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in guidelines adopted by the department.”

UFARS is required to be used by all reporting entities in the state when student activity transactions are Under Board Control. An activity or some of its transactions are Under Board Control if one of the following conditions is met:

- The Board mandates that the student activity be under Board control;
- The activity is related to a requirement or partial requirement for graduation; or
- The transactions are related to a board ratified contract.

Student activities expenditures must follow public purpose. Public purpose means an activity that meets all of the following standards:

- The activity will benefit the community as a whole.
- The activity is directly related to the functions of government.
- The activity does not have as its primary objective the benefit of a private interest.

Donations may not be made to individuals, recognized religious entities or organizations such as a booster club.

Student activity accounts Under Board Control are included in the district’s annual external financial audit.

Chapter III – Not Under Board Control

Activity Purpose

A statement of purpose **must** exist for each student activity account within the fund. An *Activity Purpose Form* **must** be completed for each student activity on an annual basis, signed by the advisor and principal or designee, and placed on file at a central location. The form needs to include the name of the designated advisor, an acknowledgment of the receipt of a *Manual for Activity Fund Accounting (MAFA)*, and acknowledgment of responsibility for assuring that proper procedures are followed.

This form **must** include the following elements:

- Date
- Name of activity
- Purpose of activity
- Age, grade and/or interest of students served
- Acknowledgement that the advisor has received a copy of the Manual for Activity Fund Accounting (or District equivalent) and responsibilities related to the activity
- Name of Advisor – printed, signature and date
- Name of Building Principal – printed, signature and date
- Instructions for disposal of the balance of the activities' funds upon termination

Student activities expenditures **must** follow public purpose. Public purpose means an activity that meets all of the following standards:

- The activity will benefit the community as a whole.
- The activity is directly related to the functions of government.
- The activity does not have as its primary objective the benefit of a private interest.

Auditing

A Certified Public Accountant (CPA) or the Office of the State Auditor **must** audit student activity accounts annually. The fiscal year for the student activity accounts **must** coincide with the school district fiscal year. The school board must review and accept the audit report. A copy of the audit report **must** be filed with the Minnesota Department of Education (MDE). The audit report **must** also be made available to the public upon request.

MDE requires these audits to be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The report **must** be in compliance with the Office of State Auditor's Minnesota Legal Compliance Audit Guide.

Student activity audits, which are published in the same report as the district's financial statements, **must** have the student activity audit identified and included in the table of contents of the district's audit.

Additionally, a statement indicating under which of the following three conditions student activity accounts are operating **must** be included in the notes to the financial statements of the full district audit:

- All student activity accounts that are Under Board Control;
- All student activity accounts that are Not Under Board Control; or
- A combination of student activity accounts that are Under Board Control and Not Under Board Control.

Findings, which are a result of the audit, require a corrective action plan be included for each finding. Corrective action plans **must** contain the following elements:

- An explanation of any disagreement with the finding;
- Actions planned in response to the finding;
- The official responsible for ensuring the corrective action plan is implemented; and
- A plan to monitor completion of the corrective action plan.

Banking

If a separate checking account for student activity accounts is maintained, it **must** be at a board approved depository and **must** have its own check sequence. Official depositories are approved by the Board annually.

Caution: All accounts (including student activity bank accounts) under the district's federal tax identification number at each financial institution are aggregated for purposes of FDIC insurance and for determining if deposits are fully insured or if additional collateral is required.

Reconciliation of student activity bank account(s) **must** be completed monthly and in a timely manner.

Interest from investments **must** be allocated, at a minimum, once each fiscal year. The allocation may be completed in any of the following ways:

- Earnings may be deposited in the district's general fund to offset overhead costs that resulted from the maintenance of the activity fund.
- Earnings may be recorded in a separate activity account to be used for a specific purpose (e.g. a general student activity account that would pay for the checks, deposit slip printing, bank charges, etc.).
- Earnings may be allocated to the student activity account which benefits the maximum number of students.
- Earnings may be allocated among all the student activity accounts.

Borrowing

Student activity accounts **must** not borrow money from any individual or entity (ie. a booster club). Student activity accounts **must** not loan money to school employees, activity members or any other individual. This does not preclude transfers of funds between student activity accounts.

Student activity funds Not Under Board Control may not be transferred to the general fund to support operations.

Centralized versus Decentralized

A student activity account Not Under Board Control may have either a centralized or decentralized system of accounting as established by district administration. This decision should be made prior to the execution of any transactions. Under either system, the chart of accounts and code structure **must** be defined and approved by district administration.

Under a centralized system, the district business office maintains the accounting system, including maintaining the bank account(s) (either as a separate account or pooled with other district funds), recording receipts, issuing checks, recording checks and reconciling bank account(s). If using the district approved software and UFARS, the student activity account data is NOT included in UFARS submissions.

Under a decentralized system, each building principal or administrator's office establishes and maintains a student activity accounting system. Each location **must** include proper segregation of duties to assure funds and assets are accounted for according to best practices. For example, the person who completes the bank reconciliation cannot create the bank deposit, deliver the bank deposit or issue checks. Under this system, separate checking accounts may be used and maintained at each site. If separate checking accounts are used, a staff member at each site should be appointed as a responsible financial custodian. All checks issued **must** have supporting documentation and **must** have two signatures by approved district personnel.

Contracts

[Minnesota Statutes, section 123B.09, subdivision 6](#) states:

“No contract shall be made or authorized, except at a regular meeting of the Board or at a special meeting at which all members are present or of which all members have had notice.”

Student activities “Not Under Board Control” need to establish a contract for goods or services prior to the activity occurring. The contract is approved by the Board and that contract will be Under Board Control.

The existence of a contract does not require a student activity account to be Under Board Control. Required payments under the contract **must** be made by the district following normal district processes. Payments may not be made directly from the student activity to a vendor. The student activity account **must** reimburse the district for the required contract payment.

Student activity accounts cannot advertise, solicit and award bids.

Vending Contracts

Proceeds of the revenue from vending contracts **must** not be deposited in any student activity account. Licenses permitting vending machine(s) on school property are the responsibility of the Board and require direct and separate board action. In an opinion from the Office of the State Auditor (OSA) State of Minnesota, “Statement of Position Vending Machines” 2009-1005 Revised: February 2014, a vending machine contract is not considered as sales of goods and services but a license (often exclusive) to operate machines on school property (see Appendix D).

Disbursements

Disbursements **must** not be paid with cash.

Blank checks **must** be properly controlled and safeguarded at all times by personnel designated by the Superintendent. Blank checks, investment instruments and proof of collateral **must** be kept in the school's safe, a locked fireproof cabinet or equivalent.

Check requests (see Appendix B) **must** be prepared, and approved by a student representative, the advisor and the building principal (or his/her designee). For elementary student activity accounts, the student representative approval is not required. Approval is evidenced by signatures.

All checks require two signatures. Checks **must** not be pre-signed and payee and amount **must** be filled in prior to signatures. All check requests **must** be accompanied with appropriate supporting documentation in order for a check to be prepared.

Checks which need to be voided **must** have VOID printed across the face of the check. For issued checks, the amount of the voided check **must** be recorded in the check register as a negative expenditure, not as a receipt. Voided checks **must** be kept on file as a reconciling item.

Outstanding checks **must** be reviewed at year-end. Any checks outstanding for more than three years should be disposed of under the unclaimed property guidelines. For more specific guidance, visit the Minnesota Department of Commerce for Unclaimed Property Guidelines. In addition, a copy of the Minnesota Unclaimed Property Act can be found by visiting the [Minnesota Unclaimed Property Act webpage](#). The Act is found in Minnesota Statutes, sections 345.31 to 345.60.

Cash boxes may be obtained through normal district process on an as needed basis. Checks may be issued to the responsible party when a cash draw is needed for an event. In this situation, a corresponding deposit back into the student activity fund should be made on a timely basis.

Donations to a Student Activity

Student activity accounts, Not Under Board Control, may accept donations of cash but **must** notify the Board of the acceptance of the donations. Donations are subject to final board review and public scrutiny. The student activity account advisor or building principal or designee is responsible for overseeing donations to ensure they are appropriate and consistent with the purpose of the student activity account.

Only the Board may accept donations of equipment or non-cash items. Upon acceptance, the equipment or non-cash item becomes the property of the district. At no time may a district employee or student assign, imply, or state a value to an in-kind or non-cash donation.

Equipment

Capital and non-capital equipment purchases funded by a student activity group become the property of the district. Payments for equipment need to be processed and paid by the district via normal district processes. The

payments **must** not be made directly from the student activity account. The student activity account **must** reimburse the district for the equipment purchase.

Expenditures Not Under Board Control

All expenditures must benefit the students participating in the student activity.

Appropriate expenditures for student activity accounts include, but are not limited to:

- admission fees
- donations (see exceptions in inappropriate expenditures section below)
- entertainment
- food
- lodging
- supplies and materials
- clothing for students participating in the student activity
- transportation
- travel expenditures

Inappropriate expenditures for student activity accounts include, but are not limited to the following:

- assemblies for the entire school
- contract payments
- employee compensation, gifts or awards
- faculty meetings or events
- labor or service payments
- library books
- office supplies
- office or school furniture
- textbooks
- gift cards
- gift certificates
- field trips which are curricular in nature
- donations to individuals
- donations for religious activities
- donations to booster clubs
- donations to parent teachers organizations
- donations to staff related accounts
- donations to school foundations
- donations to scholarship funds
- personal items for coaches, advisors or other staff members

Student activity accounts **must** not make payments for contracted services including, but not limited to, students, gatekeepers, ticket takers, DJs, accompanists, referees, and chaperones. Student activity accounts cannot donate or make payments to faculty, staff, individual students, or any individual person. The payment for any compensation expense (salaries or commissions from student activity fundraising events) from student activity accounts is strictly prohibited. When student activity accounts need to reimburse the district for

contracted services, the payment will be through the general fund of the district through usual district procedures.

Fundraising

Student activity fundraising **must** adhere to the school district fundraising policy. However, there is no statutory obligation requiring a school board to have or approve fundraisers as a method of generating revenue. Fundraising is not allowed for the direct benefit of an individual(s) or a family(ies). The student activity may plan, organize and participate in the fundraising activity.

However, the students cannot accept donations on behalf of the individual(s) or family(ies).

Fundraising projects encompass a wide range of activity from the sale of food items, to the sponsorship of dances and entertainment, to out-of-school sales of advertisement, gift items, candy, fruit, raffles, magazines, programs, and car washes. The district and school personnel **must** make several decisions, including:

- The extent to which the community will be inundated with sales;
- What sales are appropriate for which clubs and organizations;
- If projects must be established in advance of approvals for fundraisers (what are they raising money for?);
- What limits, if any, should be set for accumulation of funds;
- What purposes are appropriate for use of funds; and,
- What happens if a trip or other fundraising objective is canceled?

All school-sponsored fundraising activities should contribute to the educational experience of the students enrolled in school. These activities and projects should never be in conflict with the instructional program.

School activity fundraising **must** have the approval of the Board and/or administration, either directly or through policy and procedures. Contracts **must** be Board approved prior to that activity occurring. Approval **must** be obtained for each fundraising event each time the fundraising occurs. The fundraising should be publicized in advance, with purpose and intended use of profits indicated.

An effective practice is to have all fundraisers published for board review at the beginning of each year. The review document would include:

- Name of school and activity.
- Description of fundraising activity.
- Explanation of why funds are needed and amount needed.
- Approximate date of fundraiser.
- Whether or not the fundraiser involves sales tax.
- Whether or not the fundraiser involves a contract that needs Board approval.

A review document of this type permits a board and administration to make comprehensive decisions affecting fundraising as a whole.

Per Minnesota Sales Tax Fact Sheet 111, there are special sales tax exemptions for some types of fundraising by Schools and their student activity accounts. For specifics, please refer to [Minnesota Sales Tax Fact Sheet 111](http://www.revenue.state.mn.us/businesses/sut/factsheets/FS111.pdf) (<http://www.revenue.state.mn.us/businesses/sut/factsheets/FS111.pdf>).

Inactive/Discontinued Activity Accounts with Remaining Cash Balances

For either inactive or discontinued accounts, follow the instructions on the “student activity purpose form” which provides instructions for disposition of an activity and the related funds upon termination.

Any student activity account, which has been inactive for a maximum of one fiscal year, **must** be disposed of, unless the advisor submits a plan to the building principal (or designee) indicating why the activity has been inactive and why it should not be terminated. The building principal **must** approve the plan. The submitted plan **must** account for any open and outstanding checks.

For student activity accounts related to a graduated class, any funds remaining in the account after graduation **must** be disposed of in the manner indicated on the activity purpose form no later than September 1 after graduation. For transactions occurring after graduation, it is acceptable for the advisor and building principal (or designee) to approve transactions. Student signatures are not required after graduation.

Negative Cash Balances

No individual student activity account will operate with a negative cash balance at the end of the fiscal year.

Special exception:

A written plan **must** be submitted to administration which provides assurances the student activity fund has future funding (actual or projected) to offset the negative account balance. The deficit should be eliminated within three months after the end of the fiscal year. Both the building principal and superintendent, or designee, **must** sign the written plan.

Payroll Costs

A student activity account may not pay district personnel, students, or other non-staff persons. Student activity funds may not subsidize the cost of a specific staff person’s salary, either directly or indirectly. A student activity account may not make direct payments for contractual obligations on behalf of the Board.

Receipts/Deposits

Deposits should be compiled by following proper segregation of duties procedures. Deposits should be counted by individuals, other than those who are reconciling the student activity cash account or depositing funds at the bank. Upon receipt, all checks **must** be endorsed “For Deposit Only”.

All money collected by students/advisor **must** be listed on a receipt summary form or equivalent (see Appendix B) that includes deposit date, name of activity or activity account number, description of deposit, the coin, currency, checks and total deposit amount, plus student, advisor and/or individual counting funds (i.e. secretary/bookkeeper) signatures fields.

A list of the check number and the amount of each check included in each deposit **must** be kept on file. For example, it could be included on bank deposit slips or on a separate spreadsheet.

Bank deposits **must** be completed, at a minimum, weekly and in the form in which the funds were received.

All funds held prior to deposit **must** be secured for the entire period, for example, in a locked safe or other secure, limited access, place as designated by district administration. Making change, cashing checks or otherwise substituting legal tender within the deposit is unallowable.

Also, student activity accounts may not cash personal checks from a cash box, or make change from a cash box without a purchase (i.e. making change for a patron).

Returned checks (NSF) should be redeposited using a separate deposit slip indicating “not entered as a receipt”. Checks may be returned to the district due to a closed account, stopped payment, insufficient funds, refer to maker, etc. The district should contact the issuer of the check to recover the funds. When checks are deemed as uncollectable, a negative receipt should be recorded in the activity account to reverse the original revenue that was generated in that activity account. The returned check is filed with the bank statement for the audit trail. The bank fee for the returned check is charged to the student activity account that originated the revenue.

Reporting

The student activity account reporting serves a dual purpose by providing activity account status to the student activity advisor(s) and to the Board.

Student activity advisors should review financial activity on an ongoing basis to assure accuracy within the account. The review should include receipts, disbursements, and account balances.

Reporting to the Board **must** consist of a summary statement of receipts, disbursements and current balances for each student activity account. This report **must** be provided to the Board for their review at least once per fiscal year, though more frequent reporting is encouraged.

Appendix A – Best Practices

The following are recommended best practices, though they are not required to be implemented; districts are encouraged to use these best practices. Districts may choose to implement these at their discretion.

Best Practice Guidelines:

- Districts may develop a student activity handbook incorporating all requirements of this MAFA manual. The district handbook may include other local policies and procedures.
- All employees responsible for handling and recording activity fund monies should be bonded by the district.
- Minutes should be maintained for all meetings of individual student activity accounts, which may include a list of approved disbursements.
- Internal audit of student activity accounts is completed at least once per year by the business office.
- For student activity accounts maintaining inventories, consider use of a perpetual inventory system. A physical inventory should be made periodically.
- Annual training is recommended for all individuals involved with student activity accounts (may include advisors, building principals, business office staff, and students). Possible topics for the training could include review of the MAFA manual, including appendices, and district policies and procedures as applicable.

Best Practice Procedures:

- Each student activity fund is strongly encouraged to develop an annual budget. A budget form is included for use but is not required (see Appendix B).
- A fundraiser accountability form is included for use but is not required (see Appendix B).
- Pre-numbered receipts, pre-numbered tickets, ticket control log, or a point of sale device such as a cash register, should be utilized for all funds collected.
- At the completion of each event, a reconciliation of the financial activity should be completed to assure funds are accounted in a timely manner. Assure unused numbered tickets are secured and safeguarded in the school's safe, locked fireproof cabinet or equivalent.
- Assure there are at a minimum two individuals to count deposits. Both persons should be present when the deposit is counted. The school secretary or bookkeeper should not be the only person counting the money and completing the deposit summary form. Consider investing in a coin and currency counter to assist in making accurate deposits.
- Bank deposits should be made daily.
- Blank checks, investment instruments and proof of collateral are secured and safeguarded in the school's safe, locked fireproof cabinet or equivalent.
- A formal policy should be adopted for handling deposit overages/shortages.
- Upon receipt of a returned check from the banking institution, at least one written attempt is made to recover the amount of the check. External collection agencies may be used for returned checks.
- Checks are mailed the same day as they are signed.
- A purchase order system may be used.

Appendix B – Forms

Activity Purpose Form

{District Name and Number}		
<i>Exhibit 1</i>		
{School Name} Student Activity Fund Activity Purpose Form School Year		
Date: _____ Name of Activity: _____		
Purpose of Activity: _____		
Age, grade & interest of students served: _____		
I, _____ (advisor) received a copy of (District/ Charter name and number) Student Activity Fund Manual and acknowledge my responsibilities for assuring proper procedure are followed. I also acknowledge that I will be held personally accountable for any deficit balance that may occur in the above named activity account.		
Advisor's Name (printed) _____	Advisor's Signature _____	Date of Submission _____
Building Principal's Name (printed) _____	Principal's signature _____	Date of Approval _____
Upon termination of the above named activity, any unobligated funds that remain in the account will be disposed of in the following manner (refer to district procedures if applicable)		
Advisor's Name (printed) _____	Advisor's Signature _____	Date of Signature _____
Activity Student Representative Name (printed) _____	Activity Student Representative Signature _____	Date of Signature _____

Appendix B – Forms

List of Officers

{District Name and Number} <i>Exhibit 2</i>			
{ School Name } Student Activity Fund List of Officers School Year			
Date: _____		Name of Activity: _____	
Advisor	Print Name: _____	Signature: _____	Grade: _____
President	_____	_____	_____
Vice-President	_____	_____	_____
Treasurer	_____	_____	_____
Secretary	_____	_____	_____
Other	_____	_____	_____
Other	_____	_____	_____

Appendix B – Forms

Meeting Minutes

{District Name and Number}		<i>Exhibit 3</i>
{School Name} Student Activity Fund Meeting Minutes For School Year		
Meeting Date	Name of Activity:	
Advisor Present:	_____	
Members Present:	_____	
Members Absent:	_____	
Revenues (Dues, Monetary Gifts, Deposit Receipts...):		
Expenditures (Check Requests...):		
Other Items Discussed/Voted on (Transfers In/Out...):		
Minutes Approved By (print):		
_____	and	_____
Advisor		Student Representative
Minutes Approved By (Signature):		
_____	and	_____
Advisor		Student Representative

Appendix B – Forms

Funds Transfer Form

{District Name and Number}		<i>Exhibit 4</i>
{School Name} Student Activity Fund Funds Transfer Form		
Date:	Name of Activity:	
Transfer Amount:		
Activity Name & Codes:	From	To
Reason for transfer of funds:		
1 st Advisor (from) signature		Date
Student signature		Date
2 nd Advisor (to) signature		Date
Student signature		Date
Principal's Signature		Date

Appendix B – Forms

Fundraiser Accountability Report

{District Name and Number}					Exhibit 5																																																																						
{School Name}																																																																											
Fundraiser Accountability Report																																																																											
Activity:		Dates of Fundraiser		to																																																																							
Advisor:		Student Representative																																																																									
Fundraiser:																																																																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: center;">Disbursements</th> </tr> <tr> <th style="width: 15%;">Date of Check</th> <th style="width: 15%;">Check Number</th> <th style="width: 20%;">Amount</th> <th style="width: 20%;">Vendor</th> <th style="width: 30%;">Invoice Number</th> </tr> </thead> <tbody> <tr><td></td><td></td><td>\$</td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td colspan="2" style="text-align: right;">Total</td> <td>⓪</td> <td>\$</td> <td></td> </tr> </tbody> </table>						Disbursements					Date of Check	Check Number	Amount	Vendor	Invoice Number			\$																																																					Total		⓪	\$	
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<p>Reconciliation of Merchandise Purchased to Merchandise Sold:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 40%;">Total units purchased</td> <td style="width: 10%;">\$</td> <td style="width: 50%;">(must agree to vendor invoices & total disbursed from above)</td> </tr> <tr> <td>Total units sold at \$ _____ a unit:</td> <td>()</td> <td>(must agree to total receipts from above)</td> </tr> <tr> <td>Total units returned for credit:</td> <td>()</td> <td></td> </tr> <tr> <td>Total units over / short:</td> <td>\$</td> <td></td> </tr> </tbody> </table> <p>Note: Attach copies of whatever is needed to support the information on this form, including merchandise given to students, sold by students, monies collected by students and merchandise returned, unsold or damaged.</p>						Total units purchased	\$	(must agree to vendor invoices & total disbursed from above)	Total units sold at \$ _____ a unit:	()	(must agree to total receipts from above)	Total units returned for credit:	()		Total units over / short:	\$																																																											
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Total units over / short:	\$																																																																										

Appendix B – Forms

Change Order Request

{Bank Name}		<i>Exhibit 6</i>			
CHANGE ORDER REQUEST		Cash (COD) \$ _____ Check \$ _____ <small>Payable to (Bank)</small>			
{District Name and Number}					
Order Date			Delivery Date(s) shown below		
School/Facility			DISTRICT # _____		
Ordered By					
Date:	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Pennies					
Nickels					
Dimes					
Quarters					
Ones \$1's					
Fives \$5's					
Total \$	\$ -	\$ -	\$ -	\$ -	\$ -
<p>◆ Orders can be placed by the day or for the entire week, the change order must be placed by XX:00 X.M</p> <p>Special Instructions:</p> <p>◆</p>					

Appendix B – Forms

Deposit/Receipt Summary Form

{District Name and Number}		<i>Exhibit 7</i>								
{School Name}										
Student Activity Fund										
Deposit/Receipt Summary Form										
		# _____								
Date: _____	Name of Activity: _____									
Advisor: _____	Student Representative _____									
Receipts from where/what: _____										

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; text-align: center;">Coin total</td> <td style="width: 40%; text-align: center;">\$</td> </tr> <tr> <td style="text-align: center;">Currency total</td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="text-align: center;">Check(s) total</td> <td style="text-align: center;">\$</td> </tr> <tr> <td style="text-align: center;">Total Deposit</td> <td style="text-align: center;">\$</td> </tr> </table>			Coin total	\$	Currency total	\$	Check(s) total	\$	Total Deposit	\$
Coin total	\$									
Currency total	\$									
Check(s) total	\$									
Total Deposit	\$									
Student Activity Fund: _____										
Signature of Depositor: _____										
Counted By: _____ and _____										
<p style="margin-top: 20px;">Date of Deposit: _____</p> <p>Bookkeeper Signature: _____</p> <p style="margin-top: 20px;">Note: All currency is to be facing the same direction in bundles as follows:</p> <ul style="list-style-type: none"> 20's on groups of \$100 10's on groups of \$100 5's on groups of \$100 1's on groups of \$ 50 <p>(If bills do not add up to \$100's or \$50's, please keep like bills together)</p>										

Appendix B – Forms

Check Request Form

{DistrictName and Number}		<i>Exhibit 8</i>
{School Name} Student Activity Fund Check Request Form		
Student Activity Fund:	_____	
Date:	_____	Amount: _____
Date check needed:	_____	
Check Payable To:	_____ _____ _____	
Description of Disbursement:	_____ _____ _____ _____ _____ _____ _____ _____	
Approval Signatures:		
<div style="display: flex; justify-content: space-between;"> <div> Student Treasurer: _____ Activity Advisor: _____ Principal: _____ </div> <div> _____ _____ _____ </div> </div>		
*** Appropriate Supporting Documentation Must Be Attached ***		
<div style="display: flex; justify-content: space-between;"> <div> Processed by: _____ Check Number: _____ Date: _____ </div> <div> _____ _____ _____ </div> </div>		

Appendix B – Forms

Bank Reconciliation

(District Name and Number)			<i>Exhibit 9</i>
(School Name)			
Student Activity Bank Reconciliation			
Month Ending: _____	Checks Used This Month: _____	From # _____	
		Thru # _____	
Ending Balance per Bank: _____		(a)	
Outstanding Checks:			
Payable to:	Check #	Amount	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
		-	
Total Outstanding Checks:		-	(b)
Outstanding Deposits			
Receipt #	Date	Amount	
		-	
		-	
		-	
Total Outstanding Deposits:		-	(c)
Other Reconciling Items			
Description	Date	Amount	
		-	
		-	
		-	
Total Other Reconciling Items		-	(d)
Adjusted Bank Balance		-	$=(a)-(b)+(c)+(d)$
Balance Per Checkbook			
Difference		-	

Appendix B – Forms

Fund Reconciliation

{District Name and Number}		<i>Exhibit 10</i>
{School Name}		
Student Activity Fund Reconciliation		
Name of Activity: _____		
Month Ending: _____		
Beginning Balance		(a)
-		
Deposits made:		
Receipt#	Date	Amount
		-
		-
		-
		-
		-
		-
		-
		-
Total Deposits:		(b)
-		
Checks issued:		
Payable to:	Check #	Amount
		-
		-
		-
		-
		-
		-
		-
		-
		-
Total Checks:		(c)
-		
Other: Transfer In/Out		
Description	Date	Amount
		-
		-
		-
Total Other Reconciling Items		(d)
-		
Ending Balance:		(a)+(b)-(c)+(d)
-		
Prepared by: _____		
Title: _____		
Date: _____		

Appendix C – Minnesota Statutes, Rules and Other Authoritative Guidance

For the most current version, please see the [Minnesota Legislature - Office of the Revisor of Statutes](#).

Extracurricular Activities; Insurance

[Minnesota Statutes, section 123B.49](#)

Accounting, Budgeting and Reporting Requirement

[Minnesota Statutes, section 123B.77](#)

General Powers of Independent School Districts (bequests; donations; gifts)

[Minnesota Statutes, section 123B.02](#), subdivision 6

Expenditures; Reporting

[Minnesota Statutes, section 123B.76](#)

Definitions for Pupil Fees

[Minnesota Rules, part 3500.1050](#)

General Policy – Free and Public Education

[Minnesota Statutes, section 123B.35](#)

Authorized Fees

[Minnesota Statutes, section 123B.36](#)

Prohibited Fees

[Minnesota Statutes, section 123B.37](#)

Hearing

[Minnesota Statutes, section 123B.38](#)

Collection of Sales Tax

[Minnesota Department of Revenue](#)

Appendix D – Statement of Position Vending Machines



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 ((651) 296-4755 (Voice) Fax)
state.auditor@osa.state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Statement of Position Vending Machines

Vending machines present unique legal compliance challenges. In the past, some public officials have viewed the expenditures of vending machine proceeds as not being subject to “public purpose” requirements and as not needing statutory authority. This view may be based in part on the concept that funds generated by vending machines were from nontax revenues and therefore not subject to the same legal requirements. However, the Minnesota Attorney General has been clear that the public purpose requirements apply to all public expenditures, even if the money was received from non-tax sources.¹

Revenues received by the public entity from the proceeds of vending machine sales or from granting the license under the written contract are public funds and should be deposited in the general fund like any other operating revenue.

For the purpose of compliance auditing, the Office of the State Auditor divides vending machines into two groups: those entirely within an employee work space and those accessible to the public.

Vending Machines Accessible by Employees Only

Vending machines accessible only to public employees, such as in an employee lunch room, can be handled informally. For instance, the public entity could allow its employees to handle all aspects of the vending machine operations, including setting the price of items, stocking product, and collecting money. The public entity could allow its employees, through a formal or informal employee group, to enter into an agreement with a vending machine company where the employees receive cash. If the employees handle the pricing and stocking and receive profits from the vending machines, then the funds generated do not become public funds and are not subject to an audit. We consider this situation to be an analogous to one in which the employer provides a refrigerator for the use of employees.

Vending Machines Accessible by the Public

For vending machines located in the public areas of public buildings, formal contracting procedures are applicable if the public entity does not own the vending machine. If the

¹ See Op. Atty. Gen. 107-a-3 (Jan. 22, 1980) and Op. Atty. Gen. 159-a-16 (Nov. 16, 1949).

Reviewed: February 2014
Revised: February 2014

2009-1005

This Statement of Position is not legal advice and is subject to revision.
An Equal Opportunity Employer

public entity does not own the vending machine, there should be a written contract between the public entity and the owner/operator of the vending machine. Such a contract would grant the owner/operator the license to operate the vending machine on public property. All the terms of a licensing agreement should be addressed in the written contract, including the time period, distribution of proceeds of vending machine sales, liability for injury caused by the vending machine, and who will carry insurance for personal injury or property damage.

Some public entities have entered into contracts with employee organizations that, in turn, operate the vending machines. The contractual payments made by the employee organization to the entity are public funds subject to an audit. The money collected from the vending machine by the employees under this type of contract, however, is not public money. This does not present an audit issue, as long as the terms of these contracts are reasonable.

Internal Controls

Regardless of their location, vending machines generally produce a constant flow of revenue. Individual revenue amounts received each week or month may be modest, but the amounts produced over a long period of time can be large. Therefore, internal controls appropriate to any cash-handling function should be in place.

For small operations, vending machine companies may divide the cash received by the machine at the time it is restocked. An employee of the public entity should be present for this process, and a written receipt of the money received by the public entity should be prepared and signed by the vending machine employee. As with all cash transactions, regularly rotating the person responsible for receiving cash can provide a level of internal control. A sudden change in the amount of revenue received from the vending machine is a red flag.

The potential for loss can be high, even in a small vending machine operation. It is therefore worthwhile, from time to time, to review the internal controls associated with the handling of cash from vending machines.

Reviewed: February 2014
Revised: February 2014

2

2009-1005

Special Thanks to the MAFA Committee

Members of the Division of School Finance of the Minnesota Department of Education extend their appreciation to each member of the MAFA Committee for their work on this project.

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Chapter 15 – Effective Practices and Management Opinions

Introduction

“Effective Practices” is a business strategy that attempts to take advantage of successful policies, procedures or activities that have been implemented throughout a particular industry. Originally, it was “best practices” as used in the medical field. The process of “effective practices” strategy is to copy the application of similar operations and to modify the application to meet the particular needs of an organization. By understanding the principles and procedures of education accounting and finance, the school district will be better prepared to implement the best education accounting and finance practices throughout the education organization.

The purpose of this chapter is to outline various education accounting and finance principles and procedures to promote the implementation of accounting and finance effective practices throughout the education organizations within the state. These best practices are not necessarily the best policies and procedures to be implemented in every situation, but can be used as a model in developing specific procedures to be used in an organization. By constantly applying best practices, it is possible for an organization to achieve the organization goals in an efficient and cost effective manner.

Section I – The Independent Audit Opinion

Introduction

Independent auditing of financial statements is one of the best-known services that certified public accountants provide; however, it is also one of the least understood activities. Most government organizations are required to issue financial statements. According to publications of the Association of School Business Officials and the American Institute of Certified Public Accountants (CPAs), CPAs are engaged in the process of adding credibility to management’s financial representations by giving assurances that the financial statements conform to generally accepted accounting principles. CPAs have acquired the expertise and experience to give professional opinions on the overall fairness of the organization’s financial statements and are guided by the accounting profession’s basic tenets of integrity, objectivity and independence. Before interested parties can evaluate an auditor’s report and determine how much they can rely on the report, they should first gain an understanding of what an audit is and what an audit is not.

What An Audit Opinion Is Not

The financial information upon which the audit is based is **not** prepared by the auditor, but by management. The auditor does **not** express a judgment on the competence of management, advise on the desirability of funding the organization, nor assure that the employees are honest and competent. The CPA uses testing techniques and professional judgment, within the parameters of established standards, to reach an informed opinion on the overall fairness of the financial statements in accordance with generally accepted accounting principles.

Although the purpose of an audit is NOT to uncover fraud, the auditor is required to design the audit to provide reasonable assurance that material errors or irregularities that exist in the financial statements are detected.

What An Audit Opinion Is

The primary objective of an audit is to provide reasonable assurance that the financial statements prepared by management are fairly presented in conformity with generally accepted accounting principles and do not contain material misstatements. Material misstatements include: (1) Unintentional misstatements or omissions in financial statements, and (2) intentional misstatements or omissions. (Misstatements are considered material if they are significant enough to make a difference in the decisions of a reasonable financial statement user.)

It is virtually impossible for a CPA to examine all transactions recorded in financial statements. The auditor bases their opinion on selective testing using sampling techniques. Audits provide an economical and reasonable level of assurance that the financial statements are free from material misstatements, rather than a guarantee of absolute accuracy. Before forming an opinion, the auditor must consider the organization's internal control structure, which is divided into (1) the control environment, (2) the accounting system and (3) the control procedures. The auditor uses this knowledge to identify the risk of misstatement in the financial statements and then designs procedures to reduce the risk. The auditor is also required to use analytical procedures, which are evaluations of financial information, in the planning and final review stages of all audits. In addition, the auditor is obligated to consider whether the overall audit results raise substantial doubt about the organization's ability to stay in operation. If there is doubt that the organization can continue as a "going concern," an explanatory paragraph must be included in the audit report.

The Auditor's Standard Opinion

When an audit is completed, the auditor issues a report that states the CPA's responsibility, the nature of the work performed and the conclusions reached. The auditor's standard report consists of three paragraphs: an introductory paragraph, a scope paragraph and an opinion paragraph. The introductory paragraph differentiates management's responsibilities for the financial statements from the auditor's duty to express an opinion on them. The scope paragraph explicitly states that the audit was planned and performed to obtain reasonable assurance about whether the financial statements are free of material errors or irregularities. It also provides a brief description of what is involved in an audit and states that the auditor formed an opinion on the financial statements taken as a whole. The third or opinion paragraph presents the auditors conclusions.

The assurance, in the form of the CPA's opinion, is obtained by testing the data underlying financial position, results of operation and cash flows. To do this, the CPA is guided by statements on auditing standards issued by the Auditing Standards Board of the American Institute of CPA's (AICPA). Also, subjective professional judgment is involved. The auditor then forms one of the following types of opinion:

- Unqualified – No significant limitations affecting audit performance and no material deficiencies exist in the financial statements.
- Qualified – The scope of the auditor's work is significantly restricted or there is a material departure from the generally accepted accounting principles.

- Disclaimer – Restrictions in the auditor’s scope are so pervasive that the auditor cannot form an opinion on the fairness of the presentation.
- Adverse – Departures from generally accepted accounting principles are so significant that the financial statements do not fairly present the organization’s financial position.

The basic point to remember is that an opinion is just that – it is an opinion, not a guarantee that a professional has given on management’s financial statements. Any user of the financial statements must carefully review such financial statements and all related footnotes, in addition to the auditor’s report.

Section II – Selecting an Independent Auditor

Introduction

Regardless of the type or size of school district, an effective audit can improve management operations and yield dollar savings. It can also help avoid wasting the school district resources on a sub-standard audit. Outlined in the *Federal Grants Management Handbook of the Grants Management Advisory Services*, the “National Intergovernmental Audit Forum” has identified the following “basic elements of an effective audit procurement process:”

1. **Planning for the Audit** – Determining what needs to be done and when. Planning to obtain a quality audit is usually rewarded by a timely and less expensive audit. Audit planning matters, include:
 - a. Each year, the auditor will provide a list of documents that are needed from the school district to complete the audit. To determine the specific audit requirements of the school district, reference the current auditor’s information request prior to last year’s audit. This information request can be used to establish the scope of the audit work plan for the district.
 - b. Every year, auditors are required to be evaluated by an independent public accounting firm. Determine who did the proposed auditors latest peer review and obtain a copy of the peer review report. Verify the professional experience of the proposed auditor by reviewing the peer review report and by requesting references from current school districts being audited by the auditor.
 - c. The Minnesota Department of Education provides a comparative list of school district audit expenditures. Use the list to establish a set of audit criteria to enable the school district to evaluate the proposed auditor, including technical qualifications, school district experience, price, timing, contingency requirements and supplemental work costs.
 - d. Audit contracts can usually be more cost-effective if negotiated over a multi-year timeframe. Most often, contracts should cover a three- to five-year period to take advantage of the cost benefits of the multi-year audit and to realize the carry-over knowledge of the auditor. Determine an auditor rotation plan to maintain competitive pricing and to infuse new ideas into the process.
 - e. Based upon staff experience, many school districts will require accounting assistance to complete the documents required for the audit. Estimate the total cost of the audit by establishing a work schedule for the audit based upon the capability of the staff to compile required information and to prepare required work papers.
2. **Request for Proposal (RFP)** – Writing a clear and direct RFP. There are many ways to solicit bids for an audit, but the most effective way is to request a written proposal called an RFP (Request for Proposal). Although there should be a broad spectrum of potential audit firms to select from, the final screening process should be restricted to only 2 or 3 firms to request an RFP. With only a few audit firms to select

from, the school district will have less work and the audit firms will respect the school district's professionalism. Rural school districts may have a difficult time finding local auditing firms to include in the audit candidates. However, non-local audit firms often have more experience in dealing with Minnesota education issues and are usually willing to travel to more rural areas.

Proposals should be compared based upon technical qualifications and price, separately. Depending upon the RFP legal requirements, proposals that lack important comparative information should be updated to complete the comparison. In a technical service contract, a timely proposal submission is only an issue when the evaluation process is threatened, not when comparative information is required. Reduced audit price can often be related to the lack of technical qualifications that may not be beneficial to the school district. Generally, price should be a deciding factor when the technical qualifications are equal.

Preparation of the RFP must be in compliance with state rules and regulations. This is not hard as long as the school district tries to be fair to all auditor candidates. Even though the preparation of the RFP may have been thorough, the school district should still hold a "bidders conference" where audit candidates can discuss the audit request on an equal basis. The "bidder's conference" is important as a defense against an unsuccessful bidder. Although the size and complexity of the audit may vary, the RFP should contain the following:

- a. Name and address of the school district.
- b. Scope of the services to be provided (timing, reports, presentations, etc.).
- c. Period of the audit (single or multiple years).
- d. Contact person in the school district.
- e. Format of the proposal to be prepared.
- f. Date and time proposal is due.
- g. Criteria used to evaluate the proposal.
- h. Method and timing of the payment.

The RFP should be designed to enable the auditor to demonstrate his or her ability to complete the audit to the benefit of the school district. Any other administrative information that would be helpful in preparing the audit proposal (i.e. "bidder's conference" information, late proposals requirements or recommended audit fee range) should be included in the RFP at the discretion of the school district. Examples of information that should be requested from the proposed auditor include:

- a. Qualifications of the auditor that will be performing the field work including governmental audit.
- b. Approach to be taken to solve specific problems within the school district related to the audit.
- c. Examples of reports and schedules that are used to evaluate the sections of the statements.
- d. Experience in preparing financial reports and submissions required by the State of Minnesota.
- e. Cost structure and experience in preparing supplemental information for the audit.
- f. Results of peer review actions during the last three years.
- g. Notifications of change in staff for key audit positions for the school district.
- h. Experience with budget preparation requirements for the school district.

3. **Selecting a Qualified Auditor** – Evaluating the auditor's ability to perform the audit. A critical element of selecting an auditor is the technical knowledge of the RFP evaluators. To limit errors in judgment and accusations of bias, establish an audit evaluation committee. Many of the same technical qualifications emphasized in the audit would be beneficial for the audit selection committee, namely, experience in auditing and/or accounting. In smaller school districts, some of these experience requirements may have to be reduced. Although price is an important factor in selecting an audit firm, a high quality audit

at a fair price is more likely when both price and technical capability are used to select an auditor. The RFP evaluation process can be divided into two categories:

- a. **Minimum Requirements** – At a minimum, the bidders must have the technical qualifications to be considered for the audit selection. This includes minimum state licensing and governmental experience requirements, as well as a technical understanding of the education requirements of the audit. If the bidder is not able to document these minimum requirements, the proposal should be rejected, **even if this means that none of the bidders qualify for the audit and the RFP process must be started over again.**
 - b. **Technical Approach** – Most importantly, the audit proposal must communicate a sound technical approach to the audit that will meet the expectations of the school district. To verify the proposed audit approach, the technical issues must be reviewed and the audit references must be contacted and interviewed, including the following questions:
 - Does the proposal contain a sound technical plan and a realistic estimate of time?
 - Does the proposal show the bidder intends to comply with the audit requirements?
 - Does the technical plan show a practical approach to meeting deadlines?
 - Is the work plan reasonable with respect to procedures, controls and materiality?
 - Does the proposal indicate a willingness to avoid duplication of effort?
4. **Writing the Agreement** – Documenting the expectations of the auditor. The lack of a written agreement between the school district and the selected audit firm can result in a substandard audit. To avoid potential contract disagreements and misunderstandings, a written agreement should be prepared, agreed upon and signed by both parties before the audit fieldwork begins. To make sure that the contract contains the full scope of the audit requirements, the agreement should be prepared by the school district attorney and the RFP should be included in the contract by reference. At a minimum, the agreement should specify:
- a. Audit scope, objective and purpose.
 - b. Deadlines for the work to be performed.
 - c. Audit and supplemental work cost.
 - d. Report format and timing of completion.
 - e. Professional Auditing Standards to be followed.

In addition, the agreement should clearly document (1) the auditor responsibilities, (2) the nature of the work to be performed, (3) the procedures to follow if changes are required, (4) the format of the reports to be filed and (5) the ownership of work-paper information. In the absence of an RFP, many small audits are contracted by the engagement letter prepared by the audit firm. If the engagement letter is used as the written contract, the elements of the agreement that protects the school district should be included in the agreement and the agreement should be signed by both parties.

5. **Monitoring the Audit** – Reviewing the progress of the audit. Monitoring the progress of the audit is the most effective way to ensure that the school district receives both the scope and quality of the audit services specified in the written agreement. Monitoring can be accomplished by scheduling periodic progress meetings with the auditor to discuss the issues needed to be resolved before the audit is complete. During the audit, progress reports should be used to keep management informed of areas of deficiency and opportunities to control the cost of the audit. At the same time, the staff should work closely with the auditors on a day-to-day basis to review potential “audit findings” and to make audit corrections.

Finally, at the end of the audit, most auditors will provide an audit “exit conference” in which the findings and issues regarding the audit are discussed with the school district before being released to the general public. This conference is beneficial to the school district by enabling them to provide a rebuttal to the auditor’s conclusions or to prepare for potential public criticism. Remember, the auditor’s opinion is not necessarily accurate or without error. When appropriate, the school district should not be afraid to disagree with the findings of the auditor. Management has the opportunity and the responsibility to disagree with the conclusions of the audit if they think that the findings are not warranted. The auditor is concerned about complying with accounting rules and regulations, but they are also concerned about keeping the client. The school district might not get the auditors to change the audit findings but they might soften their recommendations to the benefit of the school district in the future.

Chapter 16 – Glossary

Preface

The glossary is in a constant state of improvement. It contains items that are primarily related to the business end of education, concentrating on revenues and expenditures in particular. Items were obtained from local districts, documents from the Fiscal Analysis Department of the Minnesota House of Representatives, Minnesota Statutes, and texts on accounting.

The technical definition of dimension codes for items such as fund, finance, organization, source, program, object and course are contained in the individual chapters by the same names.

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#)

A

Abatement: A reduction of a previously recorded expenditure or receipt item by such things as refunds, rebates, and collections for loss or damages to school property.

Abatement of expenditure: Cancellation of a part or the whole of a charge previously made, usually due to refunds, rebates, resale of materials originally purchased by the school district, or collections for loss or damage to school property. Applies to both current expense and capital outlay. The term "abatement" does not include tuition, fees, or rentals.

Abatement of Revenue: Cancellation of part or the whole of any specific revenue previously received, usually federal grants or subventions, or refunds of money previously received through error.

Account: An accounting record in which the results of transactions are accumulated; shows increases, decreases, and a balance.

Accountability: The capability and the responsibility to account for the expenditure of money and the commitment of other resources in terms of the results achieved. This involves both the stewardship of money and other resources and the evaluation of achievement in relation to specified goals.

Accounting: A service activity designed to accumulate, measure, and communicate financial information about economic entities for decision-making purposes.

Accounting Cycle: The procedures for analyzing, recording, classifying, summarizing, and reporting the transactions of a business.

Accounting Model: The basic accounting assumptions, concepts, principles, and procedures that determine the manner of recording, measuring, and reporting an entity's transactions.

Accounting System: The set of manual and computerized procedures and controls that provide for identifying relevant transactions or events; preparing accurate source documents, entering data into the accounting records accurately, processing transactions accurately, updating master files properly, and generating accurate documents and reports.

Account Payable: An amount owed to a supplier for goods or services purchased on credit; payment is due within a short time period, usually 30 days or less.

Account Receivable: A current asset representing money due for services performed or merchandise sold on credit.

Accrual Basis Accounting: A system of accounting in which revenues and expenses are recorded as they are earned and incurred, not necessarily when cash is received or paid.

Accrued Expenses: Expenses that arise through adjusting entries when accounting for unrecorded expenses.

Accrued Liabilities: Liabilities that arise through adjusting entries when accounting for unrecorded liabilities.

Accumulated Depreciation: The total depreciation recorded on an asset since its acquisition; a contra account deducted from the original cost of an asset on the balance sheet.

Activity: A specific line of work carried on by a school district in order to perform its functions.

Adequate Yearly Progress (AYP): The original NCLB measurement used to identify schools for improvement activities. AYP is based on proficiency, participation, and attendance or graduation rates. The AYP proficiency goal was previously based on the 2014 goal of 100 percent proficiency. Under the waiver, that goal was replaced with a new goal of cutting the achievement gap in half within six years. Under the waiver, there are no sanctions attached to not making AYP.

Adjusted Marginal Cost Pupil Units: The current pupil units or sum of 77 percent of the adjusted pupil units computed using current year data, plus 23 percent of the adjusted pupil units computed using prior year data, whichever is greater.

Adjusted Net Tax Capacity (ANTC): The net tax capacity of a school district as adjusted by the sales ratio (Net Tax Capacity divided by the sales ratio). The purpose of the adjustment is to neutralize the effect of different assessment practices among the taxing jurisdiction of the state.

Adjusted Pupil Units: The sum of pupil units served plus pupil units whom the district pays tuition under an agreement with another district, minus pupil units for whom the district receives tuition under an agreement with another district.

Adjusting Entries: Entries required at the end of each accounting period to recognize, on an accrual basis, revenues and expenses for the period, and to report proper amounts for asset, liability, and owners' equity accounts.

Administrative Unit, Intermediate: A unit smaller than the state which exists primarily to provide consultative, advisory, or statistical services to local basic administrative units, or to exercise certain regulatory and supervisory functions over local basic administrative units. An intermediate unit may operate schools or contract for school services, but it does not exist primarily to render such services. Such units may or may not have taxing and bonding authority.

Administrative Unit, Local Basic: An administrative unit at the local level that exists primarily to operate schools or to contract for school services. Normally, taxes can be levied against such units for school purposes. These units may or may not have the same boundaries as county, city, or town boundaries. (This term is used synonymously with the terms school system and Local Educational Agency (LEA).)

Admissions: Money received for a school sponsored activity such as a dance or football game. Admissions may be recorded in separate accounts according to the type of activity.

Adult Basic Education (ABE): Learning experiences concerned with the fundamental tools of learning for adults who have never attended school or who have interrupted formal schooling and need this knowledge and these skills to raise their level of education to increase self-confidence, self-determination, to prepare for an occupation, and to function more responsibly as citizens in a democracy.

Adult Education: College, vocational, or occupational programs, continuing education or noncredit courses, correspondence courses, and tutoring, as well as courses and other educational activities provided by employers, community groups, and others.

Ad Valorem Taxes Levied By Another Government Unit: Taxes levied for school purposes by a government unit other than the LEA. The LEA is not the final authority, within legal limits, in determining the amount to be raised. For example, after a LEA has determined that a certain amount of revenue is necessary, another governmental unit may exercise discretionary power in reducing or increasing the amount. Separate accounts may be maintained for real property and for personal property.

Ad Valorem Taxes Levied By LEA: Taxes levied by a LEA on the assessed valuation of real and personal property located within the LEA which, within legal limits, is the final authority in determining the amount to be raised for school purposes. Separate accounts may be maintained for real property and for personal property.

Adverse Opinion: Audit report indicating the auditor believes the overall financial statements are so materially misstated or misleading that the statements do not fairly represent the financial position or results of the operations and cash flows.

Agency Fund: A fund used to account for assets where the school district has a formal agency agreement with other governmental units, employees, students or others. As an agent, the district holds assets for others and performs duties as directed.

Agent: One who represents, acts for, and accounts to another. The powers of a general agent are broad. The agent initiates transactions in the name of a principal and carries on operations within a large discretionary area. The agent functions often resemble those of a general manager. A special agent, on the other hand, is restricted to the performance of a single act or the conduct of a single transaction.

Aggregate Days Attendance: The sum of the days present (actually attended) of all pupils when school was actually in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. See also *Day in Session* and *Day of Attendance*.

Aggregate Day's Membership: The sum of the days present and absent of all pupils when school was in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. See also *Day in Session* and *Day of Attendance*.

Aid Anticipation Note: A note issued in anticipation of reception of state aid for districts that expect to experience a temporary cash-flow shortfall.

Allot: To divide an appropriation into amounts for certain periods or for specific purposes.

Allotment: A portion of an appropriation or special fund set aside to cover expenditures and encumbrances for a certain period or purpose.

Allotment Ledger: A subsidiary ledger which contains an account for each allotment showing the amount allotted, expenditures, encumbrances, the next balance, and other related information. See also *Appropriation Ledger*.

Alternative Delivery of Specialized Instructional Services (ADSIS): Is an annual application process for districts and charter schools to apply for state special education aid. The purpose of ADSIS is to provide instruction to assist students who need additional academic or behavioral support to succeed in the general education environment. The goal is to reduce the number of referrals to special education by providing supports early to struggling students. Districts are expected to align the ADSIS program within their existing continuum of supports and collect data as specified in the application and submit evaluation information to MDE each year to determine program impact.

Alternative Learning Center (ALC): These are year-round educational service areas that take students who are at risk of not completing high school.

Alternative Learning Programs (ALP): These are year-round or traditional school year programs that serve at-risk students. The programs are more closely aligned to a host district.

Amortization of Debt: (a) Gradual payment of an amount owed according to a specified schedule of times and amounts; (b) Provision for paying a debt by means of a Sinking Fund.

Amortization: The process of cost allocation that assigns the original cost of an intangible asset to the periods benefited.

Amount Available in Debt Redemption Funds: An account in the General Long-Term Debt group of accounts which designates the amount of assets available in a Debt Redemption Fund for the retirement of neural obligation term bonds.

Amount To Be Provided For Payment of Bonds: An account in the General Long-Term Debt group of accounts which represents the amount to be provided from taxes or other general revenue to retire outstanding general obligation term bonds.

Annualization: The practice of adjusting spending totals to determine the annual costs of programs that were funded for only a portion of the previous year. For example, the annualized cost of a program that cost \$500,000 for six months of operation is \$1,000,000.

Annual Report: A document that summarizes the results of operations and financial status of a company for the past year and outlines plans for the future.

Annuity: A series of equal amounts to be received or paid at the end of equal time intervals.

Apportionment: (1) The act of apportioning; (2) An item of receipts resulting from the act of apportioning, such as state apportionment (see *Allotment*.)

Apportionment Aid: A semi-annual distribution of the Endowment Fund included in the foundation program aid calculation.

Apportionment Notice: A monthly or periodic advice of apportionment from one office to another as from the county auditor to the school district.

Appraisal: The act of making an estimate of value, particularly of the value of property, by systematic procedures that include physical examination, pricing, and often estimates. Also, the value established by estimating.

Appraised Value: The value established by appraisal (see *Appraisal*).

Appropriations: An authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes. The Minnesota Constitution prohibits payment of money out of the treasury unless authorized by an appropriation.

Appropriations Cap: Legislatively-placed limits on spending in the biennium following the budget period under consideration. Caps allow spending projections to be lower than they would otherwise be under current law.

Appropriations (federal funds): Budget authority provided through the congressional appropriation process that permits federal agencies to incur obligations and to make payments.

Appropriations (institutional revenues): An amount (other than a grant or contract) received from or made available to an institution through an act of a legislative body.

Arbitrage: The financial gain that can be garnered by selling bonds and reinvesting the bond proceeds at a higher rate.

Architecture and Engineering: Pertains to architectural and engineering activities related to land acquisition and improvement and building acquisition, construction, and improvements.

Articulation: The interrelationships among the financial statements.

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assessment: (1) The process of making the official valuation of property for the purpose of taxation; (2) the valuation placed upon property as a result of this process. Note: Assessment is sometimes used to denote the amount of taxes levied but such usage is not recommended since it fails to distinguish between the valuing process and the, tax levying process. The term is also used erroneously as a synonym for special assessment.

Assessment Roll: In the case of real property, the official list containing the description of each parcel of property and its assessed valuation. In the case of other property, the official list containing the name and address of each owner of such property and its assessed value. Note: In the case of real property, too, the name and address of the last known property owner are frequently shown. These additional facts are, however, usually given merely for convenience and are not essential to make the assessment legal.

Assessment, Special: A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such properties.

Assets: Economic resources that are owned or controlled by an entity.

Attendance Officers: Persons who enforce the compulsory attendance laws, analyze causes of nonattendance, and help to improve the attendance of individual pupils.

Attendance, aggregate days: See *Aggregate Day's Attendance*.

Audit: The result of an independent accountant's review of the statements and footnotes to ensure compliance with generally accepted accounting principles and to render an opinion on the fairness of the financial statements.

Audit Committee: Members of a client's board of directors who are responsible for dealing with the external and internal auditors.

Audit Report: A report issued by an independent CPA that expresses an opinion about whether the financial statements fairly present a company's financial position, operating results, and cash flows in accordance with generally accepted accounting principles.

Audited Voucher: A voucher which has been examined and approved for payment.

Average Daily Attendance (ADA): The aggregate attendance of students in a school during a reporting period (normally a school year) divided by the number of days that school is in session during this period.

Average Daily Membership (ADM): The aggregate membership of students in a school during a reporting period (normally a school year) divided by the number of days that school is in session during this period. ADM represents the portion of the year that a student is enrolled in a school. After each year-end MARSS submission a new District/School ADM Report is posted by MDE, replacing the prior report. These reports are posted to the

Minnesota Funding Reports (MFR) webpage. They summarize ADM data by school, grade and type of student (e.g., resident, open enrolled, shared-time) for school districts and charter schools. These data are used in many of the state funding programs.

B

Balanced Budget: The requirement imposed on the state's general fund biennial budget that revenues must be greater than or equal to expenditures.

Balance Sheet: The financial statement showing the financial position of a fund or school district at a specified date.

Bank Reconciliation: The process of systematically comparing the cash balance as reported by the bank with the cash balance on the company's books and explaining any differences.

Base: Usually calculated from the most recent amount spent by an agency for a program. The base is the agency's current spending level with adjustments made for costs not likely to recur.

Biennium: Minnesota has a two-year (biennial) budget period. The legislature appropriates the major portion of the budget in the odd-numbered year session, and makes adjustments as needed during the even-numbered years.

Bilingual Education: Programs in which students with limited English proficiency are taught using their native language.

Board of Education, Public: The elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in a geographical area. These bodies are sometimes called school boards (in Minnesota), governing boards, boards of directors, school committees, or school trustees. This definition relates to the general term and covers state boards, intermediate administrative unit boards, and local basic administrative unit boards.

Board Secretary: The individual performing the duties of the secretary of the board of education.

Board Treasurer: The individual performing the duties of the treasurer of the board of education.

Bond: A contract between a borrower and a lender in which the borrower promises to pay a specified rate of interest for each period the bond is outstanding and repay the principal at the maturity date.

Bond Attorney: The attorney who approves the legality of a bond issue.

Bond Carrying Value: The face value of bonds minus the unamortized discount or plus the unamortized premium.

Bond Discount: The difference between the face value and the sales price when bonds are sold below their face value.

Bond Indenture: A contract between a bond issuer and a bond purchaser that specifies the terms of a bond.

Bonding: Authorization to provide for issuance of debt instruments, as well as the use of money raised through the issuance for capital projects.

Bond Maturity Date: The date at which a bond principal or face amount becomes payable.

Bond Premium: The difference between the face value and the sales price when bonds are sold above their face value.

Bond Rating: Ratings for bonds to be issued that primarily reflects the ability of the issuer to repay the bonds. Better bond ratings result in lower interest rates for the bonds issued.

Bond Referendum: Funding for a proposed public building or major remodeling project submitted for local voter approval.

Book Value: The net amount shown in the accounts for an asset, liability, or owners' equity item.

Books of Original Entry: The record in which various transactions are formally recorded for the first time, such as cash journal, check register, or general journal. Where machine bookkeeping is used, it may happen that one transaction is recorded simultaneously in several records, one of which may be regarded as the book of original entry.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them. The budget usually consists of three parts. The first part contains a message from the budget making authority together with a summary of the proposed expenditures and the means of financing them. The second part consists of schedules supporting the summary. The schedules show in detail the proposed expenditures and means of financing them together with information as to past years' actual revenues and expenditures and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect.

Budget Document: The instrument used by the budget making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to past years' actual revenues, expenditures, and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect.

Budgetary Accounts: Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances, as distinguished from proprietary accounts. See also *Proprietary Accounts*.

Budgetary Control: The control or management of the business affairs of the school district in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts.

Budgeting: Pertains to budget planning, formulation, administration, analysis, and evaluation.

Building for Insurance Purposes Only: The term building includes fixed equipment, and the term 'contents' means movable equipment and supplies within the building.

Building: One continuous structure, which may or may not be connected with other structures by passageways. It includes the building itself and the plumbing, heating, ventilating, mechanical, and electrical work, and lockers, cabinets, and shelves, which are built into the building. Two structures connected by a breezeway, a covered walkway, or tunnel would be two buildings.

Building Acquisition, Construction, and Improvements: Pertains to building acquisition through purchase or construction, and building improvements. It includes initial installation or extension of service systems and other built in equipment, as well as building additions.

Building Construction Fund: A fund used to record all operations of a district's building construction program that are funded by the sale of bonds or by capital loans.

Business Documents: Records of transactions used as the basis for recording accounting entries; includes invoices, check stubs, receipts, and similar business papers.

Business Expenses: Expenses that have been paid or incurred in the course of business and that are ordinary, necessary, and reasonable in amount.

Business: An organization operated with the objective of making a profit from the sale of goods or services.

C

Calendar Year: An entity's reporting year, covering 12 months and ending on December 31.

Callable Bonds: Bonds for which the issuer reserves the right to pay the obligation before its maturity date.

Capital: The total amount of money or other resources owned or used to acquire future income or benefits.

Capital Account: An account in which a proprietor's or partner's interest in a firm is recorded; it is increased by owner investments and net income and decreased by withdrawals and net losses.

Capital Expenditure: An expenditure that is recorded as an asset because it is expected to benefit more than the current period.

Capital Gain: The excess of the selling price over the cost basis when assets, such as securities and other personal and investment assets, are sold.

Capital Lease: A leasing transaction that is recorded as a purchase by the lessee.

Cash: Coins, currency, money orders, checks, and funds on deposit with financial institutions; the most liquid of assets.

Cash Balance: Total amount of cash to the credit of a governmental unit (school district), as of a given date.

Cash Basis: Gross income is recognized when cash is received.

Cash Basis Accounting: A system of accounting in which transactions are recorded and revenues and expenses are recognized only when cash is received or paid.

Cash Disbursements Journal: A special journal in which all cash paid out for supplies, merchandise, salaries, and other items is recorded.

Cash Discount: An allowance received or given if payment is completed within a stated period. The term is not to be confused with trade discount.

Cash Over and Short: An account used to record overages and shortages in petty cash.

Cash Receipts Journal: A special journal in which all cash received from state aid, levies, interest, rent, or other sources, is recorded.

Catalog of Federal Domestic Assistance (CFDA): Is a federal government-wide compendium of federal programs, projects, services, and activities available to state and local governments of the United States; domestic, public, quasi-public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals. See <https://beta.sam.gov> for more information.

Categorical Aid: Educational support funds provided from a higher governmental level and specifically limited to (earmarked for) a given purpose; for example, special education, transportation, or vocational education.

Census: The school census is an enumeration and collection of data, as prescribed by law, conducted each year to determine the number of children of certain age's resident in a given district and to secure other information pertinent to education by the state board of education.

Certified Public Accountant (CPA): A special designation given to an accountant who has passed a national uniform examination and has met other certifying requirements; CPA certificates are issued and monitored by state boards of accountancy or similar agencies.

Chart of Accounts: A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number that has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature. For example, assets and liabilities.

Charter (Articles of Incorporation): A document issued by a state that gives legal status to a corporation and details its specific rights, including the authority to issue a certain maximum number of shares of stock.

Charter Schools Program Grant Project (CSP) - Minnesota's Federal: Opportunity for new charter schools to apply for CSP Planning and Implementation subgrants from the State of Minnesota. Two rounds per year; fall and spring. New opportunity for existing high-quality charter schools to apply for significant expansion or replication grants.

Check: A bill of exchange drawn on a bank payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to his/her order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable; and it differs from a voucher in that the latter is not an order to pay. A voucher check combines the distinguishing marks of a voucher and a check. It shows the propriety of a payment and is an order to pay.

Classified Balance Sheet: A balance sheet in which assets and liabilities are subdivided into current and non-current categories.

Class Rate: A state-determined rate that establishes the relative property tax burdens among different classes of property.

Clearing Accounts: Accounts used to accumulate total receipts or expenditures either for later distribution among the accounts to which such receipts or expenditures are properly allocable, or for recording the net differences under the proper account. See also *Revolving Fund*, *Prepaid Expenses* and *Petty Cash*.

Closed Transaction: A transaction that is completed within the accounting period; both the purchase and payment or sale and receipt of payment occur within the same accounting period.

Closing entries: Entries that reduce all nominal, or temporary, accounts to a zero balance at the end of each accounting period, transferring their pre-closing balances to a permanent balance sheet account.

Co-Curricular Activities: Co-curricular activities are comprised of the group of school sponsored activities, under the guidance or supervision of qualified adults, designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups, or in large groups at school events, public events or a combination of these for such purposes as motivation, enjoyment, and improvement of skills. Related to a credit-granting mechanism, such as a course or standard. See also *Student Body Activities*.

Code of Federal Regulations (CFR): Is the codification of general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. See the [e-CFR Data website](https://www.ecfr.gov/cgi-bin/ECFR) (<https://www.ecfr.gov/cgi-bin/ECFR>) for current and updated versions of the CFR.

Coding: A system of numbering, or otherwise designating, accounts, entries, invoices, or vouchers in such a manner that the symbol used reveals quickly certain required information.

Combined Elementary and Secondary School: A school that encompasses instruction at both the elementary and secondary levels. Examples of combined elementary and secondary school grade spans would be grades K-12 or grades 5-12.

Community Education Fund: A fund used to account for all financial activities of the Community Education program.

Community Eligibility Provision / Provision 2 and Provision 3: Are three School Nutrition special provision programs where all students are provided free meals and reimbursement for meals is based on claiming percentages. Not all meals are reimbursed at the free level. Schools with high free and reduced student numbers may consider participating in these programs.

Community Service Fund: Is used to record all financial activities of the Community Service program. Community Education includes only those activities authorized in Minnesota Statutes, section 124D.19. The focus of these activities is enrichment programs for any age level that are not part of the K-12 education program.

Comparability: The characteristic of commonality among or between selected elements measured in terms of identical constants. The accuracy of the measurement of the degree of comparability is usually dependent on the number of constants applied.

Comparative Financial Statements: Financial statements in which data for two or more years are shown together.

Compensatory Revenue: A portion of general education revenue based on the number of students in a school district that qualify for free and reduced-price lunches. Compensatory revenue is a component of general education revenue that must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn, and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners their age. The revenue is based on the prior year's October 1 enrollment and count of students eligible for the free or reduced-price meal program.

Compound Journal Entry: A journal entry that involves more than one debit, more than one credit, or both.

Compounding Period: The period of time for which interest is computed.

Consignee: A vendor who sells merchandise owned by another party, known as the consignor, usually on a commission basis.

Consignment: An arrangement whereby merchandise owned by one party (the consignor) is sold by another party (the consignee), usually on a commission basis.

Consignor: The owner of merchandise to be sold by someone else, known as the consignee.

Consolidated Financial Statements: Statements that report the combined operating results, financial position, and cash flows of two or more legally separate but affiliated companies as if they were one economic entity.

Constant Dollars: Dollar amounts that have been adjusted by means of price and cost indexes to eliminate inflationary factors and allow direct comparison across years.

Construction Contracts Payable: Amounts due by an LEA on contracts for construction of buildings, structures, and other improvements.

Construction Contracts Payable: Retained percentage. Liabilities on account of construction contracts for that portion of the work which has been completed but on which part of the liability has not been paid pending final

inspection, or the lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.

Construction Work in Progress: The cost of construction work undertaken but not yet completed.

Consultant: A person who gives professional or technical advice and assistance. A consultant may perform his services under contract (purchased services) or he may be an employee on the payroll of a state agency.

Consumer Price Index (CPI): This price index measures the average change in the cost of a fixed market basket of goods and services purchased by consumers.

Contingent Fund: Assets or other resources set aside to provide for unforeseen expenditures, or for anticipated expenditures of uncertain amount.

Contingent Liability: A potential obligation, dependent upon the occurrence of future events.

Continuous Improvement Schools: The bottom 25 percent of Title I schools in the state. These schools are identified every year based on being in the bottom 25 percent of their grade classification group (elementary, middle school, high school, other), and are required to write a school improvement plan. Ten percent of these plans are audited by MDE to ensure fidelity in their implementation. While the bottom 25 percent of schools includes most Priority and Focus schools, Priority and Focus schools are not also designated as Continuous Improvement schools.

Contra Account: An account that is offset or deducted from another account.

Contracted Services: Service rendered by personnel who are not on the payroll of the school district, including all related expense covered by the contract.

Contracts Payable: Amounts due on contracts for goods and services received by an LEA.

Control Account: A summary account in the general ledger that is supported by detailed individual accounts in a subsidiary ledger.

Control Activities: Policies and procedures used by management to meet its objectives; generally divided into adequate segregation of duties, proper authorization of transactions and activities, adequate documents and records, physical control over assets and records, and independent checks on performance.

Control Environment: The actions, policies, and procedures that reflect the overall attitudes of top management, the directors, and the owners about control and its importance to the entity.

Convertible Bonds: Bonds that can be traded for, or converted to, other securities after a specified period of time.

Cost: The amount of money or money's worth given for property or services. Costs may be incurred even before money is paid, that is, as soon as a liability is incurred.

Cost Accounting: That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Cost Benefit: Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it; or, analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

Cost Center: The smallest segment of a program that is separately recognized in the agency's records, accounts, and reports. Program oriented budgeting, accounting, and reporting aspects of an information system are usually built upon the identification and use of a set of cost centers.

Cost Effectiveness: Analyses designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective, so that different ways of gaining the objective may be compared.

Cost Ledger: A subsidiary record wherein each project, job, production center, process, operation, project, or service is given a separate account under which all items of its cost are posted in the required detail.

Cost Limit: The unit of product or service whose cost is computed.

Cost of Goods Sold: The expense incurred to purchase or manufacture the merchandise sold during a period.

Cost Principle: The idea that transactions are recorded at their historical costs or exchange prices at the transaction date.

Coupon Bonds: Unregistered bonds for which owners receive periodic interest payments by clipping a coupon from the bond and sending it to the issuer as evidence of ownership.

Credit: An entry on the right side of the account.

Credit Enhancement Program: A process whereby local units may qualify for the acquisition of funds for cash flow purposes using aid or levy anticipation.

Current: The fiscal year in progress.

Current Assets: Those assets which are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash temporary investments, and taxes receivable which will be collected near the balance sheet date.

Current Dollars: Dollar amounts that have not been adjusted to compensate for inflation.

Current Expenditures (Elementary/Secondary): Expenditures for the day-to-day operations of the schools. Expenditures for items lasting more than one year (such as school buses and computers) are not included in current expenditures.

Current Liabilities: Liabilities (debts) which are payable within a relatively short period of time, usually no longer than a year. See also *Floating Debt*.

Current Loans: Loans payable in the same fiscal year in which the money was borrowed. See also *Tax Anticipation Notes*.

Current Resources: Resources to which recourse can be had to meet current obligations and expenditures. Examples are current assets, estimated revenues of a particular period not yet realized, transfers from other funds authorized but not received, and, in case of certain funds, bonds authorized and unissued.

Current Year's Tax Levy: Taxes levied for the current fiscal period.

Current-Fund Expenditures: See *Expenditures*.

Current-Fund Revenues: See *Revenues*.

Cyber-Linked Interactive Child Nutrition System (CLICS): Is used to manage School Nutrition Programs.

D

Date of Record: The date selected by a corporation's board of directors on which the shareholders of record are identified as those who will receive dividends.

Day in Session: A day on which the school is open and the pupils are under the guidance and direction of teachers in the teaching process. Days on which school is closed for such reasons as holidays, teachers' institutes, and inclement weather should not be considered as days in session.

Day of Attendance: Attendance needs to be taken at least once per day. A pupil who is present at the time attendance is taken is considered present for the full school day. When a pupil is absent at the time attendance is taken, the pupil is considered absent for the entire day. However, when attendance is taken more frequently (e.g., by period), the school needs to determine the point at which a pupil is considered absent for half day.

Debentures: Bonds for which no collateral has been pledged. These are unsecured bonds.

Debit: An entry on the left side of an account.

Debt Financing: Acquiring funds by borrowing money from creditors in the form of long-term notes, mortgages, leases, or bonds.

Debt Limit: The maximum amount of bonded debt for which a governmental unit (school district) may legally obligate itself.

Debt Redemption Fund: A fund established for the purpose of providing money for the payment of interest on outstanding serial bonds and for the payment of the principal on serial bonds as they come due.

Debt Securities: Financial instruments issued by a company that carry with them a promise of interest payments and the repayment of principal.

Debt Service: Expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current loans. See also *Current Loans*.

Declining Balance Depreciation Method: An accelerated depreciation method in which an asset's book value is multiplied by a constant depreciation rate, such as double the straight-line percentage, in the case of double declining balance.

Deduction: Business expenses or losses that are subtracted from gross income in computing taxable income.

Deferred Charges: Expenditures which are not chargeable to the fiscal period in which they were made but are carried on the asset side of the balance sheet pending amortization or other disposition. Deferred charges differ from prepaid expenses in that they usually extend over a long period of time and may or may not be regularly reoccurring costs of operation. See also *Prepaid Expenses*.

Deferred Maintenance: A delay of maintenance on buildings.

Deficit: The excess of the obligations of a fund over the fund's resources.

Delinquent Taxes: Taxes remaining unpaid on and after the date on which they become delinquent by statute.

Department of Human Services Minnesota (DHS): Working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential. DHS helps provide essential services to Minnesota's most vulnerable residents. Visit the [DHS website](https://mn.gov/dhs/) (<https://mn.gov/dhs/>).

Depletion: The process of cost allocation that assigns the original cost of a natural resource to the periods benefited.

Deposits: Use of the account "Prepaid Expense and Deposits" is normally restricted to long term investments deposited by the LEA as a prerequisite to receiving services and/or goods.

Depreciation: (1) Loss in value or service life of fixed assets because of wear and tear through use, elapse of time, inadequacy, or obsolescence; (2) The process of cost allocation that assigns the original cost of plant and equipment to the periods benefited.

Direct Costs: Those elements of cost which can be easily, obviously, and conveniently identified with specific activities or programs, as distinguished from those costs incurred for several different activities or programs and whose elements are not readily identifiable with specific activities. See also *Indirect Costs*.

Direct Method: A method of reporting net cash flow from operations that shows the major classes of cash receipts and payments for a period of time.

Direct Services: Activities identifiable with a specific program. For example, activities concerned with the teaching learning process are considered to be direct services for instruction.

Disbursements: Payments in cash. See also *Cash*.

Disclaimer of Opinion: A disclaimer indicating the auditor was unable to satisfy himself or herself that the overall financial statements were fairly presented in accordance with GAAP.

Discount: The amount charged by a financial institution when a note receivable is discounted; calculated as maturity value times discount rate times discount period.

Discount Period: The time between the date a note is sold to a financial institution and its maturity date.

Discount Rate: The interest rate charged by a financial institution for buying a note receivable.

Discounting a Note Receivable: The process of the payee's selling notes to a financial institution for less than the maturity value.

District and School Site Verification System: a web-accessible collection tool that enables updates to the MDE-ORG master directory of organizational units, which controls the processing of data on other MDE major systems such as MARSS, STAR, UFARS, FNS, IDEAS, and the AYP Report Card. It is essential that contact information be kept up to date. Charters, districts and schools are asked to update changes to contact information whenever necessary throughout the year. A Verification Report can be run from inside this system that lists all the information currently on file for your charter school.

Double Entry: A system of bookkeeping which requires that every entry made to the debit side of an account or accounts will have a corresponding amount or amounts made to the credit side.

Double Entry Accounting: A system of recording transactions in a way that maintains the equality of the accounting equation.

Due from Fund: An asset account used to indicate amounts owed to a particular fund by another fund in the same school district for goods sold or services rendered. It is recommended that sub accounts be maintained for each inter-fund receivable.

Due from Government: Amounts due to the reporting governmental unit from another governmental unit. These amounts may represent grants in aid, shared taxes, taxes collected for the reporting unit by another unit, loans, and charges for services rendered by the reporting unit for another government. It is recommended that sub accounts be maintained for each inter-fund receivable.

Due to Fiscal Agent: Amounts due to fiscal agents, such as commercial banks, for servicing an LEA's maturing indebtedness.

Due to Fund: A liability account that indicates the amount of funds currently payable to another fund. The "due to" is used in conjunction with a "due from" account to reconcile from which account the money or other assets will be coming, and to which it will be going.

Due to Government: Amounts owed by the reporting LEA to the named governmental unit. It is recommended that subaccounts be maintained for each inter-fund receivable.

Dues and Memberships: Costs of memberships or assessments in professional or other organizations and payments to other agents for services rendered.

DUNS: A system developed and regulated by Dun and Bradstreet (<https://www.dandb.com/dunsnumberlookup/>) that assigns a unique numeric identifier, referred to as a “[DUNS number](#)” to a single business entity.

E

Early Childhood Family Education (ECFE): Program offered through community education that provides services for children and parents.

Early Childhood Special Education (ECSE): Program similar to ECFE for children with disabilities.

Educational and General Expenditures: See *Expenditures*.

Education Department (ED): of the United States of America. Also see *USDE* or the [ED website](https://www.ed.gov/) (<https://www.ed.gov/>).

Education Department General Administrative Regulations (EDGAR): Title 34 of code of federal regulations for grant programs financed with federal United States Department of Education funds. Please visit [Ed.gov Grants and Contracts](https://www2.ed.gov/policy/fund/reg/edgarReg/edgar) (<https://www2.ed.gov/policy/fund/reg/edgarReg/edgar>) for information on Title 34.

Electronic Grant Management System (EGMS): Is used for information on competitive as well as formula funding made available through MDE. Grant opportunities are summarized by title, program area, eligible applicants, and dollar amount. Documents available on the site include instructions on how to apply and eligibility criteria. Visit the [EGMS website](https://w1.education.state.mn.us/EGMS/) (<https://w1.education.state.mn.us/EGMS/>) for a list of current grant opportunities.

Elementary and Secondary Education Act (ESEA): Currently authorized as the No Child Left Behind Act of 2001 (NCLB). Programs under the ESEA promote student achievement through school and district reform, to include a focus on accountability for results, an emphasis on scientific research and doing what works, expanded parental options, and expanded local control and flexibility.

Elementary School: A school classified as elementary by state and local practice and composed of any span of grades not above grade eight. Preschool or kindergarten is included under this heading only if it is an integral part of an elementary school or a regularly established school system.

Employed: Civilian, noninstitutionalized persons who; 1) worked during any part of the survey week as paid employees; worked in their own businesses, professions, or farms; or worked 15 hours or more as unpaid workers in a family owned enterprise; or, 2) who were not working but had jobs or businesses from which they were temporarily absent due to illness, bad weather, vacation, labor-management disputes, or personal reasons, whether or not they were seeking another job.

Employee Benefits: Compensation, in addition to regular salary, provided to an employee. This may include such benefits as health insurance, life insurance, annual leave, sick leave, retirement, and social security.

Encumbrance: Purchase orders, contracts, and salary or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when actual liability is set up.

Endowment Fund: A fund from which the income may be expended, but whose principal must remain intact. In Minnesota, the term is also applied to the income of the permanent school fund.

English learner (EL): A program that provides intensive instruction in English for students with limited English proficient (EL). English learner previously referred to as Limited English Proficiency (LEP); English Language Learner (ELL); English as a Second Language (ESL)). Students who are identified as English learners (ELs) should be served in an instructional program designed for ELs, defined as either an English as a Second Language (ESL) or Bilingual Education (BE) program by Minnesota statute. Districts and charter schools have discretion in selecting appropriate language programs, but the program chosen should be considered sound by experts in the field.

The program should be designed to meet varying needs across proficiency levels and address the Minnesota [English language development \(ELD\) standards](https://wida.wisc.edu/teach/standards/eld) (<https://wida.wisc.edu/teach/standards/eld>). For example, students at the beginning levels of English proficiency need more intensive services than students at transitional levels of English proficiency and teachers of all content areas are responsible for the academic language of their subject area for English learners in their classes. The model implemented by the district or charter school should be clearly articulated and available to parents, staff, and students.

Enrollment: The total number of students registered in a given school unit at a given time, generally in the fall.

Enrollment Options: The program that allows students to open enroll to attend a school district other than the one in which they reside.

Enterprise Funds: Funds that provide money for services to the general public through programs that are expected to recover their full costs, primarily through user charges.

Entity: An organizational unit (a person, partnership, or corporation) for which accounting records are kept and about which accounting reports are prepared.

Entry: The record of a financial transaction in its appropriate book of accounts. Also, the act of recording a transaction in the books of accounts.

Equalization: The process of; (1) reducing the tax rate or tax base disparities among different taxing jurisdictions; or, (2) reducing net tax disparities among different properties within the same class in a given taxing jurisdiction.

Equity: Equity is the mathematical excess of assets over liabilities. Generally this excess is called Fund Balance.

Estimated Revenue: If the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period. If the accounts are kept on a cash basis, the term designates the amount of revenues estimated to be collected during a given period.

Estimated Uncollectable Taxes: A provision of tax revenues for that portion of taxes receivable which it estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable. Separate accounts are maintained on the basis of tax roll year and/or delinquent taxes.

Evaluation: The process of ascertaining or judging the value or amount of an action or an outcome by careful appraisal of previously specified data in light of the particular situation and the goals and objectives previously established.

Exclusions: Gross receipts that are not subject to tax and are not included in gross income, such as interest on state and local government bonds.

Expenditures: Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year. For elementary/secondary schools, these include all charges for current outlays plus capital outlays and interest on school debt.

Expenditures per Pupil: Charges incurred for a particular period of time divided by a student unit of measure, such as enrollment, average daily attendance, or average daily membership.

Expenses: Costs incurred in the normal course of business to generate revenues.

External Auditors: Independent CPAs who are retained by organizations to perform audits of financial statements.

External Audits: Audits conducted by CPAs who are independent of the client company.

F

Factor: To sell accounts receivable at a discount before they are due.

Fair Market Value: The current value of an asset (e.g., the amount at which an asset could be sold or purchased in an arm's-length transaction).

Family Income: The combined income of all family members who are 14 years old and older living in the household for the period of one year. Income includes money income from jobs; net income from business, farm, or rent; pensions; dividends; interest; social security payments; and any other money income.

Federal Fiscal Year (FFY): Which runs from October 1 - September 30 and is numbered with the starting calendar year. For example, FFY 2015 or FFY 15 runs from October 1, 2015-September 30, 2016.

Federal Funds: Revenues received from federal government appropriations.

Federal Setting: Refers to the percentage of time a student spends in special education: Federal Setting I, 0-21 percent; Federal Setting II, 21-60 percent; Federal Setting III, 60 percent or more; Federal Setting IV, separate special education site; Federal Setting V, public hospital, day treatment, correctional facility.

FICA (Social Security) Taxes: Federal Insurance Contributions Act taxes imposed on employees and employers; used mainly to provide retirement benefits.

Federal Matching Requirements: Requirements that a governmental unit commit a specific amount of state or local funds for a particular purpose to obtain federal funds for the same purpose.

FIFO (First-in, First-out): An inventory cost flow whereby the first goods purchased are assumed to be the first goods sold so that the ending inventory consists of the most recently purchased goods.

Fiduciary Funds: Account for assets held in a trustee capacity or as an agent for individuals, organizations, or other governmental units and/or funds.

FIN: Finance dimension of [UFARS](https://education.mn.gov/MDE/dse/schfin/fin/UFARS/) (<https://education.mn.gov/MDE/dse/schfin/fin/UFARS/>) and its associated numbers.

Financial Accounting: The area of accounting concerned with reporting financial information to interested external parties.

Financial Accounting Standards Board (FASB): The private organization responsible for establishing the standards for financial accounting and reporting in the United States.

Financial Reporting Form (FRF): The financial reporting form used by MDE for competitive and targeted/single source grant recipients (grantees) to request grant disbursements.

Financial statements: Reports such as the balance sheet, income statement, and statement of cash flows, which summarize the financial status and results of operations of a business entity.

Financing Activities: Transactions and events whereby resources are obtained from, or repaid to, owners (equity financing) and creditors (debt financing).

Fiscal Year: An entity's reporting year, covering a 12-month accounting period. Minnesota schools run from July 1 to June 30.

Focus Schools: The ten percent of Title I schools making the biggest contribution to the state's achievement gap, and high schools with graduation rates of less than 60 percent. These schools are identified in one of two ways: the lowest FRs (see below) in their grade classification group (elementary, middle school, high school, other), or graduation rates of less than 60 percent. These schools work with their district to develop a school improvement plan that directly addresses poor performance either within a subgroup, or in graduation rates. These schools are identified once every three years.

Food and Nutrition Services (FNS): Division of MDE. Food and Nutrition Services helps local charter schools and districts work to decrease salt and fat, increase fiber and use low fat dairy products, whole grains, and fresh fruits and vegetables in students' meals.

Food Service Fund: is used to record financial activities of a charter school's food service program. Food service includes activities for the purpose of preparation and service of milk, meals and snacks in connection with school and community service activities.

Formula Allowance: A reference to the basic general education formula allowance, providing a district with a majority of its revenue from the state.

Free Appropriate Public Education (FAPE): IDEA requires that a Free Appropriate Public Education (FAPE) be made available to all students with disabilities between the ages of 3 and 21, inclusive. In Minnesota, FAPE is available to all persons under the age of 21. The closely related right to FAPE for students with disabilities is expanded under state law to include students from birth until July 1 after the student with a disability turns 21. The expansion does not extend beyond secondary school or its equivalent except as under the state's graduation incentives program.

Free Lunch Eligible: The National School Lunch Program's assistance program for low-income children. Families with school-age children who fall below the poverty level and have no other significant assets are eligible to receive government assistance in the form of free or reduced-price school lunches.

Full-Time Enrollment: The number of students enrolled in higher education courses with a total credit load equal to at least 75 percent of the normal full-time course load.

Full-Time Equivalency (FTE): Full-time-equivalent number of positions, not the number of different individuals occupying the positions during the school year.

Full-Time Worker: One who is employed for 35 or more hours per week, including paid leave for illness, vacation, and holidays. Hours may be reported either for a survey reference week, or for the previous calendar year, in which case they refer to the usual hours worked.

Functional Currency: The currency in which a subsidiary conducts most of its business; generally, but not always, the currency of the country where it does most of its spending and earning.

Fund: A sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.

Fund Balance: A summary of revenues, expenditures, reserves and year-end balances for a fund or funds.

G

GAAP (Generally Accepted Accounting Principles): Authoritative guidelines that define accounting practice at a particular time. Full reference is United States GAAP.

GAAS (Generally Accepted Auditing Standards): Auditing standards developed by the American Institute of Certified Public Accounts (AICPA).

General Education Revenue: is a combination of several revenue components generated by public schools and available for use during the regular school year and summer for general and special school purposes.

General Ledger: A book, file or other device in which accounts are kept to the degree of detail necessary that summarizes the financial transactions of the district.

General Fund: Typically, the largest fund in the budget. It is comprised of money not in other funds. Most of this fund is not earmarked for specific purposes.

Generally Accepted Auditing Standards (GAAS): Auditing standards developed by the American Institute of Certified Public Accounts (AICPA).

General-Purpose Financial Statements: The financial reports intended for use by a variety of external groups; they include the balance sheet, the income statement, and the statement of cash flows.

General Obligation Bonds (GO Bonds): Bonds that the state stands behind with its taxing powers.

Government Appropriation: An amount (other than a grant or contract) received from or made available to an institution through an act of a legislative body.

Government Grant or Contract: Revenues from a government agency for a specific research project or other program.

Gross Tax Liability: The amount of tax computed by multiplying the tax base (taxable income) by the appropriate tax rates.

H

Highly Qualified (HQ): Under the 2001 No Child Left Behind Act, teachers of core academic subject must demonstrate federal “highly qualified” status. This can be accomplished with a bachelor’s or higher degree in the core subject or an MTLE content test for the core subject.

High School: A secondary school offering the final years of high school work necessary for graduation, usually including grades 10, 11, 12 (in a 6-3-3 plan) or grades 9, 10, 11 and 12 (in a 6-2-4 plan).

Higher Education Institutions (General Definition): Institutions providing education above the instructional level of the secondary schools, usually beginning with grade 13. Typically, these institutions include colleges, universities, graduate schools, professional schools, and other degree-granting institutions.

Home Language Questionnaires (HLQ): Are used to ascertain the home language of all enrolled students. Completion of the HLQ is the first step in identifying potential English learners (EL).

Horizontal Analysis of Financial Statements: A technique for analyzing the percentage change in individual income statement or balance sheet items from one year to the next.



Identified Official With Authority (IOWA): The district or charter identified official with authority (IOWA) must assign an SSDC coordinator. The SSDC Coordinator is responsible for ensuring that the annual count is accurate and submitted in a timely manner. The SSDC coordinator must have a secure MDE user account. [View step-by-step instructions](https://education.mn.gov/MDE/dse/datasub/) (https://education.mn.gov/MDE/dse/datasub/) on how to create, view or update an account or how to access an application.

Imprest Petty Cash Fund: A petty cash fund in which all expenditures are documented by vouchers or vendors' receipts or invoices. The total of the vouchers and cash in the fund should equal the established balance.

Income Statement (Statement of Earnings): The financial statement that summarizes the revenues generated and the expenses incurred by an entity during a period of time.

Income Taxes Payable: The amount expected to be paid to the federal and state governments based on the income before taxes reported on the income statement.

Independent Checks: Procedures for continual internal verification of other controls.

Independent School District (ISD): This is a Minnesota school district with a geographic boundary within which students are considered residents.

Indirect Costs: The assignable cost of items, such as heat and light, to an academic program. Those expenses that benefit the entire entity and, therefore, cannot be directly charged to a specific cost category or project activity.

Indirect Method: A method of reporting net cash flow from operations that involves converting accrual-basis net income to a cash basis.

Indirect Rate: This is the rate that reflects the fair share of the indirect expenses, usually general administrative expenses and certain other costs that are related to the program but cannot be readily and accurately identified as a direct cost or service.

Individualized Education Program (IEP): An IEP is a formal written agreement and plan for provision of special education, including related services, to a child with a disability. It is developed, reviewed and revised through a team process in accordance with IDEA regulations. The required elements of an IEP are detailed in IDEA regulations and Minnesota Statutes, section [125A.08](https://www.revisor.mn.gov/statutes/?id=125A.08) (<https://www.revisor.mn.gov/statutes/?id=125A.08>).

Individuals with Disabilities Education Act (IDEA): Is a law ensuring services to children with disabilities throughout the nation. IDEA governs how states and public agencies provide early intervention, special education and related services to more than 6.5 million eligible infants, toddlers, children and youth with disabilities. Children and youth (ages 3-21) receive special education and related services under IDEA Part B {Accessed 8/2/13 from the [IDEA website](https://sites.ed.gov/idea/) (<https://sites.ed.gov/idea/>)}.

Inflation: An increase in the general price level of goods and services; alternatively, a decrease in the purchasing power of the dollar.

Instructional Expenditures (Elementary/Secondary): Current expenditures for activities directly associated with the interaction between teachers and students. These include teacher salaries and benefits, supplies and purchased instructional services.

Integrated Department of Education Aids System (IDEAS): The aid system through which state aid entitlements are reported and aid payments are calculated and paid out to charter schools and districts.

Interest: The payment (cost) for the use of money.

Interest Rate: The cost of using money, expressed as an annual percentage.

Intermediate District (ID): In Minnesota, "Intermediate District" means a district with a cooperative program which has been established under Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; and Laws 1969, chapter 1060, as amended, offering integrated services for secondary, postsecondary, and adult students in the areas of vocational education, special education, and other authorized services {[Minn. Stat. § 136D.01](https://www.revisor.mn.gov/statutes/?id=136D.01) (<https://www.revisor.mn.gov/statutes/?id=136D.01>)}.

Internal Auditors: An independent group of experts in controls, accounting, and operations, who monitor operating results and financial records, evaluate internal controls, assist with increasing the efficiency and effectiveness of operations, and detect fraud.

Internal Control Structure: Safeguards, in the form of policies and procedures, established to provide management with reasonable assurance that the objectives of an entity will be achieved.

Internal Service Funds: Funds internal to the operation of a unit that provide a variety of services to that unit, such as a printing activity. The funds must recover the full costs of services provided through billing back.

Inventory: Goods held for resale. It can also mean any unsold or unused goods such as those in a school foods program for adults and children.

Itemized Deduction: Amounts paid by an individual taxpayer for personal and quasi-business expenses that can be deducted in computing taxable income, such as medical expenses, property and income taxes, mortgage and

investment interest, charitable contributions, moving expenses, casualty and theft losses, and certain miscellaneous expenses.

J

Journal: An accounting record in which transactions are first entered; provides a chronological record of all business activities.

Journal Entry: A recording of a transaction where debits equal credits; usually includes a date and an explanation of the transaction.

K

Kindergarten: This category of students includes transitional kindergarten, kindergarten, and pre-first-grade students and is traditionally found in schools of elementary age children.

Kindergarten Handicap (or Disabled): This is a special category within kindergarten that provides for increased weighting of kindergarteners and therefore more revenue to a district.

L

Lease: A contract that specifies the terms under which the owner of an asset (the lessor) agrees to transfer the right to use the asset to another party (the lessee).

Lease Aid: Minnesota Statutes, section [124D.11](https://www.revisor.mn.gov/statutes/?id=124D.111), (<https://www.revisor.mn.gov/statutes/?id=124D.111>) subdivision 4 reads in part: “When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose.”

Ledger: A book of accounts in which data from transactions recorded in journals are posted and thereby classified and summarized.

Lessee: The party that is granted the right to use property under the terms of a lease.

Lessor: The owner of property that is rented (leased) to another party.

Levy: A tax imposed on property, which a school board may levy, and limited by statute.

Liabilities: Obligations measurable in monetary terms that represent amounts owed to creditors, governments, employees, and other parties.

License: The right to perform certain activities, generally granted by a governmental agency.

LIFO (Last-in, First-out): An inventory cost flow whereby the last goods purchased are assumed to be the first goods sold so that the ending inventory consists of the first goods purchased.

Limited English Proficiency (LEP): A concept developed to assist in identifying those language-minority students (children from language backgrounds other than English) who need language assistance services, in their own language or in English, in the schools.

Limited Liability: The legal protection given stockholders whereby they are responsible for the debts and obligations of a corporation only to the extent of their capital contributions.

Liquidation: The process of dissolving a business by selling the assets, paying the debts, and distributing the remaining equity to the owners.

Liquidity: A company's ability to meet current obligations with cash or other assets that can be quickly converted to cash.

Loan: Borrowed money that must be repaid.

Local Educational Agency (LEA): (e.g., charter LEA, school district), a public school district in the United States.

Long-Term Facilities Maintenance (LTFM): To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management. Charter schools qualify for the revenue without a ten-year facility plan {Minn. Stat. § [123B.595](https://www.revisor.mn.gov/statutes/?id=123B.595) (<https://www.revisor.mn.gov/statutes/?id=123B.595>)}.

Long-Term Investment: An expenditure to acquire a non-operating asset that is expected to increase in value or generate income for longer than one year.

Long-Term Liabilities: Debts or other obligations that will not be paid within one year.

Losses: Costs that provide no benefit to an organization.

Lower Cost or Market (LCM): A basis for valuing certain assets at the lower of original cost or current market value.

M

Maintenance of Effort (MOE): The IDEA requirements for MOE requires that federal funds “...may not be used to reduce the level of expenditures for the education of children with disabilities made by the Local Educational Agency (LEA) from (state and) local funds below the level of those expenditures for the preceding fiscal year....” (34 C.F.R. § 300.203). This requirement is referred to as maintenance of effort. Annually, the Division of Program Finance, Special Education Funding and the Data Team review the MOE of each LEA, including each local school district, charter school and special education cooperative and reports the state’s MOE to the federal office.

Maker: A person (entity) who signs a note to borrow money and who assumes responsibility to pay the note at maturity.

Management Accounting: The area of accounting concerned with providing internal financial reports to assist management in making decisions.

Mandates: Requirements imposed by one level of government on another.

Marginal Cost Pupil Unit: Used to indicate pupil count. It is a calculation whereby 77 percent of the current year pupil count is added to 23 percent of the prior year pupil count.

Market Value: The value assigned to property by an assessor. The market value is intended to reflect the sales value of the property.

Matching Principle: The concept that all costs and expenses incurred in generating revenues must be recognized in the same reporting period as the related revenues.

Maturity Date: The date on which a note or other obligation becomes due.

Maturity Value: The amount of an obligation to be collected or paid at maturity; equal to principal plus any interest.

MIDMS: MDE ID Management System is the name of the MDE security system that authorizes use of its secured websites.

Minnesota Automated Reporting Student System (MARSS): A system of pupil accounting which maintains essential data elements for each public school student attending school in Minnesota and reported by school districts to the state.

Minnesota Common Course Catalogue (MCCC): Is a course classification and data collection system intended to provide uniform information about courses that are taught by Minnesota teachers and completed by Minnesota students.

Minnesota Department of Education (MDE): The formal agency within the executive branch of government in Minnesota that oversees the operations of education, K-12 education in particular.

Minnesota Management and Budget (MMB): The mission of MMB is to increase state government's capacity to manage and utilize financial, human, information and analytical resources in order to provide exceptional service and value for Minnesota's citizens.

Monetary Measurement: The idea that money, as the common medium of exchange, is the accounting unit of measurement, and that only economic activities measurable in monetary terms are included in the accounting model.

Multiple Measurements Rating (MMR): Minnesota's measurement of school performance. The MMR measures proficiency, student growth, achievement gap reduction, and graduation rates. Schools earn points in each category. The percentage of possible points that a school earns is the school's MMR.

N

Natural Resources: Assets that are physically consumed or waste away, such as oil, minerals, gravel, and timber.

Net Proceeds: The difference between maturity value and discount when a note receivable is discounted.

Net Realizable Value of Accounts Receivable: The net amount that would be received if all receivables considered collectible were collected; equal to total accounts receivable less the allowance for uncollectible accounts; also called the book value of accounts receivable.

Net Sales: Gross sales less sales discounts and sales returns and allowances.

Net Tax Capacity (NTC): This value is derived by multiplying the estimated market value of each parcel by the appropriate class (use) rate for that parcel.

Net Tax Liability: The amount of tax computed by subtracting tax credits from the gross tax liability.

No Child Left Behind (NCLB): The Federal Act of 2001 dictates how states must hold schools accountable through statewide assessments and mandated interventions. Minnesota received a waiver to certain provisions of NCLB in February 2012.

Nominal Accounts: Accounts that are closed to a zero balance at the end of each accounting period; temporary accounts generally appearing on the income statement.

Noncash Items: Items included in the determination of net income on an accrual basis that do not affect cash; examples are depreciation and amortization.

Noncash Transactions: Investing and financing activities that do not affect cash; if significant, they are disclosed below the statement of cash flows or in the notes to the financial statements.

Non-Licensed Community Expert: Minnesota Statutes, section [122A.25](#) is a special permission granted to a school district to hire an individual who is not a licensed teacher, but has a specific area of expertise that is related to the teaching assignment.

Nonoperating Assets: Investment and other assets not used in a business but held to earn a return separate from operations.

Nonprofit Organization: An entity without a profit objective, oriented toward providing services efficiently and effectively.

Non-Renewable License: [Minnesota Rules, part 8710.1410](#) (<https://www.revisor.mn.gov/rules/?id=8710.1410>). The non-renewable license is valid for up to three years and allows a professionally licensed individual to teach out-of-field in a subject as s/he works toward full licensure. A district only needs to apply for this license once {using the [Professional Educator Licensing and Standards Board \(PELSB\)](#) (<https://mn.gov/pelsb/>)} and does not need to advertise for the position after the first year.

Non-Resident Student: A student whose legal residence is outside the geographical area served by the district.

Non-Supervisory Instructional Staff: Persons such as curriculum specialists, counselors, librarians, remedial specialists, and others possessing education certification but not responsible for day-to-day teaching of the same group of pupils.

Note Payable: A debt owed to a creditor, evidenced by an unconditional written promise to pay a certain sum of money on or before a specified future date.

Note Receivable: A claim against a debtor, evidenced by an unconditional written promise to pay a certain sum of money on or before a specified future date.

Notes to Financial Statements: Explanatory information considered an integral part of the financial statements.

Nonsufficient Funds (NSF) Check: A check that is not honored by a bank because of insufficient cash in the customer's account.

O

Obligations: Amounts of orders placed, contracts awarded, services received, or similar legally binding commitments made by federal agencies during a given period that will require outlays during the same or some future period.

Official Grant Award Amendment (OGAA): An amendment to the MDE competitive and single- source/targeted award document that includes by reference terms and conditions of approved application materials, including assurances, approved work plan and approved budget.

Official Grant Award Notification (OGAN): The MDE competitive and single-source/targeted award document that includes by reference terms and conditions of approved application materials, including assurances, approved work plan and approved budget.

Open Transaction: A transaction that is not completed at the end of the accounting period; a purchase that has not yet been paid for or a sale where payment is yet to be collected when the accounting period ends.

Operating Activities: Transactions and events that enter into the determination of net income.

Operating Assets: Long-term, or noncurrent, assets acquired for use in the business rather than for resale; includes property, plant, and equipment; intangible assets; and natural resources.

Operating Lease: A simple rental agreement.

Other Revenues and Expenses: Items incurred or earned from activities that are outside, or peripheral to, the normal operations of a firm.

Outlays: The value of checks issued, interest accrued on the public debt, or other payments made, net of refunds and reimbursements.

P

Part-Time Enrollment: The number of students enrolled in higher education courses with a total credit load less than 75 percent of the normal full-time credit load.

Part-Time Worker: One who is employed for 1-34 hours a week, including paid leave for illness, vacation, and holidays. Hours may be reported either for a survey reference week, or for the previous calendar year, in which case they refer to the usual hours worked.

Payee: The person (entity) to whom payment on a note is to be made.

Pension Plan: A contract between a company and its employees whereby the company agrees to pay benefits to employees after their retirement.

Perkins: Carl D. Perkins Career and Technical Education Improvement Act of 2006, which provides federal money for career technical education schooling.

Personnel Activity Report (PAR): Form required to be completed by MDE grantees of applicable federally financed grant programs where work on federally assisted MDE grant projects must be accounted for separately from other revenue sources and divided by separate cost objectives.

Personnel Variance: [Minnesota Rules, part 8710.1400](https://www.revisor.mn.gov/rules/?id=8710.1400) (<https://www.revisor.mn.gov/rules/?id=8710.1400>). A special permission granted for fully licensed teachers to serve in positions for which they are not licensed (out-of-field).

Personnel variances are granted to a school district for an individual for no more than three years and must be renewed annually.

Petty Cash Fund: A small amount of cash kept on hand for making miscellaneous payments.

Physical Safeguards: Physical precautions used to protect assets and records, such as locks on doors, fireproof vaults, password verification, security guards.

Post-Closing Trial Balance: A listing of all real account balances after the closing process has been completed; provides a means of testing whether total debits equal total credits for all real accounts prior to beginning a new accounting cycle.

Positive Behavioral Interventions and Supports (PBIS): A state-initiated project that provides districts and individual schools throughout Minnesota with the necessary training and technical support to promote improvement in student behavior across the entire school, especially for students with challenging social behaviors. It establishes clearly defined outcomes that relate to students' academic and social behavior, systems that support staff efforts, practices that support student success, and data to guide decision-making.

Posting: The process of transferring amounts from the journal to the ledger.

Postsecondary Enrollment Options (PSEO): A program that allows high school juniors and seniors to take courses at postsecondary institutions for high school credit.

Prepaid Expenses: Payments made in advance for items normally charged to expense.

Primary Financial Statements: The balance sheet, income statement, and statement of cash flows, used by external groups to assess a company's economic standing.

Principal (face value or maturity value): The amount that will be paid on a bond at its maturity date.

Principal on A Note: The face amount of a note; the amount (excluding interest) that the maker agrees to pay the payee.

Priority Schools: The five percent most persistently low-performing schools in the state. These schools are identified as those in the bottom five percent of MMRs in their grade classification group (elementary, middle school, high school, other). These schools are required to collaborate with MDE and the Regional Centers of Excellence to develop a school turnaround plan based on the federal turnaround principles. These schools are identified once every three years.

Proficiency: The proficiency measurement in the MMR looks at a weighted percentage of subgroups that made AYP. Schools earn points based on the number and size of subgroups that meet their AYP targets.

Prior-Period Adjustments: Adjustments made directly to Retained Earnings in order to correct errors in the financial statements of prior periods.

Project-Based Learning (PBL): Is an instructional program where students complete coursework for credit at an individual pace that is primarily student-led and may be completed on site, in the community, or online. Charter

schools that wish to or are running a project-based program, even if it is completed in a seat-based setting, need to submit an application for approval to MDE.

Proper Authorization: Policy regarding either a general class of transactions, such as inventory, or a specific transaction to achieve control objectives.

Property, Plant, and Equipment: Tangible, long-lived assets acquired for use in business operations; includes land, buildings, machinery, equipment, and furniture.

Property, Plant, and Equipment Turnover: A measure of how well property, plant, and equipment are being utilized in generating a period's sales; computed by dividing net sales by average property, plant and equipment.

Proration: A term describing an allocation that is based on a proportionate distribution of the total.

Provision 2 and Provision 3 / Community Eligibility Provision: are three School Nutrition special provision programs where all students are provided free meals and reimbursement for meals is based on claiming percentages. Not all meals are reimbursed at the free level. Schools with high free and reduced student numbers may consider participating in these programs.

Public Employees Retirement Association (PERA): This group administers pension plans that cover local, county, and school district non-teaching employees.

Purchase Returns and Allowances: A contra-purchase account used for recording the return of, or allowances for, previously purchased merchandise.

Purchases Account: An account in which all inventory purchases are recorded; used with the periodic inventory method.

Purchases Journal: A special journal in which credit purchases are recorded.

Pupil Units: A count of resident pupils in average daily membership. See *Weighted Pupil Units*.

Q

Q Comp: Q Comp was enacted through a bipartisan agreement in the Minnesota Legislature in July 2005. It is a voluntary program that allows local districts and exclusive representatives of the teachers to design and collectively bargain a plan that meets the five components of the law. The five components under Q Comp include Career Ladder/Advancement Options, Job-embedded Professional Development, Teacher Evaluation, Performance Pay, and an Alternative Salary Schedule.

Qualified Opinion: Opinion issues when the work of the auditor has been limited in scope or the entity has failed to follow GAAS.

R

Real Accounts: Accounts that are not closed to a zero balance at the end of each accounting period; permanent accounts appearing on the balance sheet.

Receivables: Claims for money, goods, or services.

Recertification System: MDE has the new External User Recertification System which provides local educational agency superintendents and directors with additional information and control over who has external access to [MDE secure systems](https://education.mn.gov/MDE/dse/datasub/ExtUserAccess/index.htm) for their LEA (<https://education.mn.gov/MDE/dse/datasub/ExtUserAccess/index.htm>).

Recourse: The right to seek payment on a discounted note from the payee if the maker defaults.

Refund Bonds: Bonds issued to pay off bonds already outstanding.

Registered Bonds: Bonds for which the names and addresses of the bondholders are kept on file by the issuing company.

Regional Centers of Excellence provide technical assistance to school leadership and implementation teams for Priority and Focus Title I schools across the state. Through regular, ongoing dialogue and support, these specialists assist principals and teachers in improving academic outcomes for all students by working in partnership with the school staff. MDE supports and oversees the efforts of the three Regional Centers by collaborating with staff from across the agency to provide guidance that will result in coordinated support to meet the needs of school leadership teams and enable them to improve achievement for all learners.

Reserved: An amount set-aside for some specified purpose.

Resident Student: A student whose legal residence is within the geographic area served by the district.

Residual Income: The amount of net income an investment center is able to earn above a specified minimum rate of return on assets.

Response to Intervention (RTI): Is a framework that is used to improve outcomes for all students. RTI helps to ensure the provision of high-quality instruction and interventions that are matched to the needs of students requiring additional academic and behavioral supports. After initial screening of all students, changes in instruction or goals can be made according to the level of student need. Student progress is monitored frequently and instruction is then differentiated and modified, as necessary {adapted from [NASDSE website](http://www.nasdse.org/), 2005 (<http://www.nasdse.org/>)(NASDSE is National Association of State Directors of Special Education, Inc.)}.

Reward Schools: The highest-performing 15 percent of Title I schools in the state. These schools are identified based on being in the top 15 percent of their grade classification group (elementary, middle school, high school, other) in the MMR. These schools are identified and recognized for their good work every year.

Review and Comment: A process by which the commissioner of MDE reviews and comments on the feasibility and practicality of school district building projects.

Revenue Recognition Principle: The idea that revenues should be recorded when; (1) the earnings process has been substantially completed; and, (2) an exchange has taken place.

Revenues: Money received by a unit from external sources net of refunds and other correcting transactions, other than from the issuance of debt, liquidation of investments, and as agency and probate trust transactions.

Revolving Fund: A fund established in which revenue (including loan payments) is credited back to the fund for the same use as the original appropriation.

S

Sales Ratio: A statistical measure prepared by the Department of Revenue to measure the difference between the actual sales prices of property with the assessor's market values on those properties.

Sales Tax Payable: Money collected from customers for sales taxes that must be remitted to local governments and other taxing authorities.

Salvage or Residual Value: Estimated value or actual price of an asset at the conclusion of its useful life; net of disposal costs.

School Food Authority (SFA): Is the organization that sponsors a School Nutrition Program (SNP). Typically SFAs are districts, private schools or charter schools. Charter schools may initiate a Joint Agreement with a SFA to administer their SNPs.

School Improvement Grant (SIG): Funds are for the purpose of turning around the identified persistently lowest achieving schools in the state by substantially raising the achievement of students attending those schools.

School Nutrition Programs (SNP): Include breakfast, lunch, afterschool snacks and the fresh fruit and vegetable program. SNP is a section of the Food and Nutrition Service (FNS) division of MDE which provides technical assistance and monitoring of school meal programs in Minnesota for compliance with state and federal regulation.

Section 504 of the Rehabilitation Act of 1973: A federal civil rights statute that assures individuals will not be discriminated against based on their disability.

Secured Bonds: Bonds for which assets have been pledged in order to guarantee repayment.

Segregation of Duties: Strategy to provide an internal check on performance through separation of custody of assets from accounting personnel, separation of authorization of transactions from custody of related assets and separation of operational responsibilities from record keeping responsibilities.

SFIN: SERVS Financial (an acronym of an acronym see *SERVS*)

Social Security (FICA) Taxes: Federal Insurance Contributions Act taxes imposed on employees and employers; used mainly to provide retirement benefits.

Sparsity Revenue: That portion of the general education formula that provides additional revenue to school districts for schools that have relatively small enrollments and are relatively far from other school buildings.

Special Education Data Reporting Application (SEDRA): System schools use to submit special education expenditure data for use in the calculation of state and federal special education aids.

Special Funds: A grouping of revenues from certain sources from which certain expenditures are made. Revenues for these funds are usually dedicated and expenditures from the special funds are usually restricted for certain purposes.

Special Journal: A book of original entry for recording similar transactions that occur frequently.

Special Permissions System (SPS): This is a BOT online system where districts and charter schools can apply for variances, waivers, and community experts.

Staff Automated Reporting System (STAR): The system by which staff data elements are recorded and transmitted to the Minnesota Department of Education (MDE).

Standard Unqualified Audit Report: Audit report indicating that all auditing conditions have been met, no significant misstatements have been discovered and remain uncorrected, and the auditors feel the financial statements are fairly stated in accordance with generally accepted accounting principles.

STAR: Staff Automated Reporting is a web-based system used by school districts, charter schools and cooperatives to report employment and assignment information to MDE. This system is also used by districts to access the licensure/assignment discrepancy report and to complete "highly qualified" reporting.

Stated Rate of Interest: The rate of interest printed on the bond.

Stated Value: A nominal value assigned to no-par stock by the board of directors of a corporation.

State Educational Record View and Submission (SERVS): The MDE system was designed to simplify, consolidate and automate data collection processes. SERVS Financial helps districts, schools and other eligible entities apply for funding opportunities, submit reimbursement requests and track budgets.

State Fiscal Year (SFY): This fiscal year runs from July 1 - June 30 of each year, numbered with the ending calendar year. For example, SFY 2015 or SFY 15 refers to July 1, 2014 - June 30, 2015.

Statement of Cash Flows: The financial statement that shows an entity's cash inflows (receipts) and outflows (payments) during a period of time.

Statewide System of Support (SSOS): Is one of the services offered through the Regional Centers of Excellence. The SSOS works exclusively with Title I funded schools designated as Focus or Priority due to low student

achievement levels, persistent achievement gaps or low graduation rates. The vision for this system of support is to establish a consistent, cohesive regional infrastructure for effectively and efficiently providing equitable access for school improvement support throughout the state.

Statutory Operating Debt (SOD): According to Minnesota Statutes, section 123B.81, Subdivision 2, SOD exists if the school's operating debt is more than 2 ½ percent of the most recent fiscal year's expenditure amount. By January 31 of the following year of SOD, the school board is required to create and implement a Special Operating Plan which is formally approved through a board resolution and submitted to the MDE commissioner for approval.

Straight-Line Amortization: A method of systematically writing off a bond discount or premium in equal amounts each period until maturity.

Straight-Line Depreciation Method: The depreciation method in which the cost of an asset is allocated equally over the period of an asset's estimated useful life.

Student Growth: Individual student growth is a measurement of how a student scored relative to the expected score. The expectation of how a student will score is based on their previous year's score. Schools receive a growth score based on the average growth scores of all their students.

Subsidiary Ledger: A grouping of individual accounts that in total equal the balance of a control account in the General Ledger.

Sum-of-the-Years'-Digits (SYD) Depreciation Method: The accelerated depreciation method in which a constant balance (cost minus salvage value) is multiplied by a declining depreciation rate.

Statewide Integrated Financial Tools (SWIFT): Integrates all the administrative functions across state agencies, including financial, procurement, reporting, human resources, and payroll.

System for Award Management (SAM): Is used to validate and complete Central Contractor Registration (CCR). The [SAM system](https://www.sam.gov/) (<https://www.sam.gov/>) is a web-enabled government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract award, grants, and the electronic payment process.

T

Tangible Personal Business Property: Depreciable operating assets of a business, other than real property, including machinery, furniture and fixtures, automobiles and trucks, and equipment.

Targeted Services: These are K-8 intervention/prevention services provided outside the traditional school day and traditional school year to qualified learners.

Tax Anticipation Note: A note issued in anticipation of collection of taxes, usually retireable only from tax collections from a local levy.

Tax Base: The value of commercial, industrial, residential, agricultural and other properties in a school district, city, municipality, and county.

Tax Capacity: The value of property that school districts and other units' tax.

Tax Credit: A state allowed reduction on local property taxes.

Teacher Development and Evaluation (TDE): Minnesota districts and charters must create and implement teacher development and evaluation systems that comply with requirements in Minnesota statute. See the [Principal Development and Evaluation page on the MDE website](https://education.mn.gov/MDE/dse/prev/) (<https://education.mn.gov/MDE/dse/prev/>) or email [School Support](mailto:mde.schoolsupport@state.mn.us) (mde.schoolsupport@state.mn.us) for more information.

Teachers' Retirement Association (TRA): This group provides coverage for public school teachers throughout the state, except for teachers in the first class cities, and some teachers in community colleges, state universities and technical colleges.

Term Bonds: Bonds that mature in one lump sum at a specified future date.

Time Period (or periodicity) Concept: The idea that the life of a business is divided into distinct and relatively short time periods so that accounting information can be timely.

Title I Schools: Schools that receive federal funding based on their level of poverty. Only schools that accept Title I funding are considered Title I schools. The identification of Priority, Focus, Continuous Improvement, Celebration-Eligible and Reward schools under Minnesota's waiver are only directed at Title I schools.

Transactions: Exchange of goods or services between entities (whether individuals, businesses, or other organizations), as well as other events having an economic impact on a business.

Transfers: The movement of money between funds. A transfer must be consistent with legislative intent.

Trial Balance: A listing of all account balances; provides a means of testing whether total debits equal total credits for all accounts.

Trust Fund: A fund consisting of resources received and held by the district as trustee to be expended or invested in accordance with the conditions of the trust.

Tuition Student: A pupil for whom tuition is paid.

U

Uncollectible Accounts Expense: An account that represents the portion of the current period's receivables that are estimated to become uncollectible.

Unearned Revenues: Amounts received before they have been earned.

Uniform Financial Accounting and Reporting Standards (UFARS): Minnesota's legally prescribed set of accounting standards for all school districts.

United States Department of Education (USDE): Also referred to as ED (Education Department). ED's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. More information is available at [ed.gov](https://www.ed.gov/) (<https://www.ed.gov/>).

Unlimited Liability: The lack of a ceiling on the amount of liability a proprietor or partner must assume; meaning that if business assets are not sufficient to settle creditor claims, the personal assets of the proprietor or partners may be used to settle the claims.

Unrecorded Expenses: Expenses incurred during a period that have not been recorded by the end of that period.

Unrecorded Revenues: Revenues earned during a period that have not been recorded by the end of that period.

Useful Life: The term used to describe the life over which an asset is expected to be useful to the company; cost is assigned to the periods benefited from using the asset.

V

Vendor Number: Every company or organization, including a charter school receiving payments from the state, is considered a vendor. The first step to authorize the State of Minnesota to make electronic funds transfer (EFT) payments to a charter school's bank account is to register for a vendor number. In order to receive or view payments, every vendor must register online with the State of Minnesota's administrative agency, known as Minnesota Management and Budget ([MMB](https://mn.gov/mmb/)) (<https://mn.gov/mmb/>).

Vertical Analysis of Financial Statements: A technique for analyzing the relationships between items on an income statement or balance sheet by expressing all items as percentages.

Voucher: A document that authorizes the payment of money and usually indicates the accounts to be charged.

W

Waiver: Also known as innovative waiver or board waiver - Minnesota Statutes, section [122A.09](#), subdivision 10. A special permission granted for one or more licensed individuals to teach out of their subject area to accommodate experimental (innovative) programs or for an assignment for which there is no appropriate licensure. A waiver is commonly used in an alternative setting such as, but not limited to, a care and treatment center, alternative learning center or charter school. Waivers are granted annually and there is no limit on the

number of waivers an individual can be granted since there is no license that allows an individual to teach multiple content areas.

Warrant: An order drawn by the school board to the district treasurer ordering him/her to pay a specified amount to a payee named on the warrant.

Weighted-Average: A periodic inventory cost flow alternative whereby the cost of goods sold and the cost of ending inventory are determined by using a weighted-average cost of all merchandise available for sale during the period.

Weighted Pupil Units: A varied weighting of pupils by grade. For example, a student in grades 1-6 may be counted as a 1.06 pupil unit, whereas a student in grades 7-12 may be counted as a 1.3 pupil unit.

Work Sheet: A columnar schedule used to summarize accounting data.

Working Capital: Current assets minus current liabilities.

Working Capital Turnover: A measure of the amount of working capital used in generating the sales of a period; computed by dividing net sales by average working capital.

World-Class Instructional Design and Assessment (WIDA): Advances academic language development and academic achievement for linguistically diverse students through high quality standards, assessments, research, and professional development for educators {accessed 8/16/13 from the [WIDA website](https://wida.wisc.edu/about) (<https://wida.wisc.edu/about>)}. Minnesota is a member of the WIDA Consortium and uses WIDA's ACCESS for ELLs, the annual English proficiency assessment for English learners.

X

No entries

Y

Yield: The return on an investment, usually presented as a percentage.

Z

No entries