Uniform Financial Accounting and Reporting Standards

Fiscal Year 2026 Edition

Minnesota Department of Education
Division of School Finance
Financial Management Section

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 This manual is also available on the department's website. [View the 2026 UFARS Manual.]

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Table of Contents

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Introduction

Introduction

This Uniform Financial Accounting and Reporting Standards (UFARS) Manual is the edition for Fiscal Year (FY) 2025. It contains changes reflecting legislation passed in the 2023 Legislative Session (ending June 2024 and beginning July 1 2025).

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 2024, 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 [2024]) 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 [2024]).

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 [2024]). 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 [2024]) and Minnesota Rule 3545.0800. Minnesota Rule 3545.0008 states the following: "*Revenues and expenditures must be recorded and recognized in accordance with generally accepted accounting principles. Generally accepted accounting principles provide for the accrual basis of accounting and the modified accrual basis of accounting as appropriate for the particular fund. The cash basis of accounting is not acceptable for district budgeting, accounting, and reporting*."

Computer information system requirements also became law in 1980 (Minn. Stat. 125B.05 [2024]). These changes were made to help ensure the submission of timely, accurate and uniform financial data from all reporting units. See the approved software vendors in Figure 6.

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 Cross walked 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 [2024]). “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 2024, 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 2024, 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, *Code 000* 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, *Code 000* 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. *Code 000* 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 [2024]). 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), Custodial (18), 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, 18 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 2024, 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		
Custodial (18)					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		
Custodial (18)		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 2024, 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 5 for the current list of certified service providers.

Audit Requirements

Minnesota Statutes 2024, 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 2024, section 123B.77, also states the required timelines for the reporting of financial data to the commissioner (MDE). The statutory deadline for the FY 2025 Audited Final Uniform Financial Accounting and Reporting Standards (UFARS) Data Submission and Fiscal Compliance Table Data Submission reporting is November 30, 2025, and Audit Reports are due by December 31, 2025. (Since the Audited Final UFARS and Fiscal Compliance Table Data Submission deadlines fall on a Sunday, submissions will be due on Monday, December 1, 2025)

Financial audit reports and findings must be approved by the LEA's Board prior to submission.

- Audited Final UFARS Data Submission – due November 30, 2025
- Fiscal Compliance Table Data Submission – due November 30, 2025
- Audit Reports – due December 31, 2025

Note: Refer to the "Submission Options" section of this document.

Each audit must include components identified within points 1-5 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. Minnesota Statutes and Rules require a firm to be licensed to perform attest/audit services based on Minnesota Statutes 2024, 326A.05, Subd.1(a)(1) and Minnesota Rule 1105.4200B(1).

2. Minnesota Statutes and MDE requires financial statement audits be conducted in accordance with Generally Accepted Government Auditing Standards (Yellow Book), the Federal Single Audit Act and the Minnesota Legal Compliance Guide as issued by the Office of the State Auditor. In a Single Audit engagement, please refer to the Office of Management and Budget (OMB) document "2 CFR Chapter I, and Chapter II, Parts 200, et al. – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (OMB Omni Circular), for reporting requirements. **Due to new federal funding, all federal funds need to be audited to the most current federal regulations and guidance.** The audited financial statement must also provide a statement of assurance pertaining to Uniform Financial Accounting and Reporting Standards (UFARS) compliance.
   MDE 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 external CPA auditor must ensure that the CAP be included within the LEA audit for MDE review. Audit findings should be numbered with the fiscal year and audit finding number (for example: 2025-1, 2025-2, etc.) and follow the CAP format listed in item four below.
   MDE will review the audit report submitted by the auditor on behalf of each LEA. As part of the OMB Omni Circular, MDE is required to provide a management decision for audit findings that relate to Federal Awards. A separate Management Decision letter will be issued to LEAs with Federal audit findings stating the finding is sustained if the CAP submitted was adequate. Should the CAP not be sustained, a separate Management Decision letter will be issued to LEAs requesting additional information from the LEA regarding the actions to be taken to resolve the finding and expected completion dates.

3. Due to changes within [Minnesota Statutes 2024, section 123B.49, *Extracurricular Activities; Insurance*](), districts and charters schools were required to implement GASB 84 effective July 1, 2019. Based on GASB Statement No. 84 and the related implementation guide, student activities are required to be reported within the District's General Fund. Minnesota School Districts will no longer be allowed to report student activities "Not Under Board Control" separately from the General Fund. A Local Educational Agency (LEA) should review and update all local policies to ensure they are not in conflict with GASB 84. The GASB statement may affect other financial activities at the LEAs in addition to student activities. A Q&A guide for implementation of GASB 84 Fiduciary Activities is on the Financial Management home page and titled, GASB No. 84 Fiduciary Activities - Q&A. **A reference should be made within the Financial Notes indicating whether an LEA has student activities for the fiscal year being reported. Therefore, all student activities must be under board control and reported in Fund 01. The student activities will be required to use Fund 01, Finance Code 301, Extracurricular Activities, and Balance Sheet Account 401, Restricted/Reserved for Extracurricular Activities.** Chapter 14 within the UFARS Manual has been revised to provide guidance for student activity accounting.

4. The Local Educational Agency (LEA) audits 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 columns 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 website. After the audited data has been entered, it is important to 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, 2025.**
   - MDE reporting requirements expect 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.

5. Checklist of reports that are required to be submitted to MDE and State Auditor's Office by School Districts and Charter Schools:

   - Report on financial statements.
   - List of school board members for the reporting year.
   - Management's discussion and analysis (prepared by the finance officials of the LEA).
   - Report on entity's internal control structure.
   - Report on entity's compliance with laws and regulations.
   - Corrective action plan for all written findings.
   - Corrective action plan should contain the following elements for each finding:

     1. An explanation of any disagreement with the finding.
     2. Corrective actions planned in response to the finding.
     3. The official responsible for ensuring completion of the corrective action.
     4. Anticipated completion date.

   - UFARS Fiscal Compliance Table.

- Single audit reports, if applicable.
- Management letter (if no management letter was issued to the district, a separate and additional memorandum stating that fact is to be included with the audit submission).

FY 2025 – Charter School Supplemental Reporting Requirements

Minnesota Statutes 2024, section 124E.16, subdivision 1, requires charter schools to submit to MDE additional information with the fiscal year-end audit report.

Minnesota Statutes 2024, section 124E.16, subdivision 1, was revised during the 2025 Legislative Session and reads as follows:

> *Subdivision 1. Audit report. (b) The charter school must submit an audit report, including all supplemental information included with the audit, to the commissioner and its authorizer annually by December 31.*
>
> *(c) The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information: (1) a copy of any management agreement with a CMO or EMO; and (2) a copy of a service agreement or contract with a company or individual totaling over five percent of the audited expenditures for the most recent audit year. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services.*
>
> *(d) A charter school independent audit report shall include audited financial data of an affiliated building corporation under section 124E.13, subdivision 3, 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 charter school will resolve that material weakness. 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.*

Clarification of Supplemental Information for 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, 2025. Required charter school supplemental information is **not** a requirement of the Office of State Auditor and is not to be submitted to the Office of State Auditor.

Required documents are for the period of the fiscal year being reported. This year the period for fiscal reporting is 7/1/2024–6/30/2025.

A Charter school must submit a copy of:

- New management agreement or an amendment to a current agreement with a CMO or EMO signed during the audit year. Definitions of CMO or EMO provided below:
    - "Charter management organization" or "CMO" means a nonprofit entity or organization that operates or manages a charter school or a network of charter schools or can control all or substantially all of a school's education program or a school's administrative, financial, business, or operational functions.
    - "Educational management organization" or "EMO" means a for-profit entity or organization that operates or manages a charter school or a network of charter schools or can control all or substantially all of a school's education program, or a school's administrative, financial, business, or operational functions.
- A service agreement or contract with a company or individual totaling over five percent of the audited expenditures for the most recent audit year. For example, but not limited to:
    - 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 agreements with a charter management or educational management organization; or service agreement or contracts totaling over five percent of the school's most recent annual audited expenditures, should include with their submission, a letter to the Minnesota Department of Education, signed by the school's director, stating: "XYZ Charter school does not have a management agreement with a charter management or educational management organization; or service agreement or contracts totaling over five percent of the school's most recent annual audited expenditures."

or

"XYZ Charter school does have a management agreement with a charter management or education management organization, however, it is not a new or amended agreement during the audit year and does not total over five percent of the school's most recent annual audited expenditures."

Charter School External CPA Auditors

a) Independent audit reports for charter schools must include the audited data from the affiliated building corporation or other component units, per Minnesota Statutes 2024, section 124E.16, subdivision 1(d).
b) Submission of Supplemental Information – Assist school with submitting agreement information.
c) 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, per Minnesota Statutes 2024, section 124E.16, subdivision 1(e).

Naming Conventions – Supplemental reports may be submitted using the MDE email address provided and must use the following naming convention:

Fiscal Year	District ID	District Type	District Name	Report Name
Four characters	Four characters	Two 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. If multiple files will be submitted in each category, number the files beginning with one.

A. Management Agreements suffix convention: Mgmt.Agree

Examples: 2025.4113.07.FraserAcad.Mgmt.Agree1

2025.4113.07.FraserAcad.Mgmt.Agree2

B. Service Agreements suffix convention: Service.Agree

Examples: 2025.4113.07.FraserAcad.Service.Agree1

2025.4113.07.FraserAcad.Service.Agree2

School District and Charter School Submission Options

2025 Submission

1. Districts and Charter Schools may submit completed financial audits and required supplemental information via email with attached files in PDF format using the naming convention identified below. **PDFs must be in a printable format.**

2. Districts and Charter Schools 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.**

3. As a reminder, Federal Single Audits are required to be submitted to the Federal Audit Clearinghouse (FAC.Gov), based on Uniform Guidance 2 CFR 200.512 Report Submission, (2 CFR 200.512).

To Submit E-files to MDE

Each management letter (or "COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE") must be transmitted in a separate pdf file. **PDFs must be in a printable format.**

Naming Conventions – Audit reports may be submitted using the MDE email address provided below and must use the following naming convention:

Fiscal Year	District Number	District Type	District Name	Report Name
Four characters	Four characters	Two characters	Up to 12 characters in length	- FinStmt.District - MgtLtr.District - Other

Each element must be separated by a "." (period); and a separate file emailed for each of these reports (see examples below):

Audited District Financial Statements	convention: FinStmt.District
District Management Letters	convention: MgtLtr.District
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:

Examples:

2025.0001.03.Minneapolis.FinStmt.District
2025.0001.03.Minneapolis.MgtLtr.District
2025.0001.03.Minneapolis.Other

Minnesota Statutes 2024, section 123B.77, subdivision 3, also requires each district to send a copy of the audit and all supplemental reports (except for CMOs, EMOs, service agreements and contracts as listed in Clarification of Supplemental Information for Charter Schools) to the Office of the State Auditor. The Office of the State Auditor requests all copies to be in electronic format and must be received no later than December 31, 2025.

The email addresses for electronic submission are:

MDE Financial Management (MDE.FinMgt@state.mn.us)

Office of the State Auditor (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: Pam Sanders
400 NE Stinson Blvd.
Minneapolis, MN 55413

If you have any questions, please contact Pam Sanders at 651-582-8489 or Pam.Sanders@state.mn.us.

This letter is also posted on the MDE Financial Management webpage, FY 25 Summary of Audit Requirements , (https://education.mn.gov/MDE/dse/schfin/fin/).

As indicated above, MDE must receive all audit reports by December 31, 2025. If received after December 31, 2025, the postmark must be on or before December 31, 2025.

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 2025 Report is provided in Figure 6.

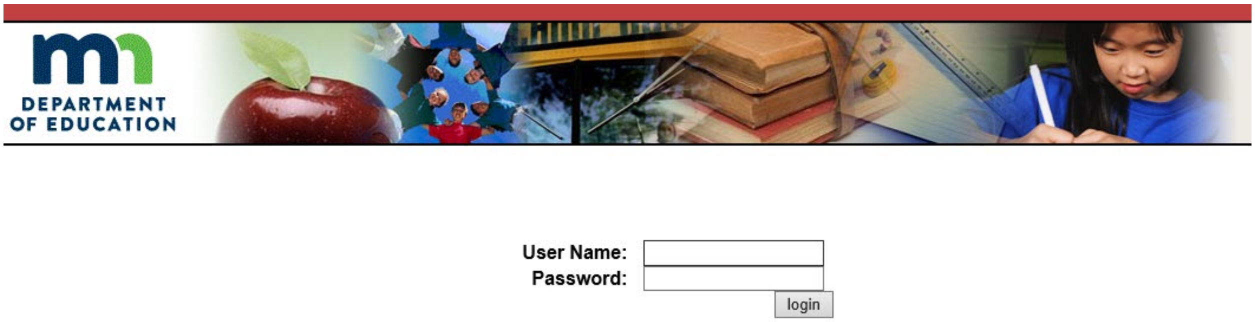
The report organizes fund balances for each of the governmental funds by the GASB 54 reporting categories: nonspendable, restricted, which includes restricted/reserved, committed, assigned, and unassigned. Another new feature is the Reconciliation of Fund Balance line, which totals all fund balances 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 Pam Sanders (pam.sanders@state.mn.us) 651-582-8489.

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.

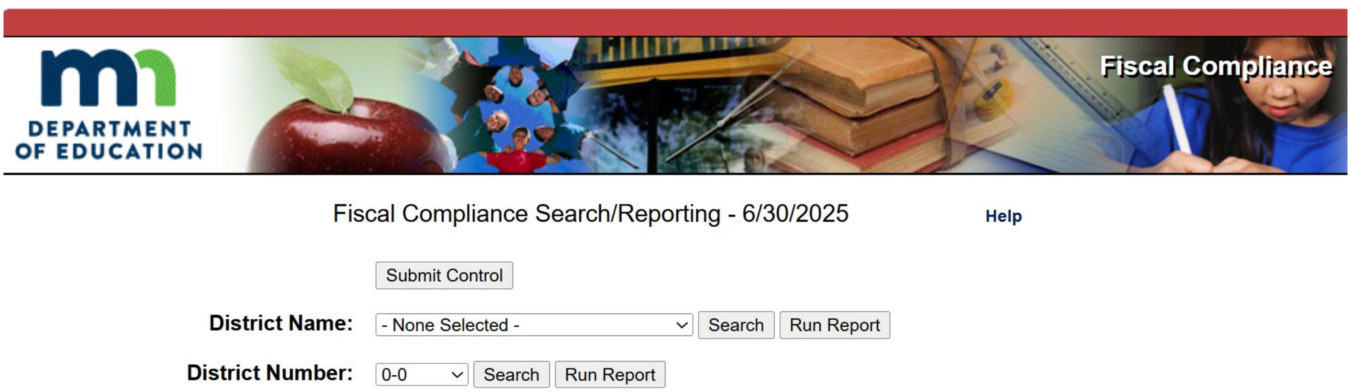
Log In

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.



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.



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 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. Below is a snip it of the Fiscal Compliance Table.

Fiscal Compliance Data Entry - 6/30/2025 Help Logoff

District: ANOKA-HENNEPIN (11-1)

01 GENERAL FUND

Total Revenue

Total Expenditures

Non Spendable:

4.60 Non Spendable Fund Balance

Restricted / Reserved:

4.01 Student Activities

4.02 Scholarships

4.03 Staff Development

4.07 Capital Projects Levy

4.08 Cooperative Revenue

4.12 Literacy Incentive Aid

4.14 Operating Debt

4.16 Levy Reduction

4.17 Taconite Building Maint

4.20 American Indian Education Aid

4.24 Operating Capital

4.26 $25 Taconite

4.27 Disabled Accessibility

4.28 Learning & Development

4.34 Area Learning Center

4.35 Contracted Alt. Programs

4.36 State Approved Alt. Program

4.37 Q Comp

4.38 Gifted & Talented

4.39 English Learner

4.40 Teacher Development and Evaluation

06 BUILDING CONSTRUCTION

Total Revenue

Total Expenditures

Non Spendable:

4.60 Non Spendable Fund Balance

Restricted / Reserved:

4.07 Capital Projects Levy

4.13 Funded by COP/FP

4.67 LTFM

Restricted:

4.64 Restricted Fund Balance

Unassigned:

4.63 Unassigned Fund Balance

07 DEBT SERVICE

Total Revenue

Total Expenditures

Non Spendable:

4.60 Non Spendable Fund Balance

Restricted / Reserved:

4.25 Bond Refundings

4.33 Maximum Effort Loan Aid

4.51 QZAB Payments

4.67 LTFM

Restricted:

4.64 Restricted Fund Balance

Unassigned:

4.63 Unassigned Fund Balance

After submitting, by selecting the Run Report button located on the top of the *Fiscal Compliance Report screen will give you a hard copy of the report information. (Note: FY24 reporting is being used for example purposes.)*

Fiscal Compliance Report - 6/30/2024 Help Logoff

District: ANOKA-HENNEPIN (11-1) Back Print

	Audit	UFARS	Audit - UFARS
01 GENERAL FUND			
Total Revenue	$652,061,985	$652,061,985	$0
Total Expenditures	$644,239,548	$644,239,548	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$2,603,449	$2,603,449	$0
Restricted / Reserved:			
4.01 Student Activities	$153,520	$153,520	$0
4.02 Scholarships	$689,051	$689,051	$0
4.03 Staff Development	$3,222,671	$3,222,671	$0
4.07 Capital Projects Levy	($1,713,009)	($1,713,009)	$0
4.08 Cooperative Revenue	$0	$0	$0
4.12 Literacy Incentive Aid	$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
4.20 American Indian Education Aid	$0	$0	$0
4.24 Operating Capital	$18,634,111	$18,634,111	$0
4.26 $25 Taconite	$0	$0	$0
4.27 Disabled Accessibility	$0	$0	$0
4.28 Learning & Development	$3,600,174	$3,600,174	$0
4.34 Area Learning Center	$966,124	$966,124	$0
4.35 Contracted Alt. Programs	$0	$0	$0
4.36 State Approved Alt. Program	$0	$0	$0
4.38 Gifted & Talented	$539,306	$539,306	$0
4.39 English Learner	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.41 Basic Skills Programs	$14,516,091	$14,516,091	$0
4.43 School Library Aid	$208,443	$208,443	$0
4.48 Achievement and Integration	$0	$0	$0
4.49 Safe Schools Levy	$2,528,865	$2,528,865	$0
4.51 QZAB Payments	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.53 Unfunded Sev & Retiremt Levy	$0	$0	$0
4.59 Basic Skills Extended Time	$0	$0	$0
4.67 LTFM	($3,838,033)	($3,838,033)	$0
4.71 Student Support Personnel Aid	$499,049	$499,049	$0
4.72 Medical Assistance	$1,279,901	$1,279,901	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
4.75 Title VII Impact Aid	$0	$0	$0
4.76 Payments in Lieu of Taxes	$0	$0	$0
Committed:			
4.18 Committed for Separation	$0	$0	$0
4.61 Committed Fund Balance	$0	$0	$0
Assigned:			
4.62 Assigned Fund Balance	$66,839,215	$66,839,215	$0
Unassigned:			
4.22 Unassigned Fund Balance	$51,810,053	$51,810,053	$0
02 FOOD SERVICES			
Total Revenue	$31,048,749	$31,048,749	$0
Total Expenditures	$28,596,286	$28,596,286	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$424,962	$424,962	$0
Restricted / Reserved:			
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$12,043,893	$12,043,893	$0
Unassigned:			
4.63 Unassigned Fund Balancee	$0	$0	$0
04 COMMUNITY SERVICE			
Total Revenue	$28,898,908	$28,898,908	$0
Total Expenditures	$28,835,246	$28,835,246	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$28,843	$28,843	$0
Restricted / Reserved:			
4.26 $25 Taconite	$0	$0	$0
4.31 Community Education	$5,956,141	$5,956,141	$0
4.32 E.C.F.E	$1,646,034	$1,646,034	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.44 School Readiness	$1,163,764	$1,163,764	$0
4.47 Adult Basic Education	$496,407	$496,407	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$498,320	$498,320	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

	Audit	UFARS	Audit - UFARS
06 BUILDING CONSTRUCTION			
Total Revenue	$442,889	$442,889	$0
Total Expenditures	$9,640,031	$9,640,031	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.07 Capital Projects Levy	$0	$0	$0
4.13 Funded by COP/FP	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$3,788,288	$3,788,288	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0
07 DEBT SERVICE			
Total Revenue	$13,729,750	$13,729,750	$0
Total Expenditures	$13,473,200	$13,473,200	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.25 Bond Refundings	$0	$0	$0
4.33 Maximum Effort Loan Aid	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$3,369,209	$3,369,209	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0
08 TRUST			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Restricted / Reserved:			
4.01 Student Activities	$0	$0	$0
4.02 Scholarships	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0
18 CUSTODIAL			
Total Revenue	$6,899	$6,899	$0
Total Expenditures	$6,899	$6,899	$0
Restricted / Reserved:			
4.01 Student Activities	$449	$449	$0
4.02 Scholarships	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
20 INTERNAL SERVICE			
Total Revenue	$79,565,233	$79,565,233	$0
Total Expenditures	$81,200,182	$81,200,182	$0
4.22 Unassigned Fund Balance (Net Assets)	$10,050,846	$10,050,846	$0
25 OPEB REVOCABLE TRUST			
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0
45 OPEB IRREVOCABLE TRUST			
Total Revenue	$2,941,163	$2,941,163	$0
Total Expenditures	$2,037,379	$2,037,379	$0
4.22 Unassigned Fund Balance (Net Assets)	$36,910,559	$36,910,559	$0
47 OPEB DEBT SERVICE			
Total Revenue	$2,013,962	$2,013,962	$0
Total Expenditures	$1,969,502	$1,969,503	($1)
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted:			
4.25 Bond Refundings	$0	$0	$0
4.64 Restricted Fund Balance	$495,114	$495,114	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

Figure 5
Approved Finance Systems Certified for UFARS Reporting
July 2025

The following software service providers/vendors are approved for the reporting of school district financial information in accordance with Minnesota Statutes 2023, section 125B.05, subdivision 3.

Service Providers/Vendors	Contact	Phone and Email
Regional Management Information Center (RMIC) 1 SMART SOFTWARE	Stacy Mead Region 1 3031 17th Street South Moorhead, MN 56560	218-236-2990 218-236-2368 (fax) stacy@region1.k12.mn.us
Regional Management Information Center (RMIC) 2 SMART SOFTWARE	Jennifer Smith A.R.C.C. Region 2 4884 Miller Trunk Hwy, Suite 300 Hermantown, MN 55811	218-723-1700, ext. 113 218-723-1923 (fax) jsmith@arcc.org
Regional Management Information Center (RMIC) 3 SMART SOFTWARE	Kelsie Herzog CMERDC- Region 3 570 1st Street SE St. Cloud, MN 56304	(320) 257-1921 320-252-8569 (fax) kherzog@erdc.k12.mn.us
Regional Management Information Center (RMIC) 4 SMART SOFTWARE	Christine Schmitt Region 4 SW/WC Service Coop 1420 East College Drive Marshall, MN 56258	507-537-2262 507-537-6985 (fax) Christine.Schmitt@swsc.org
Regional Management Information Center (RMIC) 5 SMART SOFTWARE	Dianna Groskreutz Region 5 1917 Excel Dr. Mankato, MN 56001	507-386-4804 507-388-5978 (fax) diannag@regionv.k12.mn.us
Regional Management Information Center (RMIC) 7	Char Wemple Sourcewell 202 12th St. NE Staples, MN 56479	651-999-6157 charlotte.wemple@sourcewell-mn.org support@sourcewell-mn.gov

Service Providers/Vendors	Contact	Phone and Email
Skyward Software Inc.	Lori Mohs Skyward Software, Inc. 2601 Skyward Drive Stevens Point, WI 54482	320-259-6115 320-259-5256 (fax) Katelynm@skyward.com Lorim@skyward.com
Microsoft Dynamics Great Plains	Avastone Technologies LLC 1700 Stephen Street Little Chute, WI 54140	920-687-4797 920-687-4600 (fax) 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

Figure 6

Required UFARS Data Format

(For service providers/vendors with approved software in accordance with Minn. Stat., 125B.05, subd. 3 [2024].)

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

Example: UXXXXxxX05-060915061057 |010000010000001000001

	General Ledger	District Number	District Type	Fund Number	GNL Number	Plus or Minus Sign	Beginning Balance	Plus Sign	Year-to-Date Debit	Plus Sign	Year-to-Date Credit
General Ledger Records	G	9999	99	99	999	+/-	99999999999	+	99999999999	+	99999999999
Number of Characters	1	4	2	2	3	1	11	1	11	1	11

Example:
GXXXXxx01101+12345678999+12345678999+12345678999

	Revenue	District Number	District Type	GNL Sum. Number	Fund Number	Org/Site Number	Program Number	Finance Number	Source Number	Course Number	Plus Sign	Adopted Budget	Plus Sign	Revised Budget	Plus Sign	Next Year Budget	Plus Sign	Year-to-Date Amount
Revenue Records	R	9999	99	999	99	999	999	999	999	999	+	99999999999	+	99999999999	+	99999999999	+	99999999999
Number of Characters	1	4	2	3	2	3	3	3	3	3	1	11	1	11	1	11	1	11

Example: RXXXXxx519010050000000060000+12345678999+12345678999+12345678999+12345678999

	Expenditure	District Number	District Type	GNL Sum. Number	Fund Number	Org/Site Number	Program Number	Finance Number	Object Number	Course Number	Plus Sign	Adopted Budget	Plus Sign	Revised Budget	Plus Sign	Next Year Budget	Plus Sign	Year-to-Date Amount
Expenditure Records	E	9999	99	999	99	999	999	999	999	999	+	99999999999	+	99999999999	+	99999999999	+	99999999999
Number of Characters	1	4	2	3	2	3	3	3	3	3	1	11	1	11	1	11	1	11

Example: EXXXXxx539010051100001100000+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 2021, 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
18 Custodial 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 467 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 or Long-Term Facilities projects, 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 [2024]). 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 must be under the control of the school board must be recorded in the General Fund (Minn. Stat. 123B.49, subd. 2-4 [2024]).

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 [2024]).

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 [2024]).

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) [2024]).

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)[2024]).

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)[2024]).

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 2024, 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% 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 [2024]).

Early Childhood Family Education includes only activities authorized in Minnesota Statutes 2024, 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 2024, section 124D.135, subdivision 8.

School Readiness includes activities authorized in Minnesota Statutes 2024, 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 2024, 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 [2022]).

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 [2024].) 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 [2024]) 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 [2024]). 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 [2024]).

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 [2024]).

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 [2024]).

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 2024, 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 2024, 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 [2024]).

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. Per GASB Statement No. 84, Fiduciary Activities, a trust is defined as a trust agreement or equivalent arrangement. 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.

***Note**: GASB Statement No. 84 defines an equivalent arrangement as “one that, although not a trust by name, has the same characteristics required of a trust: (a) assets are dedicated to providing benefits to recipients in accordance with the benefit terms and (b) assets are legally protected from the creditors of the government that is acting as a fiduciary, as stated in paragraph 11c.”

18 Custodial Fund

Custodial funds are used to report fiduciary activities that are *not* required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust fund. Custodial funds represent a flow through mechanism in which the LEA receives funds and distributes these funds to an organization, with no financial benefit to the LEA.

The assets are for the benefit of organizations or other governments that are not part of the financial reporting entity. In addition, the assets are not derived from the government’s provision of goods or services to those organizations or other governments.

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 2026

Additions

Account	Description

Deletions

Account	Description

Changes

Account	Description

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

005 Districtwide or Not Otherwise Identified By Budgeted Learning Site

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

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 (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)/Individualized 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 Leaning 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 prorated share of the expenditures of that class to the serving district.

Organization/Site Dimension Changes – FY 2026

Additions

Account	Description

Deletions

Account	Description

Changes

Account	Description

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 prorated 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

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 2024, section 142D.08 to prepare children for success as they enter kindergarten in the following year. Only the local education agency's (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 one through six. 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 (Assistance Listing Number (ALN) 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 – Student Support and Academic Enrichment

Federal education formula grant program to improve student access to a holistic education by increasing the capacity of states, local educational agencies, schools, and local communities to— (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy of all students (ALN 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% of the allocation to be distributed based on formula determined by Title I shares and 50% 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% of funds from either the formula allocation or a competitive grant competition on professional development (ALN 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 (Minn. Stat. 124D.66 [2024]).

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)

English Learner pupils are defined as kindergarten through grade 12; an early childhood special education student under Part B, section 619 of the Individuals with Disabilities Act, United States code, title 20, section 1419; or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 142D.08 or a school readiness plus program who meets the requirements under subdivision 2a or additional requirements listed in Minnesota Statutes 2025, section 124D.59, subd. 2.

Beginning in FY 25, LEAs must record revenues and expenditures for English Learner pupils to Finance Code 339 English Learner for the EL revenue that is included in the “General Education” category on the “State Aids Payment Reports” Revenue (Minn. Stat. 124D.58 [2025], Minn. Stat. 124D.65 [2025] and Minn. Stat. 126C.10, subd. 4 [2025]).

For EL expenditures in excess of the “General Education” revenue, a district or charter school may use Fund 01 Finance Code 000 Districtwide, Finance Code 317 Basic Skills, Finance Code 339 English Learner or Finance Code 417 Title III, Part A English Language Acquisition.

Keep in mind that the data from Finance Code 339 English Learner revenue and expenditures for FY 25 will be used to calculate the FY 27 cross-subsidy aid and data from Finance Code 339 English Learner revenue and expenditures for FY 26 will be used to calculate the FY 28 cross-subsidy aid, etc. For additional information see the English Learner FAQ.

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.

271 Remedial Reading and Language Arts

Record all costs of providing remedial instruction for reading and language arts 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 of their age (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

272 Remedial Mathematics

Record all costs of providing remedial instruction for mathematics 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 of their age (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

273 Remedial Other Content Areas

Record all costs of providing remedial instruction in content areas other than reading, language arts and mathematics 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 of their age (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

274 Study Skills Improvement

Record all costs of providing study skills 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 of their age (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

275 Kindergarten Individualized Instruction

Record all costs for additional kindergarten teachers and teacher aides 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 of their age through individual tutoring, lower instructor-to-learner ratios or team teaching (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

276 Elementary Individualized Instruction

Record all costs for additional elementary teachers and teacher aides 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 of their age through individual tutoring, lower instructor-to-learner ratios or team teaching (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

277 Secondary Individualized Instruction

Record all costs for additional secondary teachers and teacher aides 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 of their age through individual tutoring, lower instructor-to-learner ratios or team teaching (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

278 Regular School Day – Additional Time and Summer

Record all costs for providing a longer school day or week during the regular school year and summer 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 of their age Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

279 Substantial Parental Involvement

Record all costs for substantial parental involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner and the parent that establish achievement goals and responsibilities of the learner and the learner’s parent or guardian. This program code should not include parent involvement for activities associated with early learning programs (Minn. Stat. 126C.15 [2024]). Use this program code for expenditures funded with Basic Skills, Finance Code 317. This program code can be used with Finance Code 000 to record additional expenditures not funded by Finance Code 317.

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 [2024]). 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% or more of the participants are male.

296 Girls Athletics

Athletic activities (see Program Code 292) in which 90% 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 Extracurricular Activities

All extracurricular student activities must be “under board control” per GASB Statement No. 84 (Minn. Stat. 123B.49 [2024]).

All activities under board control for public school pupils that are managed and operated under the guidance of an adult or staff member. Funds raised by the students and the students choose how to spend the funds. 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.

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

301 Agriculture Education

Courses providing learning experiences concerned with developing knowledge, understanding, and skills in agricultural, agribusiness and agricultural science subjects.

311 Distributive Education

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

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

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

Courses of instruction in selected office or business occupations in public and private enterprises or organizations.

361 Trade and Industrial Education

This program is involved in a wide range of trades and industrial occupations, both skilled and semi-skilled, 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 Multiple 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 2024, section 125A.75, subdivision 3 – Full state payment for students without a disability whose district of residence has been determined by Minnesota Statutes 2024, 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 2024, section 125A.515. Use with Finance Code 761.

Minnesota Statutes 2024, 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 three) 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 429.

Note: For Comprehensive Coordinated Early Intervening Services (CEIS)/Mandatory CEIS, Finance Code 429, the Minnesota Department of Education (MDE) interprets the phase students with disabilities to mean the disability categories of analysis listed under C.F.R. §300.646(d) for computing significant disproportionality, which include: Developmental Cognitive Disabilities, Specific Learning Disabilities, Emotional or Behavioral Disorders, Speech or Language Impairments, Other Health Disabilities, Autism Spectrum Disorder and all disabilities listed in any combination. LEAs reporting costs under Finance Code 429 (Mandatory CEIS) may report costs for students with disabilities under this program code, as long as the costs are approved under their Mandatory CEIS application.

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 allowed basic skills revenue to be used for the education of preschool children and their families. The 2023 Legislative Session revised the uses of basic skills revenue. The uses include the following: early education programs, parent-training programs, early childhood special education, school readiness programs, kindergarten programs for four-year olds, voluntary home visits under Section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten.

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 six that are beyond the scope of regular school programming (Minn. Stat. 124D.19, subd. 11 [2024]).

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 for children kindergarten through sixth grade. Use Program Code 590 for child care programs for children less than five years old.

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 2024, section 120A.05, subdivision 10(a) and Minnesota Statutes 2024, 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 [2024]).

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. 142D.05 [2024]).

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 [2024]).

583 Early Childhood Screening

Report expenditures incurred by the district for providing a mandatory early childhood developmental screening program per Minnesota Statutes 2024, section 142D.091. 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. 124D.093 [2024]). See Finance Code 354 Early childhood Screening Program.

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

710 Secondary Counseling and Guidance Services

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

Activities involved in counseling elementary (K-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.

715 School Security

Record all costs of providing school security in the districts and on school property. Costs should include personnel costs and contracts for peace officers and sheriffs for liaison services in the districts. Costs should include facility security enhancements and school bus security (Minn. Stat. 126C.44 [2024]). This program code must be used with Finance Code 342 and should also be used with Finance Code 000 for expenditures not funded by categorical programs with a specific finance code.

716 Drug Abuse Prevention

Record all costs of drug abuse prevention programs in elementary schools (see Program Code 718 for other than elementary) as described in Minn. Stat. 609.101, subdivision 3(e) and Minn. Stat. 126C.44 [2024]. This program code must be used with Finance Code 342 and should also be used with Finance Code 000 for expenditures not funded by categorical programs with a specific finance code.

717 Gang Resistance Education

Record all costs for gang resistance education training curriculum in the district’s schools (Minn. Stat. 126C.44 [2024]). This program code must be used with Finance Code 342 and should also be used with Finance Code 000 for expenditures not funded by categorical programs with a specific finance code.

718 Other School Safety

Record all costs incurred for other crime prevention, drug abuse (other than expenditures recorded in Program Code 716), student and staff safety, voluntary opt-in suicide prevention tools and violence prevention measures taken by the school district. Do not record costs here that should be recorded in Program Codes 710, 712, 715, 716, 717, 720, 730 or 740. Also include costs associated with improving school climate and colocating and collaborating with mental health professionals who are not district employees or contractors. (Minn. Stat. 126C.44 [2024]). This program code must be used with Finance Code 342 and should also be used with Finance Code 000 for expenditures not funded by categorical programs with a specific finance code.

720 Health Services

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

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 2024, 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).

Long-Term Facilities Maintenance (LTFM) Program Codes 865, 866, 867 and 868

Note: Only LEAs that have an approved LTFM plan according to Minnesota Statutes 2024, section 123B.595, subd. 3 and 4 are allowed to use LTFM program and finance codes. 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 State Aid and Source Code 001 Property Tax Levy - General Fund 01 to record the revenue. A revenue transfer of $2,000,000 or more, equal to the total expenditure, is required for all expenditure activity in the Construction Fund (06). For UFARS accounting treatment, please reference the LTFM guidance found on the LTFM webpage.

865 Long-Term Facilities Maintenance (LTFM) Projects per Site, per Year – Excluding Costs in Program Codes 866, 867 and 868 (Fund 01)

Record costs for LTFM projects not included in Program Codes 866 or 867 or 868, 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, per year. See the note above Program Code 865 for the LTFM Finance Code list and accounting treatment instructions.

See Program Code 866 for pay-as-you-go projects costing $100,000 to $1,999,999 per site, per year for Finance Codes 358 – Asbestos, 363 – Fire Safety and 366 – Indoor Air Quality. See Program Code 867 for projects that are bond financed. See Program Code 868 for all projects costing $2,000,000 per site, per year or more. For more information regarding Long-Term Facilities Maintenance please see Minnesota Statutes 2024, section 123B.595.

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

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

Use Program Code 867 for all LTFM projects that are bond financed. Use Program Code 868 for LTFM Projects that are $2,000,000 or more and financed by pay-as-you-go for all other LTFM finance codes.

867 Long-Term Facilities Maintenance (LTFM) Projects that are Bond Financed (Fund 06)

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

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

This Program Code can only be used with Fund 06, Building Construction Fund, for projects that are $2,000,000 or more per site, per year and financed on a pay-as-you-go basis. Use Program Code 867 for projects that are bond financed.

870 Building Construction (Fund 06)

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 20 – Internal Service Fund, 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 only in General Fund (01), Trust Fund (08) or Custodial Fund (18) with Object Code 898 for scholarships expenditures.

Program Dimension Changes – FY 2026

Additions

Account	Description

Deletions

Account	Description
584	School Readiness Plus (Funds 1 and 4) (July 2025)

Changes

Account	Description
200	Voluntary Prekindergarten (July 2025)
219	English Learner (July 2026)
583	Early Childhood Screening (July 2025)

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 Sources	140-176
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 Sources (140-176)

174 Other Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding Received Through Other Local Entities (Funds 01, 02 and 04)

School districts should use this code to record revenues and expenditures due to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds received from Minnesota counties, cities or townships.

LEAs must provide equitable services to students and teachers in non-public schools as required under the CARES Act. The CARES Act was signed into law on March 27, 2020.

175 Title VII – Impact Aid (Funds 01 and 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 ((ALN 84.041 Elementary and Secondary Education Act (ESEA), Public Law (P.L.) 107-110) as reauthorized under Every Student Succeeds Act (ESSA). (34 Code of Federal Regulations (C.F.R.) 200.35(a)(I)(B)(2)). To record the revenue, use Source Code 019, Miscellaneous Tax Revenues Paid by County. 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)). To record the revenue, use Source Code 019, Miscellaneous Tax Revenues Paid by County. 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)

Code Title and Definition

301 Extracurricular Activities (Funds 01, 08 and 18)

Record revenues and expenditures for the funds raised by the students of an activity and where the content of the activities is determined by the students. This finance code must be used with Program Code 298 Extracurricular Activities and can be used with Program Codes 292, 294 or 296. The activities in this code apply to Balance Sheet Code 401, Restricted/Reserved for Extracurricular Activities Minnesota Statutes 2024, section 123B.49.

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 [2024]). Total Operating Capital Revenue may be used only for the purposes specified in Minnesota Statutes 2024, 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 2023, section 123B.41, subdivision 2.

Also, record expenditures related to the gender-neutral single-user restroom remodeling and/or construction project at each school site. Must use Course Code 684 Gender-Neutral Single-User Restroom. See Minnesota Statutes 2024, section 123B.595, subdivision 10(a)(4).

This finance code is used to identify revenues and expenditures apply to 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 2024, 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% 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. Revenue generated by a particular program, as determined by school number in either the 41 or 45 school classification, can only be spent on that program which generated the revenue. For example, revenue generated by school number 040 in school classification 41 can only be spent on school program 040 in school classification 41.

Note: Per Minnesota Statutes 127A.47, subdivision 7(h), "An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (f), the district of residence must pay tuition equal to 100 percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center."

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) [2024]).

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 2024, 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% 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 [2024]).

Payment Description – 01S211 GEN ED AID FY

305 State-Approved Alternative Learning Program (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 2024, section 123A.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% 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 alternative learning 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 Alternative Learning Program (Minn. Stat. 123A.05, subd. 2, and Minn. Stat. 126C.05, subd. 15 (b) [2024]).

Payment Description – 01S211 GEN ED AID FY

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 2024, section 123A.27. Since FY 2001, the revenue is included in General Education Revenue.

Payment Description – N/A

311 Telecommunications Access Costs (Funds 01 and 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 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). Use Source Code 300 State Aids Received from Minnesota Department of Education for which a Finance Code is Specified. 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 2024, section 125B.26. Revenue received from another school district or host cooperative should be recorded as source 021 with Finance Code 000.

312 Literacy Incentive Aid (Funds 01 and 04)

Record revenues and expenditures to support the defined uses under Minnesota Statutes 2024, section 124D.98, subd. 5. A school district must use literacy incentive aid to support this program. The activities in this code apply to Balance Sheet Code 412, Restricted/Reserved for Literacy Incentive Aid.

Use Finance Code 356 Literacy Aid for the revenues and expenditures for literacy aid. Use Finance Code 357 Teacher Compensation for Read Act Training.

Payment Description – XXF312 Literacy Incent FY

313 Achievement and Integration Aid and Levy (Fund 01)

Record revenues from Achievement and Integration Aid and Levy received according to Minnesota Statutes 2024, 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.

314 Paraprofessional Training (Funds 01 and 04)

Record compensation expenditures for required paraprofessional training. School districts and charter schools must provide a minimum of eight hours of paid orientation or professional development annually to all paraprofessionals providing instructional support as defined by the commissioner of education. The orientation or professional development must be relevant to the employee's occupation and may include collaboration with classroom teachers and planning for the school year. For paraprofessionals who provide direct support to students, at least 50 percent of the professional development or orientation must be dedicated to meeting the requirements of this section. Professional development for paraprofessionals may also address the requirements of Minnesota statutes 2024, section 120B.363, subdivision 3. See Minnesota Statutes 2024, section 121A.642.

For FY 2025 only, use Course Code 640 Professional Development (Current Federal Award Year) for the separate payment equal to two hours of the district average wage. Use Course Code 640 for the revenue and expenditures related for staff employed in FY 24 to become highly qualified during FY 25.

This reimbursement aid is available in the following fiscal year to school districts, charter schools, intermediate school districts, cooperative units, the Perpich Center for Arts Education and the Minnesota State Academies that provide paraprofessional training to applicable instructional paraprofessionals and complete the MDE certification of compliance. Use Source Code 300 State Aids Received from Minnesota Department of Education for Which a Finance Code is Specified with these funds.

Payment Description – XXF314 PARA TRAINING FY

316 General Education Revenue for Staff Development (Fund 01)

Record revenues and expenditures used to provide staff development programs according to Minnesota Statutes 2024, section 122A.60. The activities in this code apply to Restricted/Reserved for Staff Development Balance Sheet Account 403 (Minn. Stat. 122A.61 [2024]).

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 (Funds 01 and 04)

Record revenues and expenditures pertaining to the Basic Skills Revenue of Minnesota Statutes 2024, section 126C.10, subdivision 3. This includes EL program expenditures and Compensatory Education expenditures as defined by Minnesota Statutes 2024, section 126C.15, subdivision 1. Expenditures using this code must be in the list of permitted expenditures contained in the above statute.

This statute was amended during the 2023 Legislative Session. The amendments in the 2013 Legislative Session included programs designed to prepare children and their families for entry into school. These programs include early education, parent-training, school readiness, kindergarten for four-year-old children, voluntary home visits under Minnesota Statutes 2024, section 142D.10, subdivision 4, and other outreach efforts designed to prepare children for kindergarten. The Fund 01 activities in this code apply to Balance Sheet Code 441, Restricted/Reserved for Basic Skills.

Fund 04 activities in this code apply to Balance Sheet Code 464 Restricted Fund Balance. Complete a journal entry from Fund 01 to Fund 04 for the amount of expenditures in Fund 04 each year.

Payment Description – 01S211 GEN ED AID FY

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

318 Incentive Revenue (Fund 01)

Record revenues and expenditures for Incentive Revenue according to Minnesota Statutes 2024, 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 (Minn. Stat. 122A.414-415 [2024]). 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 [2024]). 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 2024, section 124D.74. The activities in this code apply to Balance Sheet Code 420, Restricted/Reserved for American Indian Education Aid.

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 2024, 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 [2024]).

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 2024, section 124D.531 (Adult Basic Education). Up to 20% 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 Adult Basic Education Supplemental Services (Fund 04)

Record revenues and expenditures related to Adult Basic Education Supplemental Service Grants (Minn. Stat. 124D.522 [2024]). 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 (Funds 04 and 18)

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. 142D.10 and 142D.11 [2024]).

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 [2024]).

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. 142D.10, subd. 4 and 142D.11, subd. 6 [2024]).

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 [2024]).

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 [2024]).

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 2024, 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 (Funds 01 and 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 [2024]). The activities in this code apply to Balance Sheet Code 437, Restricted/Reserved for Quality Compensation – Alternative Teacher Professional Pay System.

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 [2024]).

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 2024, section 142D.25. 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 2024, section 142D.25. 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.

339 English Learner (Fund 01)

Beginning in FY 25, LEAs must record revenues and expenditures for English Learner pupils. English Learner pupils are defined as kindergarten through grade 12; an early childhood special education student under Part B, section 619 of the Individuals with Disabilities Act, United States code, title 20, section 1419; or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 142D.08 or a school readiness plus program who meets the requirements under subdivision 2a or additional requirements listed in Minnesota Statutes 2024, section 124D.59, subd. 2.

This finance code will be used to determine the cross-subsidy funding for English Learner. This finance code is used to identify revenues and expenditures that apply to Balance Sheet Code 439, Restricted/Reserved for English Learner.

340 Scholarships (Funds 01, 08 and 18)

Record revenues and expenditures for scholarship funds that the LEA distributes. To record in General Fund 01, the LEA will have administrative involvement in selecting the recipient(s) and reviewing recipient(s) eligibility. Also, to record financial activity in General Fund 01, the LEA does not have a legal trust agreement (Minn. Stat. 123B.02, subd. 6 [2024]). To record in Trust Fund 08, the LEA has a legal trust agreement that protects the assets and documents the distribution of funds to the recipient(s). To record in Custodial Fund 18, the LEA will not have administrative involvement in the distribution of the funds to the outside organization. This finance code must only be used with Program Code 960, Other Nonrecurring Items, and Object Code 898, Scholarships. This finance code is used to identify revenues and expenditures apply Balance Sheet Code 402, Restricted/Reserved for Scholarships.

342 Safe Schools – Revenue (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 Revenue (Minn. Stat. 126C.44 [2024]).

Payment Description – NA

343 School Library Aid (Fund 01)

Record revenues and expenditures for the school library aid. School library aid must be used for the direct funding of the costs associated with salaries and benefits for the school library media specialist; electronic, computer and audiovisual equipment; information technology infrastructure and digital tools; electronic and material resources; or furniture, equipment, or supplies. School library aid must be reserved and used for directly funding the costs of the library (Minn. Stat. section 124D.992 [2024]). Revenues and expenditures in this code apply to Balance Sheet Code 443, Restricted/Reserved for School Library Aid.

Payment Description – 01F343 LIBRARY AID

344 School Readiness (Funds 01 and 04)

Record revenues in Fund 04 Community Service and expenditures in Fund 04 Community Service or Fund 01 General 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 [2024]).

The revenue and expenditures in this code apply to Fund 04 Community Service Balance Sheet Code 444, Restricted/Reserved for School Readiness Fund Balance. Per (Minn. Stat. 142D.05 [2024]] and Minn. Stat. 142D.06[2024]), School readiness revenue, which includes aids, fees, grants, and all other revenues received by the district school readiness programs, must be maintained in a reserve account within the community service fund.

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 2024, 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 2024, section 123B.71. This code will be used to track expenditures of IRRRB grant projects separately from LTFM or health and safety projects funded by state aid and levy. This code will also be used to track expenditure related to other IRRRB grants. 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 State Aid and Source Code 001 Property Tax Levy - General Fund 01 to record the revenue. A revenue transfer of $2,000,000 or more, equal to the total expenditure, is required for all expenditure activity in the Construction Fund (06).

Code Title and Definition

347 Physical Hazards (Funds 01 and 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, Occupational Safety and Health Administration (OSHA) physical or electrical hazard violations and indoor air quality. Also includes costs to support Minnesota Department of Health (MDH) Food Code Requirements (see Minnesota Food Code, Minnesota Rules Chapter 4626 - MN Dept. of Health (state.mn.us).

Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. 123B.595, subd. 12 [2024]).

Payment Description – XXS317 LTFM AID FY

348 Charter School Building Lease Aid (Fund 01)

Charter Schools must 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 2024, section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for Building Lease Aid per Minnesota Statutes 2024, section 124E.22.

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

Payment Description – 01F348 BLDGLEASE AID FY

349 Other Hazardous Materials (Funds 01 and 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 [2024]).

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 [2024] and Minn. Stat. 123B.41, subd. 15 [2024]).

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 to 123B.42 [2024]).

Payment Description – N/A

352 Environmental Health and Safety Management (Funds 01 and 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 [2024]).

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 [2024]).

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 [2024]).

Payment Description – 04F354 PRESCH SCR FY

355 Voluntary Prekindergarten Remodeling Costs (Funds 01 and 06)

For districts with an approved prekindergarten remodeling costs program per Minnesota Statutes 2023, section 123B.595, 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 [2024]).

356 Literacy Aid – One Time Funds (Funds 01 and 04)

Record revenues and expenditures for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy. The activity in this code apply to Balance Sheet Code 456, Restricted/Reserved for Literacy Aid- One Time Funds (Minn.State. 120B.124, subd. 3 [2024]).

Use Finance Code 312 for Literacy Incentive Aid activity and use Finance Code 357 Teacher Compensation for READ Act Training activity.

Payment Description – 01F356 Read Act Literacy FY

357 Teacher Compensation for Read Act Training (Funds 01 and 04)

Record revenues and expenditures for the teacher compensation for READ Act training and/or full or partial reimbursement for training in structured literacy that was paid for by the teacher, and later approved under the Read Act. The activity in this code apply to Balance Sheet Code 457, Restricted/Reserved for Teacher Compensation for Read Act Training (Minn.Stat.120B.124, subd. 4 [2024]).

Use Finance Code 312 for Literacy Incentive Aid activity and use Finance Code 356 for Literacy Aid – One Time Funds activity.

Payment Description – 01F357 Tchr Comp Rd Act Trg FY

358 Asbestos Removal and Encapsulation (Funds 01 and 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. Necessary replacement of tiles or insulated pipe wrap should be coded to Finance Code 379 – Interior Surfaces. Use Finance Code 383 for replacement of roofing systems due to asbestos removal.

Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. 123B.595, subd. 12 [2024]).

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 [2024]). 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 [2024]).

Payment Description – N/A

363 Fire Safety (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

364 Hearing Impaired Support Services (Funds 01 and 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 [2024]).

Payment Description – XXF364 HEAR SUPPT FYE

366 Indoor Air Quality (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

367 Accessibility (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

368 Building Envelope (excluding roof) (Funds 01 and 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 pointing, 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 [2024]).

Payment Description – XXS317 LTFM AID FY

369 Building Hardware and Equipment (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

370 Electrical (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

371 Taconite $25 Restricted/Reserved (Funds 01 and 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) [2024]).

Payment Description – N/A

372 Medical Assistance/Third Party Revenue (Fund 01)

Record revenues and 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. Do not code Source Code 073 to this finance code. The expenditures of this money must follow the guidelines of Minnesota Statutes 2024, 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

373 Student Support Personnel Aid (Fund 01)

Record revenues and expenditures for the student support personnel staff that are **in addition** to current levels. Student Support Personnel funds means an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota. Student Support Personnel funds must be used for directly funding the costs of adding student support personnel staff (Minnesota Statutes 2024, section 124D.901). The activities in this code apply to Balance Sheet Code 471, Restricted/Reserved for Student Support Personnel Aid.

Payment Description – 01F373 Stdnt Support

374 Student Support Personnel Aid – Cooperative or Intermediate (Fund 01)

Record revenues and expenditures for the student support personnel staff that are **in addition** to current levels. Student Support Personnel funds means an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota. See Minnesota Statutes 2024, section 124D.901.

Payment Description – 01F374 Stdnt Support Coop

377 Family Services and Mental Health Initiative (Funds 01 and 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. 142D.15 [2024] and Minn. Stat. 245.491 [2024]).

Payment Description – XXF377 FS/MENTAL HTH FY

379 Interior Surfaces (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

380 Mechanical Systems (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

381 Plumbing (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

382 Professional Services and Salary (Funds 01 and 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 [2024]).

Payment Description – XXS317 LTFM AID FY

383 Roofing Systems (Funds 01 and 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 [2024]).

Payment Description – XXF317 LTFM AID FY

384 Site Projects (Funds 01 and 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 2024, section 123B.595, subdivision 10(a)(4). Examples include parking lots, lighting, tennis courts, fencing, playground, stadium bleachers, and field turf replacement.

Also, record expenditures related to the gender-neutral single-user restroom remodeling and/or construction project at each school site. Must use Course Code 684 Gender-Neutral Single-User Restroom. See Minnesota Statutes 2024, section 123B.595, subdivision 10(a)(4).

Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Minn. Stat. 123B.595, subd. 12 [2024]).

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 [2024]). 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

389 School District Lease Levy (Fund 01)

School district types 01, 02, 03, 06,50,51,52,53,61,62 and 83 must record revenue and expenditures for lease levy authority in this code for expenditures to lease a building or parcel of land for instructional purposes, for school storage or furniture repair. A space used for instructional purposes is a building, facility, or site where current academic curriculum and related activities take place during regular and uniform school hours, or at times established by school authorities. Curriculum related activities means learning opportunities designed for students to participate on an individual or group basis in school or school sponsored events to improve knowledge and skills, increase student engagement and connection to school, and meet state and district academic standards/graduation requirements.

Space used for instructional purposes includes, but is not limited to, sports fields/venues used during physical education, additional classroom space for increased student population, and facilities that meet academic curriculum requirements not found in current facilities (i.e., computer or science and technology labs). Facilities that DO **NOT** fall under this definition of instructional space include but are not limited to playgrounds, lighted sports fields and related stadium features, graduation or prom venues, and student or employee parking.

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 [2024]).

Payment Description – NA

Federal Program Aid Received Through Minnesota Department of Education for Formula Grants (400/600)

Record the revenues and expenditures for federal aid received through the Minnesota Department of Education or the U.S. Department of Education to finance codes 4xx or 5xx.

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.

Code Title and Definition

401 Title I, Part A – Improving the Academic Achievement of the Disadvantaged (Funds 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 ALN 84.010, Title I, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under 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 (ALN 84.010A, Title I, Part D: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under Every Student Succeeds Act (ESSA). Use only with Program Code 216.

414 Title II, Part A – Supporting Effective Instruction (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 (ALN 84.367, Title II, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under 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. (ALN 84.365, Title III, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under 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; ALN 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; ALN 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; ALN 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 (ALN 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; ALN 84.181A).

424 Title V, Part B, Subpart 2 – Rural and Low-Income Schools (Funds 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 (ALN 84.358B, Title V, Part B, Subpart 2: Elementary and Secondary Education Act (ESEA), P.L. 107-110), as reauthorized under 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; ALN 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; ALN 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 educational agency (LEA) has experienced significant disproportionality in special education in specific areas (P.L. 108-446; ALN 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; ALN 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; ALN 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; ALN 84.027).

433 Title IV, Part A – Student Support and Academic Enrichment (Fund 01)

Record revenues and expenditures for the purpose of student support and academic enrichment (ALN 84.424). These federal funds are for improving student academic achievement by increasing the capacity of states, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students.

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. 113-128: ALN 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 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 (ALN 84.365, Title III, Part A: Elementary and Secondary Education Act (ESEA), P.L. 107-110) as reauthorized under 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; ALN 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) (Funds 02 and 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, ALN 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). ALN 84.048.

499 Miscellaneous Federal Revenue Received from the Minnesota Department of Education (Funds 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, ALN 84.060, Elementary and Secondary Education Act of 1965, Title VI, part A, subd. 1).

Payment Description – N/A

514 Title V, Part A – Small, Rural Education Achievement Program Grants (Funds 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 (ALN 84.358, Elementary and Secondary Education Act (ESEA) 20 United States Code (U.S.C) 7101 et seq.) as reauthorized under Every Student Succeeds Act (ESSA).

Payment Description – N/A

599 Miscellaneous Direct Federal Revenue (Funds 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 (Funds 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; ALN 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 (Funds 02 and 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; ALN 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; ALN 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; ALN 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 (ALN 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% 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; ALN 10.559, National School Lunch Act, Section 13).

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

710 Supply Chain Assistance Funding (Fund 02)

Record revenues and expenditures for the Supply Chain Assistance Funding provided by the United States Department of Agriculture (USDA). The funds are intended as an additional financial resource for school districts to purchase domestic unprocessed or minimally processed food products (Memo SP 03-2022; ALN 10.555). Use Source Code 471 for the revenue and Object Codes 490 and 495 for the expenditures.

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 2023, 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 [2024]).

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 [2024] and Minn. Stat. 123B.92, subd. 3 [2024]). 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 [2024]).

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. School districts and the local child welfare agency must have a written interagency agreement that describes the local plan for ensuring educational stability for students placed in foster care. Do not include transportation of students experiencing homeless, students with special education transportation accommodations in their IEPS or children residing in a shelter care facility.

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 [2024]).

Payment Description – N/A

717 Late Activities Bus for Public School Pupils (Funds 01 and 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 2023, 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 [2024]).

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 [2024]).

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 [2024]).

Payment Description – N/A

722 Area Learning Center (ALC) Transportation Aid (Fund 01)

Record expenditures for ALC transportation when a district has been approved for this reimbursement program. For FY 2024 and beyond, the program must provide transportation of pupils to and from an area learning center program established under Minnesota Statutes 2023, section 123A.05 is eligible for state aid to reimburse the additional costs of transportation during the preceding fiscal year (Minn. Stat. 123B.92, subd. 11[2024]]). Do not use Finance Code 722 if the district has not applied and been approved for this new funding.

Payment Description – 01F722 ALC TRANSPORT FY XX

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 [2024]).

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 [2024]).

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 (Funds 01, 02 and 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 [2024], subd. 1 and 123B.36 [2024]).

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 [2024]).

Payment Descriptions – 01F739 OPENRTRANS FY or 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 [2024]).

Payment Description – 01S360 SPEC EDUC FY

742 State – Special Education Separate Sites and Program Aid (Fund 01)

Record revenues and expenditures associated with special education separate sites and program aid under MN Statute 125A.81. These revenues are made available to special education cooperatives, education districts and intermediates. The funding provides an additional $1,689 per ADM based on students served at special education sites whom federal instruction setting is greater than 3. The additional funding may be used for the same purposes as are permitted for state special education aid under section 125A.76.

Payment Description – 01F742 SPEC ED SITES Prgrms FY XX

756 State – Special Student Aid (Fund 01)

Record revenues and expenditures for special education students defined under Minnesota Statutes 2024, section 125A.75 [2024], subdivision 3, which is a special appropriation for the education costs of special education students whose district of residence is defined under Minnesota Statutes 2024, section 125A.17 [2024]. 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 [2024]).

Payment Description – 01F761 NON-SPEC PUPIL FY

Levy Supported Programs (791-799)

Code Title and Definition

791 Projects Funded by Certificates of Participation/Financed Purchase (COP/FP) Agreement with Related Lease Levy Authority (Funds 01 and 06)

Record lease levy and lease financing expenditures in Fund 01 General Fund for the issuance of a COP/FP agreement. The activity in Fund 01 applies to Balance Sheet Code 422, Unassigned Fund Balance. See UFARS Chapter 13 Financial Accounting and Reporting for the COP/FP accounting entries for Fund 01 and Fund 06.

Record proceeds of COP/FP agreements and related expenditures for building projects in Fund 6 Building Construction Fund. The COP/FP agreement is retired with the lease levy authorized under Minnesota Statutes 2024, section 126C.40. The activity in Fund 06 applies to Balance Sheet 413, Restricted/Reserved for Building Projects Funded by Certificates of Participation/Financed Purchase (COP/FP) 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 year's 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 [2024]).

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 [2024]).

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 [2024]).

Payment Description – N/A

795 Capital Projects Levy (Funds 01 and 06)

Record proceeds of the Capital Projects Levy in the General Fund. These funds can be used only for purposes specified in Minnesota Statutes 2024, 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 2023, 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 [2024]).

Payment Description – XXF795 CAP PROJ FY

796 Health Benefits (Funds 01, 02 and 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 [2024]).

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 2024, 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) [2024]).

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 [2024]). 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 (Funds 01, 04 and 18)

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

801/901 Adult Basic Education (ABE) Integrated English Literacy and Civics Education (IELCE) (Fund 04) 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 (ALN 84.002).

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 (ALN 84.002A).

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, ALN 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 2024, section 124D.4531].

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 [2024]]). 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 (ALN 84.326C, Award H326C080056).

848/948 Title I, Part A – School Improvement Grants – Regional Centers (Fund 01)

Record revenues and expenditures for Title I – School Improvement Grants – Regional Centers (ALN 84.010, Title I, Elementary and Secondary Education Act of 1965 (ESEA) P.L. 107-110) as reauthorized under Every Student Succeeds Act (ESSA). This finance code is to be used only with Program Code 216.

849/949 Title I, Part A – 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 (ALN 84.377A, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110).

851/951 Title I, Part A – School Improvement Grants Part II (Fund 01)

Record revenues and expenditures related to Title I – School Improvement Grants – Part II (Minneapolis and St. Paul School Districts) (ALN 84.010, Title I, Elementary and Secondary Education (ESEA) P.L. 107-110) as reauthorized under the Every Student Succeeds Act (ESSA). This finance code is to be used only with Program 216.

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

Record revenues and expenditures for the total amount received in Charter School Federal Title V Start-Up Grant, often referred to as Charter Schools Programs (CSP) grants. Grants are to provide financial assistance for the designing, planning and initial implementation of charter schools; and to evaluate the impact of charter schools on student achievement, families, communities, staff and share best practices between charter schools and other public schools (P.L. 107-110; ALN 84.282. Elementary and Secondary Education Act of 1965 as reauthorized under the Every Student Succeeds Act (ESSA)).

863 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 (ALN 84.011, Title I, Part C: Elementary and Secondary Education Act (ESEA), P.L. 107-110). Use only with Program Code 216.

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

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 2026
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*
301 – Extracurricular Activities	401 – Extracurricular Activities*
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 *
310 – Interdistrict Cooperative Activities	408 – Cooperative Programs *
312 – Literacy Aid	412 – Literacy Aid *
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 * (Fund 01) 464 – Restricted Fund Balance * (Fund 04)
318 – Incentive Revenue	448 – Achievement and Integration Revenue *
319 – Teacher Development and Evaluation Revenue	440 – Teacher Development and Evaluation *
320 – American Indian Education Aid	420 – American Indian Education Aid *
321 – Community Education	431 – Community Education *DA

Finance Code	Balance Sheet Code – Restricted/Reserved for:
322 – State Adult Basic Education	447 – Adult Basic Education *
324 –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
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
335 – Quality Compensation – Alternative Teacher Professional Pay System (Funds 01 and 04)	437 – Quality Compensation – Alternative Teacher Professional Pay System (Funds 01 and 04)
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.
339 – English Learner	439 – English Learner *
340 – Scholarships	402 – Scholarships*
342 – Safe Schools – Revenue	449 – Safe Schools Revenue *DA
343 – School Library Aid	443 – School Library Aid *
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

Finance Code	Balance Sheet Code – Restricted/Reserved for:
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
356 – Literacy Aid	456 – Literacy Aid *
357 – Teacher Compensation for READ Act Training	457 – Teacher Compensation for Read Act Training*
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.
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 *

Finance Code	Balance Sheet Code – Restricted/Reserved for:
372 – Medical Assistance/Third Party Revenue	472 – Medical Assistance *
373 – Student Support Personnel Aid	471 – Student Support Personnel Aid *
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/Financed Purchase (COP/FP) Agreement with Related Lease Levy Authority	413 – Building Projects Funded by Certificates of Participation/Lease Purchase (COP/LP) Agreement with Related Lease Levy Authority (Fund 06) * 422 – Unassigned Fund Balance (Fund 01)
792 – Unfunded Severance and Retirement Levy	4xx – Refer to UFARS Finance code for details.
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

Finance Code	Balance Sheet Code – Restricted/Reserved for:
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	000 (as of FY 2019)

* – 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.

Charter School Requirement to follow Finance Codes and Restricted/Reserved Balance Sheet Codes

Finance Code	Finance Code Title	Funds	Finance Code Required	Restricted/ Reserved Code if Required	Minnesota Statutes
301	Extracurricular Activities	01, 08, 18	Yes	401	123B.49
302	Operating Capital	01	No	May use	126C.10 & 124E.20, Subd. 2
303	Area Learning Center	N/A	Not eligible	N/A	123A.05
304	Contracted Alternative Programs	N/A	Not eligible	N/A	124D.69
305	State-Approved Public Alternative Programs	N/A	Not eligible	N/A	123A.05
310	Interdistrict Cooperative Activities	N/A	Not eligible	N/A	123A.27
311	Telecommunications Access Costs	01 or 04	Yes if an application is filed.	N/A	125B.26
312	Literacy Incentive Aid	01	No	May use	124D.98 and 120B.124
313	Achievement and Integration Aid and Levy	N/A	Not eligible	N/A	124D.862
314	Paraprofessional Training	01 or 04	Yes	N/A	121A.642

Finance Code	Finance Code Title	Funds	Finance Code Required	Restricted/ Reserved Code if Required	Minnesota Statutes
316	General Education Revenue for Staff Development	01	No	May use	122A.60
317	Basic Skills	01	No	May use	126C.10 & 126C.15
318	Incentive Revenue	N/A	Not eligible	N/A	124D.862
319	Teacher Development and Evaluation	01 or 04	Yes	440	122A.414, Subd. 2a-b and 122A.415
320	American Indian Education Aid	01	Yes	420	124D.81
321	Community Education	04	Yes	431	124D.20
322	State Adult Basic Education (ABE)	04	Yes	04-447	124D.531
324	Adult Basic Education Supplemental Services	04	Yes	04-447	124D.522
325	Early Childhood and Family Education	N/A	Not eligible	N/A	142D.11
326	Adults with Disabilities	04	Yes	04-431	124D.56
328	Home Visiting	N/A	Not eligible	N/A	142D.11
330	Learning and Development	01	No	May use	126C.12

Finance Code	Finance Code Title	Funds	Finance Code Required	Restricted/ Reserved Code if Required	Minnesota Statutes
332	After School Enrichment Program	04	No	May use	124D.19
333	Maximum Effort Loan Aid	N/A	Not eligible	N/A	477A.09
335	Quality Compensation – Alternative Teacher Professional Pay System	01 or 04	Yes	437	122A.414, Subd. 2a-b and 122A.415
336	Raised Academic Achievement – Advanced Placement Programs	01	Yes	N/A	120B.132
337-338	Early Learning Scholarships Program – Pathway II & I	04	No, reimbursement	N/A	124D.165
339	English Learner	01	Yes	439	under 124E.03: 124D.48-124D.64
340	Scholarships	01, 08, 18	Yes	402	123B.02
342	Safe Schools – Revenue	01	No, except for FY 20 additional funds.	449	126C.44
343	School Library Aid	01	Yes	443	124D.992

Finance Code	Finance Code Title	Funds	Finance Code Required	Restricted/ Reserved Code if Required	Minnesota Statutes
344	School (Learning) Readiness	01 or 04	Not eligible	N/A	126C.126
346	Iron Range Resources and Rehabilitation Board Taconite Grants	01	Maybe	May use	273.1341
347	Physical Hazards	01	No	No	123B.595
348	Charter School Building Lease Aid	01	Yes	none	124E.22
349	Other Hazardous Materials	01	No	No	123B.595
350	Aid to Nonpublic Pupils - Health Services	N/A	Not eligible	N/A	123B.595
351	Aid to Nonpublic Pupils - Health Services	n/a	Not eligible	N/A	123B.595
352	Environmental Health and Safety Management	01	No	No	123B.595
353	Aid to Nonpublic Pupils – Guidance and Counseling	N/A	Not eligible	N/A	123B.23
354	Early Childhood Screening Program	04	Yes	04-464	121A.16

Finance Code	Finance Code Title	Funds	Finance Code Required	Restricted/ Reserved Code if Required	Minnesota Statutes
355	Voluntary Prekindergarten Remodeling Costs	N/A	Not eligible	N/A	123B.595
356	Literacy Aid	01	Yes	456	124D.98 and 120B.124
357	Teacher Compensation for READ Act Training	01	Yes	457	124D.98 and 120B.124
358	Asbestos Removal and Encapsulation	01	No	No	123B.595
362	Youth Development Service	04	No	No	123B.595
363	Fire Safety	01	No	No	123B.595
364	Hearing Impaired Support Services	01	No	May use	123B.595
366-371	LTFM various finance codes	01	No	No	123B.595
372	Medical Assistance/Third Party Revenue	01	Yes	472	125A.21
373	Student Support Personnel	01	Yes	471	124D.901

Finance Code	Finance Code Title	Funds	Finance Code Required	Restricted/ Reserved Code if Required	Minnesota Statutes
374	Student Support Personnel - Cooperative or Intermediate	N/A	Not eligible	N/A	124D.901
377	Family Services and Mental Health Initiative	01 or 04	No	May use	124D.23
379-384	LTFM various finance codes	01	No	No	123B.595
388	Gifted and Talented	01	No	May use	120B.15
389	School District Lease Levy	N/A	Not eligible	N/A	Charter schools use Fin 348
390	Taconite Revenue for Building Maintenance and Repair	N/A	Not eligible	N/A	298.28

Note: Charter schools are required to follow the entire UFARS manual per Minnesota Statutes 2025, section 123B.77. This document is to detail which restricted/reserved balance sheet codes the charter schools are required to follow.

Finance Dimension Changes – FY 2026

Additions

Account	Description

Deletions

Account	Description
150	American Rescue Plan (ARP) Summer Academic Enrichment and Mental Health (Fund 01) (July 2025)
157	The Governor’s Emergency Education Relief (GEER) II Fund (Funds 01, 02 and 04 (July 2025)
158	American Rescue Plan (ARP) – Homeless I (Fund 01) (July 2025)
159	American Rescue Plan (ARP) – Homeless II (Fund 01) (July 2025)
160	Elementary and Secondary School Education Relief (ESSER) III Fund – 90% Formula Allocation (Funds 01, 02 and 04) (July 2025)
161	Elementary and Secondary School Education Relief (ESSER) III Fund – 90% Learning Loss (Funds 01, 02 and 04) (July 2025)
169	Learning Recovery – Lost Instructional Time (Funds 01, 02 and 04) (July 2025)
624	Title V, Part B, Subpart 2 – Rural and Low-Income Schools (Funds 01 and 04) (July 2025)
633	Title IV, Part A – Student Support and Academic Enrichment (Fund 01) (July 2025)
642	Title III, Part A – Immigrant Grant (Fund 01) (July 2025)
963	Title I, Part C – Education of Migrant Children (Fund 01) (July 2025)
968	Title VIII: Education for Homeless Children and Youths (Fund 01) (July 2025)

Changes

Account	Description
303	Alternative Learning Center (May 2026)
317	Basic Skills (Funds 01 and 04) (May 2026)
343	School Library Aid (Fund 01) (May 2026)

356	Literacy Aid – One Time Funds (Funds 01 and 04) (July 2025)
357	Teacher Compensation for Read Act Training (Funds 01 and 04) (May 2026)
358	Asbestos Removal and Encapsulation (Funds 01 and 06) (July 2025)

Chapter 5 – Object Dimension

The Object Dimension identifies the services or commodities obtained as the result of expenditures (Minn. Stat. 123B.76 [2023]). 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 5% 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/prekindergarten (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 paraprofessionals who must meet qualifications to support instruction in a Title I, Part A program of the Elementary and Secondary Act, or to meet the requirements of IDEA, Code of Federal Regulations, title 34, section 300.156 refer to Object Code 161.

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, peer coaches, quality compensation (Q comp) coordinators, media and resource center coordinators, and librarians. For Early Childhood Family Education (ECFE), school readiness and Adult Basic Education (ABE) program managers or supervisors, see Object Code 120.

	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
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 2024, 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) Code of Federal Regulations, title 34, section 300.156 or Title I, Part A of the Elementary and Secondary Act (see 34 CFR 200.58).

For special education, these costs are reported in SEDRA under Personnel Type Code 08. 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 who do not need to meet the requirements of IDEA, Code of Federal Regulations, title 34, section 300.156, or as instructional paraprofessionals in a Title I, Part A program of the Elementary and Secondary Act (see 34 CFR 200.58), 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 2024, 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 2024, 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, MDE, or licensed by the Minnesota Baord of Behavioral Health and Therapy under Minnesota Statutes 2023, section 148F.025.

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

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

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 2024, sections 465.72 to 465.722, and Teacher Early Retirement Incentive Program under Minnesota Statutes 2024, 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

210 FICA (Federal Insurance Contribution Act)/Medicare

Includes the school district's portion of taxes required by the Federal Insurance Contributions Act.

214 PERA (Public Employees Retirement Association)

Includes the school district's portion of contributions to the Public Employees Retirement Association.

218 TRA (Teachers Retirement Association)

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

219 Minnesota Paid Leave (Funds 01, 02 and 04)

To report expenditures incurred for this program that provides partial wage replacement for time taken off for your own serious health condition, family caregiving, welcoming a new child, and personal safety. For questions, contact Minnesota Department of Employment and Economic Development (DEED).

220 Health Insurance

Include expenditures incurred by the school district for employer-sponsored health insurance premiums and claims 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

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

235 Dental Insurance

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

240 Long-Term Disability Insurance

Include expenditures for long-term disability insurance costs incurred by the district for employees.

250 Tax-Sheltered Annuities/Minnesota Deferred Compensation Plan

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 [2024]).

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 Code of Federal Regulations (C.F.R.)Chapter I, Chapter II, Part 200.431 (Minn. Stat. 471.6175 [2024]). 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 [2024]). 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. Please refer to Object Code 281 Unemployment Compensation – Hourly Workers Over the Summer Term.

281 Unemployment Compensation – Hourly Workers Over the Summer Term

Include expenditures incurred for unemployment compensation for hourly workers over the summer term. Use Finance Code 000 with all expenditures related to this object code.

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 Require 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 C.F.R. Chapter I, Chapter II, Part 200.431 (Minn. Stat. 471.6175 [2024]). 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 2024, 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 [2024]).

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 $50,000)

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 $50,000 of each subaward/subcontract expenditure must use this code. Any amount in excess of $50,000 of each subaward/subcontract must use Object Code 304–Federal Subawards and Subcontracts–Excess (amount over $50,000). 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 $50,000 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 $50,000 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 $50,000)

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 $50,000 of each subaward/subcontract expenditure must use Object Code 303 – Federal Subawards and Subcontracts (amount up to $50,000). Any amount in excess of $50,000 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 $50,000 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 $50,000 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 $50,000.

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 $50,000)

Include expenditures for special education federal tuition bill payments. This code should report only the amount of the cost up to $50,000. Refer to Object Code 309 to record the amount in excess of $50,000 of the cost.

309 Federal Tuition Bill Payments (excess amount over $50,000)

Include expenditures for special education federal tuition bill payments. This code should only report the amount of the cost in excess of $50,000. Refer to Object Code 308 to record the initial $50,000 of the cost.

310 School Resource Officer

Record all costs incurred for the salaries, benefits and transportation costs of peace officers and sheriffs for liaison services in the district's schools under a contract with a local law enforcement agency (Minn. Stat. 126C.44 [2024]). This object code must be used with Finance Code 342 and should also be used with Finance Code 000 for expenditures not funded by categorical programs with a specific finance code.

311 Other Contracted Security Services

Record all costs incurred for the salaries, benefits and transportation costs of other contracted security services in the district's school (Minn. Stat. 126C.44 [2024]). This object code must be used with Finance Code 342 and should also be used with Finance Code 000 for expenditures not funded by categorical programs with a specific finance code.

315 Repairs, Maintenance and Service Agreements for Computers, Technology and Software

Expenditures for repairs, maintenance and service agreements for technology equipment and software that are not directly provided by school district personnel. This includes ongoing service agreements for technology hardware (e.g., personal computers and servers) and software. For library media center (Program Code 620) expenditures, this section includes repairs, maintenance and service agreements 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.

This will also include repairs, maintenance and service agreements for leases or financed purchases resulting from GASB Statement No. 87 Leases and SBITAs resulting from GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITAs).

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 2024, 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 school building lease aid that include utilities within the lease must record the utilities portion to Object Code 330 Utility Services with Finance Code 000

335 Short-Term Lease Payments or Short-Term Rentals

Record expenditures for the cost of a lease for short-term usage that is not required to be recorded as a long-term liability under GASB 87. This code should also be used for short-term rentals. For example, but not limited to the following: chairs or hall rental for graduation or off-site storage. See Finance Code 389 School District Levy for specific allowable curriculum related activities. The lease or short-term rental **cannot** have the possibility of an extension beyond 12 months.

Please refer to Object Codes 465 Non-Instructional Technology Devices and 466 Instructional Technology Devices for computer hardware. Refer to Object Code 405 Non-Instructional Software Licensing Agreements or Short-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs) or Object Code 406 Instructional Software Licensing Agreements or Short-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs).Note: Due to GASB 87 implementation, please consult with your auditor to determine if the expenditures are short-term or long-term lease or rentals and how to properly record the transactions.

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 $50,000)

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 $50,000. Refer to Object Code 371 to record the initial $50,000 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 $50,000)

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 $50,000. Refer to Object Code 372 to record the initial $50,000 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 $50,000)

Include contracted services only for those educational speech language pathologists who have successfully completed a Higher Learning Commission of North Central Association of Colleges speech-language pathology program or its equivalent as approved by MDE; or a bachelors' degree in the discipline of communication sciences or disorders who meet instruction and field work experience. This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 373 to record the initial $50,000 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 $50,000)

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 $50,000. Refer to Object Code 374 to record the initial $50,000 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 $50,000)

Include contracted services of school nurses (LSN) licensed by MDE. This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 375 to record the initial $50,000 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 $50,000)

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 $50,000. Refer to Object Code 376 to record the initial $50,000 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 $50,000)

Include contracted services of school social workers licensed by MDE. This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 377 to record the initial $50,000 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 $50,000)

Include contracted services of school psychologists licensed by MDE. This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 378 to record the initial $50,000 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 $50,000)

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 $50,000. Refer to Object Code 379 to record the initial $50,000 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 $50,000)

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 $50,000. Refer to Object Code 363 to record the initial $50,000 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 $50,000)

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 $50,000. Refer to Object Code 362 to record the initial $50,000 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 $50,000)

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 2024, section 125A.08 (b). This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 361 to record the initial $50,000 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 $50,000)

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 2024, section 125A.08 (b). This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 359 to record the initial $50,000 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 $50,000)

Include contracted services of foreign language interpreters. This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 358 to record the initial $50,000 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 $50,000)

Include contracted services of certified interpreters for the deaf. This code should report only the amount of the cost in excess of $50,000. Refer to Object Code 357 to record the initial $50,000 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 $50,000)

Include contracted services of certified interpreters for the deaf. This code should report only the amount of the cost up to $50,000. Refer to Object Code 356 to record the amount in excess of $50,000 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 $50,000)

Include contracted services of foreign language interpreters. This code should report only the amount of the cost up to $50,000. Refer to Object Code 355 to record the amount in excess of $50,000 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 $50,000)

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 2024, section 125A.08 (b). This code should report only the amount of the cost up to $50,000. Refer to Object Code 354 to record the amount in excess of $50,000 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 $50,000)

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 ECFE or other early childhood programs. Gas cards are not an allowable expenditure.

For each contract paid for with federal funds, the first $50,000 of the contract should be coded to Object Code 360 and the amount in excess of $50,000 should be coded to Object Code 364.

361 Certified Paraprofessional/Personal Care Assistant Services (amount up to $50,000)

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 2024, section 125A.08 (b)](). This code should report only the amount of the cost up to $50,000. Refer to Object Code 353 to record the amount in excess of $50,000 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 $50,000)

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 $50,000. Refer to Object Code 352 to record the amount in excess of $50,000 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 $50,000)

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 $50,000. Refer to Object Code 351 to record the amount in excess of $50,000 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 $50,000)

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 $50,000 of the contract should be coded to Object Code 360 and the amount in excess of $50,000 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 2024, 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. Driver's education fees or registration costs should be charged here when the district or charter school covers the costs. Transportation costs should be coded to the appropriate transportation code.

371 Physical Therapy Services (amount up to $50,000)

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 $50,000. Refer to Object Code 341 to record the amount in excess of $50,000 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 $50,000)

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 $50,000. Refer to Object Code 342 to record the amount in excess of $50,000 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 $50,000)

Include contracted services only for those educational speech language pathologists who have successfully completed a Higher Learning Commission of North Central Association of Colleges speech-language pathology program or its equivalent as approved by MDE; or a bachelors' degree in the discipline of communication sciences or disorders who meet instruction and field work experience. This code should report only the amount of the cost up to $50,000. Refer to Object Code 343 to record the amount in excess of $50,000 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 $50,000)

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 $50,000. Refer to Object Code 344 to record the amount in excess of $50,000 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 $50,000)

Include contracted services of school nurses (LSN) licensed by MDE. This code should report only the amount of the cost up to $50,000. Refer to Object Code 345 to record the amount in excess of $50,000 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 $50,000)

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 $50,000. Refer to Object Code 346 to record the amount in excess of $50,000 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 $50,000)

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 $50,000. Refer to Object Code 347 to record the amount in excess of $50,000 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 $50,000)

Include contracted services of school psychologists licensed by MDE. This code should report only the amount of the cost up to $50,000. Refer to Object Code 348 to record the amount in excess of $50,000 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 $50,000)

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 $50,000. Refer to Object Code 349 to record the amount in excess of $50,000 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.

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. Also includes payments to other Minnesota School Districts for online courses or interactive television classes.

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)

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 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

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.

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. This may include payments to colleges, agencies, out-of-state districts or software vendors that are providing on-line courses or interactive television classes. 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

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.

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)

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 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

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 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/Cooperative

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.

Include payments made to other Minnesota school districts/cooperatives 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/Cooperative

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.

Include payments made to other Minnesota school districts/cooperatives 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)

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.

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

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.

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 Agreement Purchases or Short-Term Non-Instructional Subscription-Based Information Technology Agreements (SBITAs)

Record expenditures for the purchase of non-instructional software licensing agreements that are under the capitalization threshold or the cost of short-term usage during which a government has a non-cancellable right to use the underlying IT assets. The SBITA cannot have the possibility of an extension beyond 12 months. The expenditures should be coded to the program series where the software is used.

Use Object Code 562 Principal on Long-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs) for SBITAs that exceed 12 months. For other purchases, refer to Object Codes 455 Non-Instructional Technology Supplies and 505 Capitalized Non-Instructional Software. Also see Object Code 401, Supplies and Materials – Non-Instructional, for additional coding. Also see Object Code 315 Repairs, Maintenance and Service Agreements for Computers, Technology and Software.
Note: Due to GASB 96 implementation, please consult with your auditor to determine if the expenditures are short-term or long-term SBITAs and how to properly record the transactions.

406 Instructional Software License Agreement Purchases or Short-Term Instructional Subscription-Based Information Technology Agreements (SBITAs)

Record expenditures for the purchase of instructional software licensing agreements under the capitalization threshold or the cost of short-term usage during which a government has a non-cancellable right to use the underlying IT assets. The SBITA cannot have the possibility of an extension beyond 12 months. These expenditures should be coded to the program series where the software is used.

Use Object Code 564 Principal on Long-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs) for SBITAs that exceed 12 months. For other purchases, Refer to Object Codes 456 Instructional Technology Supplies and 505 Capitalized Instructional Software. See Object Code 401, Supplies and Materials – Non-Instructional, for additional coding. See also Object Code 315 Repairs, Maintenance and Service Agreements for Computers, Technology and Software.

Note: Due to GASB 96 implementation, please consult with your auditor to determine if the expenditures are short-term or long-term SBITAs and how to properly record the transactions.

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 2024, 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 paragraph (a), "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 2024, 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. Include non-individualized expenditures for classroom supplies consumed in the instruction process. This code should be used to purchase ingredients for Family and Consumer Science (FACS) classes.

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 [2024]). 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 406, Instructional Software License Agreements; 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 Chapter 10 *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

Purchased (not a lease) Non-Instructional technology-related supplies include supplies that are typically used in conjunction with technology-related hardware. Some examples that should be reported here are headphones, cases, charging carts, portable chargers, adapters, CDs, flash or jump drives, cables and monitor stands.

Please refer to Object Code 465, Non-Instructional Technology Devices, for non-instructional technology devices purchases or short-term leases that cannot have the possibility of an extension beyond 12 months. Refer to Object Code 555 for capitalized non-instructional technology hardware and Object Code 560 (561) for principal (interest) on long-term computer or technology related hardware leases or financed purchases for SBITAs that exceed 12 months.

456 Instructional Technology Supplies

Purchased (not a lease) Instructional technology-related supplies include supplies that are typically used in conjunction with technology-related hardware. Some examples that should be reported here are headphones, cases, charging carts, portable chargers, adapters, CDs, flash or jump drives, cables and monitor stands.

Please refer to Object Code 466, Instructional Technology Devices, for instructional technology devices purchases or short-term leases that cannot have the possibility of an extension beyond 12 months. Refer to Object Code 556 for capitalized instructional technology hardware and Object Code 560 (561) for principal (interest) on long-term computer or technology related hardware leases or financed purchases for SBITAs that exceed 12 months.

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. Textbook includes a teacher's guide, or other materials that accompany a textbook that a pupil uses when the teacher's edition, teacher's guide, or other teacher materials are packaged physically or electronically with textbooks for student use.

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 2024, 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 2024, section 123B.41, subdivision 3 for definition. This also includes early childhood assessments and development screening instruments.

465 Non-Instructional Technology Devices

Purchase or short-term lease for non-Instructional technology devices with a normal useful life beyond a single reporting period that is not capitalized. The purchase must be the lesser of the capitalization level established by the LEA for non-federal purchases. For federal purchases, the capitalization level is the lesser of the capitalization level established by the LEA or $5,000. The short-term lease cannot have the possibility of an extension beyond 12 months.

Some examples that should be reported here are interactive boards, copiers, servers, network equipment, phone systems and security systems, computers, iPads and chrome books.

Please refer to Object Code 405 for non-instructional software license agreements purchases or short-term non-instructional Subscription-Based Information Technology Arrangements (SBITAs), 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 and Object Code

562 for principal on long-term non-instructional Subscription-Based Information Technology Arrangements (SBITAs).

466 Instructional Technology Devices

Purchase or short-term lease for Instructional technology devices with a normal useful life beyond a single reporting period that is not capitalized. The purchase must be the lesser of the capitalization level established by the LEA for non-federal purchases. For federal purchases, the capitalization level is the lesser of the capitalization level established by the LEA or $5,000. The short-term lease cannot have the possibility of an extension beyond 12 months.

Some examples that should be reported here are interactive boards, copiers, servers, network equipment, phone systems and security systems, computers, iPads and chrome books.

Please refer to Object Code 406 for instructional software license agreements purchases or short-term instructional Subscription-Based Information Technology Arrangements (SBITAs), Object Code 456 for instructional technology supplies, Object Code 506 for capitalized instructional software and Object Code 556 for capitalized instructional technology hardware and Object Code 564 for principal on long-term instructional Subscription-Based Information Technology Arrangements (SBITAs).

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 and Object Code 430, Supplies and Materials – Non-Individualized Instruction.

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 (ALN 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 that equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or $10,000 (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 $10,000) than federal guidelines but not less restrictive (threshold greater than $10,000). The State of Minnesota Guide to Local Government Capital Assets (auditor.state.mn.us/other/GASBTools/capital_asset_guide.pdf).

View the 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

505 Capitalized Non-Instructional Software

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 an acquisition cost that equals or exceeds the capitalization level established by the LEA for non-federal purchases. For federal purchases, the capitalization level is the lesser of the capitalization level established by the LEA or $10,000.

Please refer to Object Code 405 Non-Instructional Software License Agreement Purchases or Short-term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs). See also Object Code 555 Capitalized Non-Instructional Technology Hardware and Object Code 562 Principal on Long-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs).

506 Capitalized Instructional Software

Record expenditures for purchased software used for instructional purposes that meet the capitalization threshold. Software having a useful life of more than one year and an acquisition cost that equals or exceeds the capitalization level established by the LEA for non-federal purchases. For federal purchases, the capitalization level is the lesser of the capitalization level established by the LEA or $10,000.

Please refer to Object Code 406 Instructional Software License Agreement Purchases or Short-term Instructional Subscription-Based Information Technology Arrangements (SBITAs). See also and Object Code 556 Capitalized Instructional Technology Hardware and Object Code 564 Principal on Long-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs).

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 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. For capital leases, refer to Object Code 570 Principal on Long-Term Bulding or Land Leases, Object Code 571 Interest on Long-Term Bulding or Land Leases, Object Code 580 Principal on Long-Term Lease or Financed Purchases and Object Code 581 Interest on Long-Term Lease or Financed Purchases.

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 Long-Term Leases or Financed Purchases

Record the value of the long-term leases or financed purchases, for equipment, vehicles, technology equipment or software. This code must be used only with Object Code 589 (contra account) at the inception of the lease and the activity must equal zero (debit must equal credit).

The value of the lease or financed purchase is recorded as an expenditure in the financial statements.

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 [2024]).

Districts are reminded that Type III school buses must be used more than 50%of the time for transporting pupils before a district can add the vehicle to the eligible inventory (refer to Minnesota Statutes 2024, 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 an acquisition cost that equals or exceeds the capitalization level established by the LEA for non-federal purchases. For federal purchases, the capitalization level is the lesser of the capitalization level established by the LEA or $5,000.

Some examples include network equipment, servers, computers and peripheral equipment, interactive telecommunications equipment, printers, cameras and monitors. Refer to Object Code 455 for Non-Instructional Technology Supplies and Object Code 556 for Capitalized Instructional Technology 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 an acquisition cost that equals or exceeds the capitalization level established by the LEA for non-federal purchases. For federal purchases, the capitalization level is the lesser of the capitalization level established by the LEA or $5,000. .

Some examples include network equipment, servers, computers and peripheral equipment, interactive telecommunications equipment, printers, cameras and monitors. Refer to Object Code 456 for Instructional Technology Supplies and Object Code 555 for Capitalized Non-Instructional Technology Hardware.

560 Principal on Long-Term Computer or Technology Related Hardware Leases or Financed Purchases

Record expenditures for the principal cost of the lease(s) for long-term usage that may or may not result in the ownership of computers or technology related hardware. Record as a long-term lease, if the maximum potential term of the lease exceeds 12 months. Long-term leases for computers and technology related hardware should be coded to the program series where the equipment is used.

Examples of computer or technology related hardware may include the following: computers, ipads, chrome books, interactive boards, copiers, servers, network equipment, phone systems and security systems.

561 Interest on Long-Term Computer or Technology Related Hardware Leases or Financed Purchases

Record expenditures related to the payment of interest of the lease for long-term usage that may or may not result in the ownership of computers or technology related hardware. Long-term leases for computers and technology related hardware should be coded to the program series where the equipment is used.

562 Principal on Long-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs)

Record expenditures for the principal cost of the long-term usage of the SBITA(s). Record as long-term if the maximum potential term of the SBITA exceeds 12 months. Includes the cost of electronic service plans that support and maintain due process documents and special education forms. Long-term SBITAs should be coded to the program series where the software is used.

Use Object Code 563 for interest on long-term Subscription-Based Information Technology Arrangements (SBITAs). For purchases and short-term Subscription-Based Technology Arrangements (SBITAs), refer to Object Code 405 Non-Instructional Software Licensing Agreement Purchases or Short-Term Non-Instructional Subscription-Based Technology Arrangements (SBITAs). Use Object Code 505 for capitalized non-instructional technology software purchases.

563 Interest on Long-Term Subscription-Based Information Technology Arrangements (SBITAs)

Record expenditures related to the payment of interest for long-term usage for the SBITA(s). Record as a long-term if the maximum potential term of the SBITA exceeds 12 months. Long-term SBITAs should be coded to the program series where the software is used.

564 Principal on Long-Term for Instructional Subscription-Based Information Technology Arrangements (SBITAs)

Record expenditures for the principal cost for long-term usage of the SBITA(s). Record as long-term if the maximum potential term of the SBITA exceeds 12 months. Long-term SBITAs should be coded to the program series where the software is used.

Use Object Code 563 for interest on long-term Subscription-Based Information Technology Arrangements (SBITAs). For purchases and short-term Subscription-Based Technology Arrangements (SBITAs), refer to Object Code 406 instructional Software Licensing Agreement Purchases or Short-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs). Use Object Code 506 for capitalized instructional technology software purchases.

570 Principal on Long-Term Building or Land Leases

Record expenditures for the principal cost of the lease(s) for long-term usage that does not result in the ownership of the building or land (Minn. Stat. 126C.40 [2024]).

Charter Schools must use this code to record the amount of the building lease. Charter schools must use Finance Code 348 with Program Code 850 (Minn. Stat. 124E.13 and Minn. Stat. 124E.22 [2024]).

571 Interest on Long-Term Building or Land Leases

Record expenditures related to the payment of interest of the lease(s) for long-term usage that does not result in the ownership of the building or land (Minn. Stat. 126C.40 [2024]).

Charter Schools must use this code to record interest on the building lease. Charter schools must use Finance Code 348 with Program Code 850 (Minn. Stat. 124E.13 and Minn. Stat. 124E.22 [2024]).

580 Principal on Long-Term Lease or Financed Purchases

Record expenditures of the principal on outstanding long-term leases and financed purchases. Record as a long-term lease, if the maximum potential term of the lease exceeds 12 months.

Please refer to Object Code 560 for computer or technology related hardware, Object Code 570 for building or land, Object Code 582 for direct instruction of special education students and Object Code 583 for vehicles used for special education students.

581 Interest on Long-Term Lease or Financed Purchases

Record expenditures related to payment of interest on long-term leases or financed purchases. Please refer to Object Code 561 for computer or technology related hardware and Object Code 571 for building or land.

582 Principal on Long-Term Lease or Financed Purchases Used for Direct Instruction of Special Education Students

Record expenditures of the principal on outstanding long-term leases or financed purchases used for direct instruction of special education students. Record as a long-term lease, if the maximum potential term of the lease exceeds 12 months.

To record the interest expenditures, please use Finance Code 000 and refer to Object Code 561 for computer or technology related hardware and Object Code 581 for other types of equipment.

583 Principal on Long-Term Lease or Financed Purchases Used for Vehicles Used for Special Education Students

Record expenditures of the principal on outstanding long-term leases or financed purchases used for vehicles for special education students. Record as a long-term lease, if the maximum potential term of the lease exceeds 12 months.

To record the interest expenditures, please use Finance Code 000 and refer to Object Code 561 for computer or technology related hardware and Object Code 581 for other types of equipment.

589 Long-Term Lease Transactions or Financed Purchases (Fund 01 – Other Financing Source)

Used in conjunction with Object Code 535, Long-Term Leases or Financed Purchases, at the inception of the transaction. Record as a long-term lease, if the maximum potential term of the lease exceeds 12 months.

This entry represents a contra-expenditure amount (credit amount) so that the General Fund balance is not affected by the recording of a long-term lease transaction or financed purchases. The value of the lease or financed purchase is recorded as other financing source in the financial statements. The recorded 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 [2024]).

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 [2024]). 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.

Note: For LTFM projects, Object Code 896 can only be used for arbitrage.

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 (Funds 01, 04, 08 and 18)

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. Please use this code with Finance Code 340, Scholarships, and Program Code 960.

899 Miscellaneous Expenditures

Expenditures made for items not otherwise classified. Do not use this object code for chargeback expenditures.

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 O*ther Financing Use* in the financial statements (Minn. Stat. 123B.79 [2024]).

920 Bond Refunding Payments and Certificates of Participation (C.O.P.) Defeasance

Amount paid to bondholders or placed in escrow in connection with refunding resulting in the redemption or defeasance of debt or Certificates of Participation (C.O.P.) defeasance. These expenditures are recorded as an *Other Financing Use* in the financial statements.

Object Dimension Changes – FY 2026

Additions

Account	Description
219	Minnesota Paid Leave (Funds 01, 02 and 04) (July 2025)

Deletions

Account	Description

Changes

Account	Description
141	Non-Licensed Classroom Personnel (July 2025)
161	Certified Paraprofessoinal and Perasonal Care Assistant (July 2025)
303	Federal Subawards and Subcontracts (amount up to $50,000) (July 2025)
304	Federal Subawards and Subcontracts (excess amount over $50,000) (July 2025)
305	Consulting Fees/Fees for Services (July 2025)
308	Federal Tuition Bill Payments (amount up to $50,000) (July 2025)
309	Federal Tuition Bill Payments (excess amount over $50,000) (July 2025)
341	Physical Therapy Services (excess amount over $50,000 (July 2025)
342	Occupational Therapy Services (excess amount over $50,000) (July 2025)
343	Educational Speech/Language Pathologist Services (excess amount over 50,000) (July 2025)
344	Audiologist Services (excess amount over $50,000) (July 2025)
345	Licensed School Nurse Services (excess amount over $50,000) (July 2025)
346	Licensed Nursing Services (excess amount over $50,000) (July 2025)
347	Licensed School Social Worker Services (excess amount over $50,000) (July 2025)
348	Licensed School Psychologist Services (excess amount over $50,000) (July 2025)
349	Qualified Mental Health Professional Services (excess amount over $50,000) (July 2025)
351	Mental Health Behavioral Aide Services (excess amount over $50,000) (July 2025)
352	Mental Health Practitioner Services (excess amount over $50,000) (July 2025)

353	Certified Paraprofessional/Personal Care Assistant Services (excess amount over $50,000) (July 2025)
354	Certified One-to-One Paraprofessional Services (excess amount over $50,000) (July 2025)
355	Foreign Language Interpreter Services (excess amount over $50,000) (July 2025)
356	Interpreter for the Deaf Services (excess amount over $50,000) (July 2025)
357	Interpreter for the Deaf Services (amount up to $50,000) (July 2025)
358	Foreign Language Interpreter Services (amount up to $50,000) (July 2025)
359	Certified One-to-One Paraprofessional Services (amount up to $50,000) (July 2025)
360	Transportation Contracts with Private or Public Carriers (includes federal payments – amount up to $50,000) (July 2025)
361	Certified Paraprofessional/Personal Care Assistant Services (amount up to $50,000) (July 2025)
362	Mental Health Practitioner Services (amount up to $50,000) (July 2025)
363	Mental Health Behavioral Aide Services (amount up to $50,000) (July 2025)
364	Transportation Contracts with Private or Public Carriers Paid with Federal Funds (excess amount over $50,000) (July 2025)
371	Physical Therapy Services (amount up to $50,000) (July 2025)
372	Occupational Therapy Services (amount up to $50,000) (July 2025)
373	Educational Speech/Language Pathologist Services (amount up to $50,000) (July 2025)
374	Audiologist Services (amount up to $50,000) (July 2025)
375	Licensed School Nurse Services (amount up to $50,000) (July 2025)
376	Licensed Nursing Services (amount up to $50,000) (July 2025)
377	Licensed School Social Worker Services (amount up to $50,000) (July 2025)
378	Licensed School Psychologist Services (amount up to $50,000) (July 2025)
379	Qualified Mental Health Professional Services (amount up to $50,000) (July 2025)

Chapter 6 – Source Dimension

The source dimension identifies the origin of revenues received (Minn. Stat. 123B.75 [2024]). 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
625	Insurance Recovery
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	Long-Term Lease Transactions or Financed Purchases (credit/contra expenditure)

Local Sources (001-099)

Code Title and Definition

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 [2024]).

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 [2024]).

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 [2024]).

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 [2024]).

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 [2024]).

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 [2024]).

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 [2024]).

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 [2024]).

018 Taconite Referendum Revenue (Funds 01 and 04)

Record revenue from the county for the Taconite Referendum payment on July 15 (Minn. Stat. 298.28 [2024]).

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, Payments in Lieu of Taxes (PILT) 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 [2024]).

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 [2024]). 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. 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 [2024]).

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 [2024]).

073 Medical Assistance Revenue Received from Minnesota Department of Human Services (Fund 01) for Students Without Disabilities

Record revenue received from billing medical assistance and private insurance providers for students **without disabilities**. This revenue is generated from medical assistance billings as general education revenue at the school district level. Therefore, do not use Finance Code 372 Medical Assistance/Third Party Revenue with this source code.

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 Revenue from Leases or Rentals

Record revenue for the lease of school property for any purpose, including the rental of buildings, land, vehicles and equipment. For districts with outstanding bonds on the real property, the rent, net of expenses, shall be recorded pursuant to Minnesota Statutes 2024, 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 [2024]). 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

201 Endowment Fund Apportionment (Fund 01)

Record the September and March apportionment of the School Endowment Fund (Minn. Stat. 127A.33 [2024]).

Payment Description – 01S201 ENDOWMENT FY

211 General Education Aid (Fund 01)

According to Minnesota Statutes 2023, section 126C.13, subdivision 4, General Education Aid is the sum of the following amounts for fiscal year 2015 and later:

1. 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
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

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 [2024]).

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 [2024]).

Payment Description – XXS227 ABATEMENT FY

229 Disparity Reduction Aid

Record state payments for Disparity Reduction Aid (Minn. Stat. 273.1398, subd. 3 [2024]).

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 [2024]).

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 [2024]).

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 [2024]).

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 [2024]). 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 [2024]). 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 [2024]).

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 [2024]).

Payment Description – 07S309 DEBT SERV FY

317 Long Term Facilities Maintenance (LTFM) State Aid (Funds 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 [2024])
Excess Cost Formula (Minn. Stat. 125A.79 [2024])
Access to Career Technical Education for Students with a Disability (ACTE-SPED) Formula (Minn. Stat. 124D.454 [2024])
Special Education Bus Depreciation Initial Aid (Minn. Stat. 123B.92 [2024])
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. This code should also be used to record Unemployment Insurance.

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 100, 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, 710; 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, Finance Code 706, Fresh Fruit and Vegetable Grant Program and 710 Supply Chain Assistance Funding.

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. The total revenue in this code must equal Object Code 491, Commodities. 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 (Funds 02 and 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 (Funds 02 and 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 (Funds 02 and 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 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). Do not use this code to record Title VII – Impact Aid (Finance Code 175) revenue received from the county; use Source Code 019, Miscellaneous Tax Revenues Paid by County.

550 Federal Emergency Economic Injury Grants (EEIG) (Funds 01, 02 and 04)

Record revenue received from Emergency Economic Injury Grants (EEIG). These grants provided an emergency advance of up to $10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first apply for an EIDL and then request the advance. **The advance does not need to be repaid under any circumstance**. Proceeds from the Federal Economic Injury Disaster Loans (EIDL) must be recorded in Source Code 640.

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 Code 707.

608 Special Function Food Sales (Funds 02 and 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 (Funds 20, 25 and 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) (Funds 01 and 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 (Funds 01 and 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 [2024]).

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.

***Note**:* Please reference the Levy Certification Process webpage and locate the Levy Information System Instructions, page 16 for guidance on other Health and Safety Revenue (Minn. Stat. § 123B.57) reporting for insurance lawsuits recoveries, federal and state grants and utilities rebates relating to Health and Safety projects. These revenues should be reported on Line 10 of the levy system under the **General Fund – Other Health and Safety Revenue** section. Assign the same finance code as the related project. Please send an email to MDE.Facilities@state.mn.us with the dollar amounts so the levy can be reduced. Do not include Health and Safety Levy and Aid revenue, or Petrofund reimbursements.

Sale of Bonds and Loans (631-640)

Code Title and Definition

631 Sale of Bonds (Funds 01, 02, 04, 06, 07 and 47)

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 [2024]). This amount is recorded as *other financing source* in the financial statements.

635 Certificates of Participation (Financed Purchase)

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 [2024]). 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)

Record proceeds received from Debt Service Loans (Minn. Stat. 126C.68 [2024]). 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)

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 2024, section 123B.79. For amounts received by one fund from another fund. This amount is recorded as *Other Financing Source* in the financial statements.

Source Dimension Changes – FY 2026

Additions

Account	Description

Deletions

Account	Description

Changes

Account	Description

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 districts' local use. There are currently several uses:

1. Crosswalks – Example: a district may wish to modify Program Codes 294 and 296 – Boys' Athletics and
2. Girls' Athletics – to designate various sports. In most cases, local codes are to be cross-walked to Course Code 000.
3. Alternative facilities projects – Course codes are used to track alternative facility projects approved by the Minnesota Department of Education (MDE) that cross fiscal years.
4. Federal program set-asides – Use with certain federal finance codes that already have a program, finance and object code designation.
5. 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 2026 equals the "current" federal award year (2024). The current federal award year, 2026, is the calendar year when the federal award was initially awarded (October 1, 2025, to September 30, 2026, forward-funded back to July 1, 2025).

001 Projects That End During the Fiscal Year (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

Record revenues and expenditures for federal funds awarded a year prior to the current state fiscal year. The prior year federal award year, 2025, is the calendar year when the federal award was initially awarded (October 1, 2024, to September 30, 2025, forward-funded back to July 1, 2024).

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, 2024, is the calendar year when the federal award was initially awarded (October 1, 2023, to September 30, 2024, forward-funded back to July 1, 2023).

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, 2022, is the calendar year when the federal award was initially awarded (October 1, 2022, to September 30, 2023, forward-funded back to July 1, 2022).

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, 2022, is the calendar year when the federal award was initially awarded (October 1, 2021, to September 30, 2022, forward-funded back to July 1, 2021).

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, 2020 is the calendar year when the federal award was initially awarded (October 1, 2020, to September 30, 2021, forward-funded back to July 1, 2020).

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.

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, 2024, is the calendar year when the federal award was initially awarded (October 1, 2023, to September 30, 2024, forward-funded back to July 1, 2023).

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, 2024, is the calendar year when the federal award was initially awarded (October 1, 2023, to September 30, 2024, forward-funded back to July 1, 2023).

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, 2024, is the calendar year when the federal award was initially awarded (October 1, 2023, to September 30, 2024, forward-funded back to July 1, 2023).

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, 2024, is the calendar year when the federal award was initially awarded (October 1, 2023, to September 30, 2024, forward-funded back to July 1, 2023).

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, 2025, is the calendar year when the federal award was initially awarded (October 1, 2024, to September 30, 2025, forward-funded back to July 1, 2024).

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, 2025, is the calendar year when the federal award was initially awarded (October 1, 2024, to September 30, 2025, forward-funded back to July 1, 2024).

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, 2025, is the calendar year when the federal award was initially awarded (October 1, 2024 to September 30, 2025, forward-funded back to July 1, 2024).

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, 2025, is the calendar year when the federal award was initially awarded (October 1, 2024 to September 30, 2025, forward-funded back to July 1, 2024).

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% 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 2021 and later, the 50% MOE reduction will be handled on a district by district basis.

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 2026 equals the “current” federal award year (2026). The current federal award year, 2026, is the calendar year when the federal award was initially awarded (October 1, 2025, to September 30, 2026, forward-funded back to July 1, 2025).

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 2026 equals the “current” federal award year (2026). The current federal award year, 2026, is the calendar year when the federal award was initially awarded (October 1, 2025, to September 30, 2026, forward-funded back to July 1, 2025).

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 2026 equals the “current” federal award year (2026). The current federal award year, 2026, is the calendar year when the federal award was initially awarded (October 1, 2025, to September 30, 2026, forward-funded back to July 1, 2025).

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 2026 equals the “current” federal award year (2026). The current federal award year, 2026, is the calendar year when the federal award was initially awarded (October 1, 2025, to September 30, 2026, forward-funded back to July 1, 2025).

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 that require identifying 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 2026 equals the “current” federal award year (2025). The current federal award year, 2026, is the calendar year when the federal award was initially awarded (October 1, 2025, to September 30, 2026, forward-funded back to July 1, 2025).

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 that require identifying 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, 2025, is the calendar year when the federal award was initially awarded (October 1, 2024, to September 30, 2025, forward-funded back to July 1, 2024).

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 that require identifying 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, 2024, is the calendar year when the federal award was initially awarded (October 1, 2023, to September 30, 2024, forward-funded back to July 1, 2023).

684 Gender-Neutral Single-User Restroom

Record expenditures for remodeling and/or constructing a gender-neutral single-user restroom per Minnesota Statutes 2024, 123B.595, section 10, subdivision 10(a)(4). Must use this course code with Finance Codes 000, 302 Operating Capital or 384 Site Projects.

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 2024, section 123B.595, subdivision 12. The course code is optional beginning with FY 2018.

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 2026

Additions

Account	Description

Deletions

Account	Description

Changes

Account	Description
000	Non-Federal Projects that End During the Current Year or Current Federal Awards (July 2025)
011	Prior Year Federal Awards (July 2025)
012	Second Prior Year Federal Awards (July 2025)
013	Third Prior Year Federal Awards (July 2025)
014	Fourth Prior Year Federal Awards (July 2025)
015	Fifth Prior Year Federal Awards (July 2025)
016-619, 643-666, 670-999	Long-Term Facilities Maintenance (LTFM) Projects (July 2025)
622	LEA Level Activities (Second Prior Year Federal Award) (July 2025)
623	Neglected (Second Prior Year Federal Award) (July 2025)
624	Homeless (Second Prior Year Federal Award) (July 2025)
625	Parent Involvement (Second Prior Year Federal Award) (July 2025)
628	LEA Level Activities (Prior Year Federal Award) (July 2025)
629	Neglected (Prior Year Federal Award) (July 2025)
630	Homeless (Prior Year Federal Award) (July 2025)
631	Parent Involvement (Prior Year Federal Award) (July 2025)
633	Special Education 50% Maintenance of Effort Reduction (Current Year Federal Award (July 2025)
635	LEA Level Activities (Current Year Federal Award) (July 2025)
636	Neglected (Current Year Federal Award) (July 2025)
637	Homeless (Current Year Federal Award) (July 2025)
638	Parent Involvement (Current Year Federal Award) (July 2025)
640	Professional Development (Current Year Federal Award) (July 2025)
641	Professional Development (Prior Year Federal Award) (July 2025)
642	Professional Development (Second Prior Year Federal Award) (July 2025)

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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

Liability Accounts:

Current Liability Accounts (Funds 01-09, and 20)	201-237
Long-Term Liabilities (Fund 20 and Account Group 99)	250-262

Fund Balance Accounts:

Nonspendable	460
Restricted/Reserved	403-417, 424-428, 431-453, 456, 457, 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

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 2024, 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 [2024]).

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)
+	Disparity aid adjustments (negative)
=	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 Long-term Lease Receivable

Represents the amount to be received from a lease in succeeding fiscal years. Record as a long-term lease, if the maximum potential term of the lease exceeds 12 months.

This amount should also be accounted for in the Balance Sheet Code 237, Deferred Inflow of Resources.

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 (Fund 98)

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.

Please refer to Balance Sheet Code 148, Lease Asset, to record land acquired through a long-term lease that is not considered a financed purchase. Do not record these assets in Balance Sheet Code 140.

141 Land Improvements (Fund 98)

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 (Fund 98)

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.

Please refer to Balance Sheet Code 148, Lease Asset, to record equipment acquired through a long-term lease that is not considered a financed purchase. Do not record these assets in Balance Sheet Code 142.

143 Equipment (Fund 98)

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.

Please refer to Balance Sheet Code 148, Lease Asset, to record equipment acquired through a long-term lease that is not considered a financed purchase. Do not record these assets in Balance Sheet Code 143.

148 Lease Asset and Subscription-Based Information Technology Arrangements (SBITAs) (Fund 98)

Represents land, buildings, equipment or Subscription-Based Information Technology Arrangements (SBITAs) acquired through a long-term lease that is not considered a financed purchase.

For more detailed information on the accounting requirements for leases, refer to GASB Statement No. 87, Leases and GASB Statement No. 96 Subscription-Based Information Technology Arrangements.

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

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 Long-Term Leases and Subscription-Based Information Technology Arrangements (SBITAs) (Fund 99)

Record amount to be provided for the long-term lease payable and Subscription-Based Information Technology Arrangements (SBITAs), if the maximum potential term of the lease exceeds 12 months.

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 Amortization on Property and Equipment under Leases (Contra Asset)

Represents the amount of accumulated amortization to date on leased assets included in Balance Sheet Code 148, Lease Asset.

Liability Accounts (200)

Liabilities are defined as the amounts owed by the school district.

Current Liabilities Accounts (201-237)

Code Title and Definition

201 Salaries and Wages Payable (any fund except 07)

Represents salaries and wages for personal services performed but not yet paid.

202 Short-Term Indebtedness

Represents the principal due on short-term certificates issued in anticipation of tax collections and state aids (Minn. Stat. 126C.50-56 [2024]), warrants (Minn. Stat. 123B.12 [2024]), reverse repurchase agreements (Minn. Stat. 118A.05 [2024]), and lines of credits (Minn. Stat. 123B.12 [2024]). See Balance Sheet Code 208 for interest payable.

205 Due to other Funds

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

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

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 2024, 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.

237 Deferred Inflow of Resources

Record deferred inflow of resources.

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 [2024]).

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 [2024]).

254 Long-Term Leases Payable and Subscription-Based Information Technology Arrangements (SBITAs) (Fund 99)

Represents the principal of long-term leases and Subscription-Based Information Technology Arrangements (SBITAs) that are outstanding and unpaid. Represents leases that are longer than twelve months.

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 [2024]).

Note: According to Minnesota Statutes 2025, 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% 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 [2024]). 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 (400-476)

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 us 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

401 Restricted/Reserved for Student Activities (Funds 01, 08 and 18)

Represents the resources available for the extracurricular activity funds raised by students. Activities associated with Finance Code 301 Extracurricular Activities must be restricted in this code (Minn. Stat. 123B.49 [2024]). *This restricted/reserved account is not allowed to go into deficit.*

402 Restricted/Reserved for Scholarships (Funds 01, 08 and 18)

Represents the resources available for the scholarship funds. Activities associated with Finance Code 340 Scholarships must be restricted in this code. *This restricted/reserved account is not allowed to go into deficit.*

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 [2024]). *This restricted/reserve account is not allowed to go into deficit.*

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 2023, 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 [2024]). *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 [2024]). *This restricted/reserved account is not allowed to go into deficit.*

412 Restricted/Reserved for Literacy Incentive Aid (Fund 01)

Represents the resources available to support implementation of evidence-based reading instruction. This code is related to Finance Code 312, Literacy Incentive Aid-Reading to Ensure Academic Development Act (Read) Act (Minn. Stat. 124D.98, subd 5 [2024]). *This restricted/reserved account is not allowed to go into deficit.*

413 Restricted/Reserved for Building Projects Funded by Certificates of Participation/Financed Purchase (COP/FP) Agreement with Related Lease Levy Authority (06)

This account represents the June 30 balance in the building construction fund (Fund 06) for projects funded by certificates of participation/financed purchase agreement with related lease levy authority under Minnesota Statutes 2024, 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 [2024]). *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 [2024]). *This committed account is not allowed to go into deficit.*

420 Restricted/Reserved for American Indian Education Aid (Fund 01)

Represents available resources remaining in the American Indian Education funds. Minnesota Statutes 124B.81, Subd. 2 states "*Notwithstanding section 16A.28, if a school district or Tribal contract school does not expend the full amount of the American Indian education aid in accordance with the plan in the designated fiscal year, the school district or Tribal contract school may carry forward and expend up to* *half of the remaining funds in the first six months of the following fiscal year, and is not subject to an aid reduction if:*

(1) the district is otherwise following the plan submitted and approved under subdivision 2;

(2) the American Indian Parent Advisory Committee for the school is aware of and has approved the carry forward and has concurred with the district's educational offerings extended to American Indian students under section 124D.78;

(3) the funds carried over are used in accordance with section 124D.74, subdivision 1; and

(4) by April 1, the district reports to the Department of Education American Indian education director the reason the aid was not expended in the designated fiscal year, and describes how the district intends to expend the funds in the following fiscal year. The district must report this information in the form and manner determined by the commissioner."

Activities associated with Finance Code 320 American Indian Education must be reserved in this code (Minn. Stat. 124D.81, Subd. 2b [2024]). *This restricted/reserved account is not allowed to go into deficit*.

422 Unassigned Fund Balance (Funds 01, 08, 20, 25 and 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 [2024]). *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 [2024]).

425 Restricted/Reserved for Bond Refunding (Funds 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)[2024]). *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 [2024]). T*his 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 [2024]). 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, 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 [2024]). 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% 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 [2024]). 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 2023, section 124D.68, subdivision 3(d), and Minnesota Statutes, section 124D.69, subdivision 1, school districts must restrict at least 95% 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 Learning Program (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% 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 Alternative Learning Program is used to identify revenues and expenditures against this fund balance account. *This restricted/reserved account is not allowed to go into deficit.*

437 Restricted/Reserved for Quality Compensation – Alternative Teacher Professional Pay System (Funds 01 and 04)

Represents available resources to be used for Quality Compensation – Alternative Teacher Professional Pay System in Finance Code 335 (Minn. Stat. 122A.414-415 [2024]). *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) [2024]]. *This restricted/reserved account is not allowed to go into deficit*.

439 Restricted/Reserved for English Learner (Fund 01)

Represents resources available for English Learner students per Minnesota Statutes 2024, section 124D.59, subd. 2. Related to Finance Code 339, English Learner. *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 2023, 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 [2024]). *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 2024, section 126C.15, subdivision 1. Related to Finance Code 317, Basic Skills (Minn. Stat. 126C.10, subd. 4 [2024]). 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*.

443 Restricted/Reserved for School Library Aid (Fund 01)

Represents the resources available for the school library aid uses listed in Minnesota Statutes 2024, section 134.356, subd. 1. Related to Finance Code 343, School Library Aid. *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 [2024]). 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.*

447 Restricted/Reserved for Adult Basic Education (ABE) (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 [2024]). *This restricted/reserved account is not allowed to go into deficit*.

448 Restricted/Reserved for Achievement and Integration Revenue (Funds 01 and 18)

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 [2024]) 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 Revenue (Fund 01)

The unspent resources available from the safe schools revenue 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 [2024]). *This restricted/reserved account is allowed to go into deficit*.

451 Restricted/Reserved for QZAB and QSCB Payments (Funds 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 [2024]). *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 [2024]). *This restricted/reserved account is not allowed to go into deficit.*

456 Restricted/Reserved for Literacy Aid-One Time Funds (Funds 01 and 04)

Represents resources available for literacy aid for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy. All activity in this account must be related to Finance Code 356 (Minn. Stat. 120B.124, subd. 3 [2024]). *This restricted/reserved account is not allowed to go into deficit.*

457 Restricted/Reserved for Teacher Compensation for READ Act Training (Funds 01 and 04)

Represents resources available for teacher compensation for Read Act training. All activity spent in this account must be related to Finance Code 357 (Minn. Stat. 120B.124, subd. 4 [2024]). *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, 18 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 Code 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 [2024]). Charter schools are not allowed to use this code. *This restricted/reserved account may go into deficit to the extent of future revenue authority.*

471 Restricted/Reserved for Student Support Personnel Aid (Fund 01)

Represents available resources to be used for student support personnel that are in addition to current staff levels. Minnesota Statutes 124D.901 states "*Aid under this paragraph must be reserved in a fund balance that, beginning in fiscal year 2025, may not exceed the greater of the aid entitlement in the prior fiscal year or the fund balance in the prior fiscal year.*"

Activities associated with Finance Code 373 Student Support Personnel Aid must be reserved in this code (Minn. Stat. 124D.901, Subd. 3). *This restricted/reserved account is not allowed to go into deficit*.

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 [2024]). *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 (Funds 01)

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 2026

Additions

Account	Description
219	Charter School Building Lease Payable (Fund 01) (January 2026)

Deletions

Account	Description
258	Emergency Economic Injury Disaster Loans (EIDL) and PPP (Paycheck Protection Program) Loans Payable (99) (July 2025)
459	Restricted/Reserved for Basic Skills Extended Time (July 2025)

Changes

Account	Description
456	Restricted/Reserved for Literacy Aid – One Time Funds (Funds 01 and 04) (July 2025)
467	Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (July 2025)

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
18	Custodial 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)

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 – Student Support and Academic Enrichment
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
271	Remedial Reading and Language Arts
272	Remedial Mathematics
273	Remedial Other Content Area
274	Study Skills Improvement
275	Kindergarten Individualized Instruction
276	Elementary Individualized Instruction

277	Secondary Individualized Instruction
278	Regular School Day – Additional Time and Summer
279	Substantial Parental Involvement
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 Multiple 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
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
715	School Security
716	Drug Abuse Prevention
717	Gang Resistance Education
718	Other School Safety
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) Projects per Site, per Year– Excluding Costs in Program Codes 866, 867 and 868 (Fund 01)

866 Long-Term Facilities Maintenance (LTFM) – $100,000 - $1,999,999.99 per Site, per Year for Finance Codes 358, 363, 366 (Fund 01)
867 Long-Term Facilities Maintenance (LTFM) Projects per Site, Per Year that are Bond Financed (Fund 06)
868 Long-Term Facilities Maintenance (LTFM) Projects per Site, per Year that are $2,000,000 or More per Site, per Year and Financed on a Pay-As-You-Go Basis (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
174 Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received Through Other Local Entities
175 Title VII – Impact Aid
176 Payments in Lieu of Taxes (PILT)

State Supported Programs

301 Extracurricular Activities
302 Operating Capital
303 Area Learning Center
304 Contracted Alternative Programs
305 State-Approved Alternative Learning Program
310 Interdistrict Cooperative Activities
311 Telecommunications Access Costs
312 Literacy Incentive Aid
313 Achievement and Integration Aid and Levy
314 Paraprofessional Training
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	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
339	English Learner
340	Scholarships
342	Safe Schools – Revenue
343	School Library Aid
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 Remodeling Costs
356	Literacy Aid
357	Teacher Compensation for Read Act Training
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
373	Student Support Personnel

374 Student Support Personnel – Cooperative or Intermediate
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
389 School District Lease Levy
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 – Supporting Effective Instruction
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 IEIC 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 School wide Title I
432 Individuals with Disabilities Education Act (IDEA) Part B Section 611 Discretionary Comprehensive System of Personnel Development (CSPD)
433 Title IV, Part A – Student Support and Academic Enrichment
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 MN 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
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
710 Supply Chain Assistance Funding

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
722 Area Learning Center (ALC) Transportation
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)
742 State – Special Education Separate Sites and Programs (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/Financed Purchase (COP/LP)
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 Adult Basic Education (ABE) English Literacy and Civics Education (IELCE) Competitive Allocation
803 ABE Statewide Supplemental Services – Regular Federal Competitive
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 Title I, Part A of ESEA – Improving Basic Programs Operated by LEAs
849 Title I – School Improvement Grant
851 Title I, Part A of ESEA – Improving Basic Programs Operated by LEAs – Part II
859 Title V, Part B – Charter School Federal Grant
863 Title I, Part C – Education of Migrant Children
868 Title VIII Education for Homeless Children and Youths
870 Title I, Part H – School Dropout Prevention, Retention and Graduation Initiative

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)
219 Minnesota Paid Leave
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
281 Unemployment Compensation – Hourly Workers Over the Summer Term
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 $50,000
304 Federal Subawards and Subcontracts – Amount in Excess of $50,000
305 Consulting Fees/Fees for Services
307 Contracted Substitutes for Special Education Programs
308 Federal Tuition Bill Payment (Amount up to $50,000)
309 Federal Tuition Bill Payment (Excess Amount over $50,000)
310 School Resource Officer
311 Other Contracted Security Service
315 Repairs, Maintenance and Service Agreements for Computers, Technology and Software
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
335	Short-Term Lease Payments and Short-Term Rentals
340	Insurance
341	Physical Therapy Services (Excess Amount over $50,000)
342	Occupational Therapy Services (Excess Amount over $50,000)
343	Educational Speech/Language Pathologist Services (Excess Amount over $50,000)
344	Audiologist Services (Excess Amount over $50,000)
345	Licensed School Nurse Services (Excess Amount over $50,000)
346	Licensed Nursing Services (Excess Amount over $50,000)
347	Licensed School Social Worker Services (Excess Amount over $50,000)
348	Licensed School Psychologist Services (Excess Amount over $50,000)
349	Qualified Mental Health Professional Services (Excess Amount over $50,000)
350	Repairs and Maintenance Services
351	Mental Health Behavioral Aide Services (Excess Amount over $50,000)
352	Mental Health Practitioner Services (Excess Amount over $50,000)
353	Certified Paraprofessional/Personal Care Assistant Services (Excess Amount over $50,000)
354	Certified One-to-One Paraprofessional Services (Excess Amount over $50,000)
355	Foreign Language Interpreter Services (Excess Amount over $50,000)
356	Interpreter for the Deaf Services (Excess Amount over $50,000)
357	Interpreter for the Deaf Services (Amount up to $50,000)
358	Foreign Language Interpreter Services (Amount up to $50,000)
359	Certified One-to-One Paraprofessional Services (Amount up to $50,000)
360	Transportation Contracts with Private or Public Carriers (includes federal payments – amount up to $50,000)
361	Certified Paraprofessional/Personal Care Assistant Services (Amount up to $50,000)
362	Mental Health Practitioner Services (Amount up to $50,000)
363	Mental Health Behavioral Aide Services (Amount up to $50,000)
364	Transportation Contracts with Private or Public Carriers Paid with Federal Funds (Excess Amount over $50,000)
365	Interdepartmental Transportation (Allocation)
366	Travel, Conventions and Conferences
368	Federal Reimbursed Out-of-State Travel
369	Entry Fees/Student Travel Allowances
371	Physical Therapy Services (Amount up to $50,000)
372	Occupational Therapy Services (Amount up to $50,000)
373	Educational Speech/Language Pathologist Services (Amount up to $50,000)
374	Audiologist Services Purchased (Amount up to $50,000)
375	Licensed School Nurse Services (Amount up to $50,000)
376	Licensed Nursing Services (Amount up to $50,000)

377 Licensed School Social Worker Services (Amount up to $50,000)
378 Licensed School Psychologist Services (Amount up to $50,000)
379 Qualified Mental Health Professional Services (Amount up to $50,000)
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/Cooperative
397 Benefits Purchased from another District/Cooperative
398 Interdepartmental Services (Chargeback)
399 Purchase of Special Education Contracted Services from another District/Cooperative

Supplies and Materials

401 Supplies and Materials – Non-Instructional
405 Non-Instructional Software Licensing Agreement Purchases or Short-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs)
406 Instructional Software Licensing Agreement Purchases or Short-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs)
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 Software
506 Capitalized Instructional 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 Long-Term Leases or Financed Purchases
548 Pupil Transportation Vehicles
550 Other Vehicles Purchased
555 Capitalized Non-Instructional Technology Hardware
556 Capitalized Instructional Technology Hardware
560 Principal on Long-Term Computer or Technology Related Hardware Leases
561 Interest on Long-Term Computer or Technology Related Hardware Leases
562 Principal on Long-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs)
563 Interest on Long-Term Subscription-Based Information Technology Arrangements (SBITAs)
564 Principal on Long-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs)
570 Principal on Long-Term Building and/or Land Leases
571 Interest on Long-Term Building and/or Land Leases
580 Principal on Long-Term Lease or Financed Purchases
581 Interest on Long-Term Lease or Financed Purchases
582 Principal on Long-Term Lease or Financed Purchases Used for Direct Instruction of Special Education Students
583 Principal on Long-Term Lease or Financed Purchases Used for Vehicles Used for Special Education Students
589 Long-Term Lease Transactions or Financed Purchases (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 and PERA 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 and Certificates of Participation (C.O.P.) Defeasance

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
073 Medical Assistance Revenue Received from Minnesota Department of Human Services For Students Without Disabilities
092 Interest Earnings
093 Revenue from Leases or 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
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 Fiscal Year (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)
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)
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)
633	Special Education 50% Maintenance of Effort Reduction (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)
640	Professional Development (Current Year Federal Award)
641	Professional Development (Prior Year Federal Award)
642	Professional Development (Second Prior Year Federal Award)
684	Gender-Neutral Single-User Restroom

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 Long-Term Lease Receivable

General Fixed Asset Account Group (Fund 20 and 98)

140 Land
141 Land Improvements
142 Buildings
143 Equipment
148 Lease Assets and Subscription-Based Information Technology Arrangements (SBITAs)
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 Long-Term Leases and Subscription-Based Information Technology Arrangements (SBITAs)
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 Leases (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
237 Deferred Inflow of Resources

Long-Term Liabilities

250 Bonds Payable
251 Equipment Notes Payable
252 Capital Improvement Loans Payable
253 Energy Loans Payable
254 Long-Term Lease Payable and Subscription-Based Information Technology Arrangements (SBITAs)
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

401	Restricted/Reserved For Student Activities
402	Restricted/Reserved For Scholarships
403	Restricted/Reserved For Staff Development
407	Restricted/Reserved For Capital Projects Levy
408	Restricted/Reserved For Cooperative Programs
412	Restricted/Reserved For Literacy Incentive Aid
413	Restricted/Reserved For Projects Funded by Certificates of Participation/Financed Purchase (COP/FP) 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
420	Restricted/Reserved For American Indian Education Aid
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 Learning Program
437	Restricted/Reserved For Quality Compensation – Alternative Teacher Professional Pay System
438	Restricted/Reserved For Gifted and Talented
439	Restricted/Reserved For English Learner
440	Restricted/Reserved For Teacher Development and Evaluation
441	Restricted/Reserved For Basic Skills Programs
443	Restricted/Reserved For School Library Aid
444	Restricted/Reserved For School Readiness
447	Restricted/Reserved For Adult Basic Education
448	Restricted/Reserved For Achievement and Integration
449	Restricted/Reserved For Safe Schools Revenue
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
456 Restricted/Reserved For Literacy Aid
457 Restricted/Reserved For Teacher Compensation for Read Act Training
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)
471 Restricted/Reserved For Student Support Personnel Aid
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)

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 the Uniform Financial Accounting and Reporting Standards (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 Number	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	
200	Voluntary Prekindergarten	X	X	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	
211	Secondary Education	X	X	X	X	X	X	X	X		X	
212-218	Instructional Education	X	X	X	X	X	X	X	X		X	
219	English Learners (EL)	X	X	X	X	X	X	X	X		X	910
220-270	Instructional Education	X	X	X	X	X	X	X	X		X	
271-279	Basic Skills	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	
505	General Community Ed	X	X	X		280, 281						
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	
770	Food Services	X	X	X		280, 281					899	
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										
930	Employee Benefits	X	X	X		200-251, 253-280, 282-288, 292-299						

Program Number	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
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 Number	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 Number	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	200-280, 282-299	X	X	X		X	
505-585	Community Service	X	X	X	X	200-280, 282-299	X	X	X		X	X

Program Number	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
590	Other Community Service	X	X	X	X	200-280, 282-299	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 Number	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	200-280, 282-299	X	X	X	X	X	
865-867	Long-Term Facilities Maintenance	X	X	X	X	200-280, 282-299	X	X	X	790	820	910
870	Building Construction	X	X	X	X	200-280, 282-299	X	X	X	X	X	910
910	Retirement of Long-Term Obligations	X	X	X	X	200-280, 282-299	X	X	X	X	X	

Unrestricted – Debt Service Fund 07

Permitted Expenditure Code Grid

Program Number	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 – Trust Fund 8

Permitted Expenditure Code Grid

Program Number	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	200-280, 282-299	X	X	X		X	

Unrestricted – Custodial Fund 18

Permitted Expenditure Code Grid

Program Number	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	200-280, 282-299	X	X	X		X	

Unrestricted – Internal Service Fund 20

Permitted Expenditure Code Grid

Program Number	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	200-280, 282-299	X	X	X	X	X	X
050, 201-929, 931-960	All Programs as Enumerated	X	X	X	X	200-280, 282-299	X	X	X	X	X	X

Unrestricted – Postemployment Benefits Revocable Trust Fund 25

Permitted Expenditure Code Grid

Program Number	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 Number	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 Number	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 Number	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	200-280, 282-299	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

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 [2024])

No.	Activity	Organization	Program	Object
1.	Acquire Land	005	850	510
2.	Acquire, Construct Buildings	001-999	850	520, 580 and 581
3.	Rent or Lease Buildings	001-999	010-270, 291-712, 720-760, 790-850, 870-999	535, 570, 571, 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 for Energy Conservation or Douglas Johnson Economic Protection Trust Fund	001-999	850	730, 740
15.	Purchase or Lease Interactive Telecommunications Equipment	001-999	010-270, 291-712, 720-760, 790-850, 870-999	535, 555, 556, 560-561, 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	010-270, 291-712, 720-760, 790-999	316
18.	Purchase or Lease Computers and Related Materials, Copying Machines and Other Non-Instructional Equipment	001-999	010-270, 291-712, 720-770, 790-850, 870-999	335, 405-406, 465, 505-506, 530, 535, 555, 560-561, 562-564, 580, 581, 589
19.	Purchase or Lease Equipment for Instructional Programs	001-999	010-270, 291-712, 720-760, 790-850, 870-999	335, 466, 530, 535, 556, 560-561, 580, 581, 589
20.	Purchase Textbooks	001-999	201-499	460
21.	Purchase Library Media Sources or Technology	001-999	620	470 and 506

No.	Activity	Organization	Program	Object
22.	Purchase Vehicles	001-999	010-270, 291-712, 720-760, 790-850, 870-999	535, 548, 550, 580, 581, 589
23.	Purchase or Lease Telecommunications	005	108	335, 530, 535, 555-556, 560-561, 562-564, 580, 581, 589
	Purchase or Lease Telecommunications (line 23 continued)	001-999	630	335, 530, 535, 555-556, 560-561, 562-564, 580, 581, 589
24.	Technology Coordinator	005	108	110, 170, 185, 186, 199, 201-280, 289-291, 299, 305
	Technology Coordinator (line 24 continued)	001-999	630	110, 170, 185, 186, 199, 201-280, 289-291, 299, 305
25.	Costs Associated with Closing a School Facility	001-999	850	305
26.	Supplies and Equipment for Student's Menstrual Products	001-999	720	401
27.	Supply Opiate Antagonists	001-999	720	401

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 2022, section 123B.58.

Permitted Code Combinations for Finance Code 342 – Safe Schools Revenue (Minn. Stat. 126C.44, subd. (a) [2024])

No.	Activity	Organization	Program	Object
1.	Contracts for peace officers and sheriffs for liaison in services	001-999	715	310, 311
2.	Drug abuse prevention programs in **elementary** schools (i.e., DARE)	001-999	716	140, 143, 144, 168, 170, 185, 186, 195, 200-280, 289-299, 310, 311, 360, 365, 366, 401, 430
3.	Gang resistance education training curriculum	001-999	717	140, 143, 144, 168, 170, 185, 186, 195, 200-280, 289-299, 310, 311, 360, 365, 366, 401, 430
4.	Security in the district's schools and on school property	001-999	715	168, 170, 185-186, 200-280, 289-299, 315, 320, 366, 405, 455, 535, 562-563, 589
5.	Costs for other crime, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district (Other school safety expenditures not included in program codes 710, 712, 715, 716, 717, 720, 730 or 740)	001-999	718	310, 311, 360, 365, 366, 401, 406, 430, 535, 563-564, 589
6.	Costs for the following licensed school staff: counselors, nurses, social workers, psychologists, alcohol and chemical dependency counselors; and purchased services to help provide early responses to problems	001-999	710, 712, 720, 730, 740	154, 155, 156, 157, 158, 160, 165, 169, 185, 199, 200-280, 289-299, 345-349, 352, 362, 366, 375-379
7.	Facility and school bus security enhancements	001-999	715	319, 465, 505, 520-530, 532, 535, 555, 560-561, 562-563, 580-581, 589
8.	Costs for improving the school climate (Other school safety expenditures not included in program codes 710, 712, 715, 716, 717, 720, 730 or 740)	001-999	718	310, 311, 360, 365, 366, 401, 430
9.	Costs for colocating and collaborating with mental health professionals who are not district employees or contractors (Other school safety expenditures not included in program codes 710, 712, 715, 716, 717, 720, 730 or 740)	001-999	718	310, 311, 360, 365, 366, 401, 430
10.	Costs of cybersecurity measures, including updating computer hardware and software, other system upgrades and cybersecurity insurance.	001-999	715	319, 340, 465, 505, 535, 555, 560-563, 589

Balance Sheet Account 449 Restricted/Reserved for Safe Schools Revenue

Permitted Code Combinations Basic Skills; Compensatory Education Revenue (Minn. Stat. 126C.15, subd. 1 [2024]) – Finance Code 317

No.	Activity	Organization	Program	Object
1.	Remedial instruction and **necessary materials** in reading, language arts, mathematics, other content areas or study skills to improve the achievement level of these learners	001-999	271, 272, 273, 274	140, 141, 143, 144, 145, 146, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 335, 366, 394, 396, 397, 406, 430, 433, 456, 460, 466, 506, 535, 556, 563-564, 589
2.	Additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner rations, or team teaching	001-999	275, 276, 277	140, 141, 143, 144, 145, 146, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 366, 394, 396, 397
		001-999	400 401-416	140, 143-146, 150-166, 168-170, 172-176, 185-186, 199, 210-251, 270-280, 299, 307, 366, 369, 394, 396-397, 399
		001-999	420	143-146, 150-151, 153-166, 168-170, 172-176, 185-186, 199, 210-251, 270-280, 299, 307, 366, 369, 394, 396, 397
			422	140, 143, 151-152, 156-157, 159, 161-163, 165, 175-176, 199, 210-251, 270, 270, 299, 394, 396-397
3.	A longer school day or week during the regular school year or through a summer program	001-999	278	140, 141, 143, 144, 145, 146, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 360, 365, 366, 394, 396, 397
4.	Programs to reduce truancy; provide counseling services; guidance services, and social work services; and provide coordination for pupils receiving services from other governmental agencies	001-999	710, 712, 730, 740,	110, 156, 157, 158-160, 165, 169, 170, 175, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 347-349, 351-352, 362-363, 366, 377-379, 390, 391, 392, 394-397
		001-999	400, 401-416, 420	305, 391-393
			422	305
5.	Bilingual programs, bicultural programs, and programs for English learners – see also Finance Code 339 English Learner	001-999	219	110, 140, 141, 143, 144, 145, 146, 161, 163, 170, 175, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 320, 329, 335, 355, 358, 360, 365, 366, 369, 390, 391, 394, 395, 396, 397, 401, 405, 406, 430, 433, 455, 456, 460, 461, 465, 466, 490, 505, 506, 530, 535, 555, 556, 562-564, 589

No.	Activity	Organization	Program	Object
6.	Early education program, parent-training programs, early childhood special education, school readiness programs, kindergarten programs for four-year olds, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten.	001-999	200, 579, 580, 581-582	120, 140, 141, 143, 144, 145, 161, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 360, 365, 366, 394, 401, 406, 430, 433, 456, 466, 506, 535, 556, 563-564, 589
			412	120, 140, 141, 143, 144, 145, 161, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 360, 365, 366, 394, 401, 406, 430, 433, 456, 466, 506, 533, 535, 556, 563-564, 589
7.	Transition programs operated by school districts for special education students until the age of 22	001-999	400 401-411, 414-416	140, 143-146, 150-166, 168-170, 172-176, 185-186, 199, 210-251, 270-280, 299, 305, 307, 315, 335, 350, 366, 369, 392-394, 396-397, 399, 406, 433, 456, 466, 506, 533, 556, 564
		001-999	420	143-146, 150-151, 153-166, 168-170, 172-176, 185-186, 199, 210-251, 270-280, 299, 305,307, 315, 335, 350, 366, 369, 392-394, 396-397, 406, 433, 456, 466, 506, 533, 556, 564
8.	Substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian. (Excluding parent involvement activities associated with early learning programs under paragraph 6 above.)	001-999	279	110, 140, 141, 143, 144, 156, 157, 158, 159, 160, 161, 163, 164, 165, 169, 170, 175, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 316, 320, 329, 335, 347, 348, 349, 351, 352, 353, 355-358, 360, 361, 362, 363, 365, 366, 377-379,390-392, 394-397, 401, 406, 430, 456, 466, 490
9.	Professional development for teachers on meeting the needs of English learners, using assessment tools and data to monitor student progress, and reducing the use of exclusionary discipline, and training for tutors and staff in extended day programs to enhance staff's knowledge in content areas.	001-999	640	110, 143, 144, 145, 146, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 366, 401, 490

Balance Sheet Account 441 Restricted/Reserved for Basic Skills and Balance Sheet

FIN	Description	Funds	Org	Programs	Object
174	Other Coronavirus Aid, Relief, Economic Security Act (CARES Act) Funding Received Through Local Entities	01	001-999	010-050 Administration 105-120 District Support Services 200-270 Elem and Sec Reg Inst'n 301-399 Voc Ed Instruction 400-422 Spec Ed Instruction 605-640 Inst'n Support Services 710-712, 720-790 Pupil Support 805-850 Sites and Buildings	110-191, 199-280, 289-291, 299-304, 306-309, 315-379, 381-389, 401-535, 548-560, 562, 564, 580, 582-590, 820, 898-899
174	Other Coronavirus Aid, Relief, Economic Security Act (CARES Act) Funding Received Through Local Entities	02	001-999	770 Food Services	110, 170, 173,174, 185-280, 289-304, 315-340, 350, 365, 366, 398, 401-405, 440, 455, 465, 490-499, 505, 520-530, 535, 550-555, 560, 580, 589, 590, 820, 899
174	Other Coronavirus Aid, Relief, Economic Security Act (CARES Act) Funding Received Through Local Entities	04	001-999	505-590 Community Education	110-191, 199-280, 289-291, 299-304, 306-309, 315-379, 381-389, 401-535, 550-560, 562, 564, 580, 589-590, 820, 898-899
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 710-712, 720-790 Pupil Support 805-850 Sites and Buildings	110-191, 199-280, 289-291, 299-304, 306-309, 315-379, 381-389, 401-535, 548-560, 562, 564, 570, 580, 582-590, 810-898
175	Title VII – Impact Aid	06	001-999	810-850 Sites and Buildings	100-280, 289-599 and 810-899

FIN	Description	Funds	Org	Programs	Object
176	Payments in Lieu of Taxes (PILT)	01	001-999	010-050 Administration 105-120 District Support Services 200-270 Elem and Sec Reg Inst'n 301-399 Voc Ed Instruction 400-422 Spec Ed Instruction 605-640 Inst'n Support Services 710-712, 720-790 Pupil Support 805-850 Sites and Buildings	110-191, 199-280, 289-291, 299-304, 306-309, 315-379, 381-397, 399-535, 548-590, 810-898
301	Extracurricular Activities	01	001-999	292 Boys/Girls Athletics 294 Boys Athletics 296 Girls Athletics 298 Extracurricular Activities	305, 315, 329, 335, 350, 357, 358, 360, 365, 366, 369, 401, 405, 455, 465, 490, 505, 530, 555, 820, 899
301	Extracurricular Activities	08	001-999	292 Boys/Girls Athletics 294 Boys Athletics 296 Girls Athletics 298 Extracurricular Activities	305, 315, 329, 335, 350, 357, 358, 360, 365, 366, 369, 401, 405, 455, 465, 490, 505, 530, 555, 820, 899
301	Extracurricular Activities	18	001-999	292 Boys/Girls Athletics 294 Boys Athletics 296 Girls Athletics 298 Extracurricular Activities	305, 315, 329, 335, 350, 357, 358, 360, 365, 366, 369, 401, 405, 455, 465, 490, 505, 530, 555, 820, 899
302	Operating Capital	01	005	010-270, Instructional Programs 291-712 Various Programs 720-760, 790-850 Various Programs 870-999 Various Programs	316
302	Operating Capital	01	005	108 Admin. Technology Services	110, 170, 185-186, 199, 201-280, 289-291, 299, 305, 335, 530, 535, 555-556, 560-561, 562-564, 580-581, 589
302	Operating Capital	01	005	950 Transfers	910

FIN	Description	Funds	Org	Programs	Object
302	Operating Capital	01	001-999	630 Instruction-Related Tech.	110, 170, 185-186, 199, 201-280, 289-291, 299, 305, 335, 530, 535, 555-556, 560-561, 562-564, 580-581, 589
302	Operating Capital	01	001-999	201-298 Elem./Sec. Regular Instr. 301-399 Career and 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	720 Health Services	401
302	Operating Capital	01	001-999	850 Capital Facilities	305, 510, 520, 530, 555-556, 730, 740, 896
302	Operating Capital	01	001-999	010-270 Instructional Programs 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 505-590 Comm. Ed. and Services 605-640 Instructional Support 710-712, 720-760, 770, 790 Pupil Support 810-850 Sites and Buildings 910-960 Fiscal, Other Fixed Costs	335, 405-406, 465-466, 505-506, 530, 535, 548, 550, 555-556, 560-561, 562-564, 570-571, 580-581, 589
303	Area Learning Center	01	005	010-030 Administration 105-120 District Support Services	110-280, 289-309, 315-599, 810-899
303	Area Learning Center	01	001-999	050 School Administration 201-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 810-850 Sites and Buildings 910-960 Fiscal, Other Fixed Costs	110-280, 289-309, 315-599, 810-899

FIN	Description	Funds	Org	Programs	Object
304	Contracted Alternative Programs	01	005	010-030 Administration 105-120 District Support Services	305-309, 315-399
304	Contracted Alternative Programs	01	001-999	050 School Administration 201-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities	305-309, 315-399
305	State-Approved Alternative Learning Program	01	005	010-030 Administration 105-120 District Support Services	110-280, 289-309, 315-599, 810-899
305	State-Approved Alternative Learning Program	01	001-999	050 School Administration 201-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 810-850 Sites and Buildings 910-960 Fiscal, Other Fixed Costs	110-280, 289-309, 315-599, 810-899
310	Interdistrict Cooperative Activities	01	005	010-030 Administration 105-120 District Support Services	110-280, 289-309, 315-599, 810-899
310	Interdistrict Cooperative Activities	01	001-999	050 School Administration 201-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 505-590 Comm. Ed. and Services 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 810-850 Sites and Buildings 910-960 Fiscal, Other Fixed Costs	110-280, 289-309, 315-599, 810-899

FIN	Description	Funds	Org	Programs	Object
311	Telecommunications Access Costs	01	001-999	010-050 School Administration 105-120 District Support Services 201-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 582 Community Ed. and Services 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 810-850 Sites, Buildings and Equipment 910-960	110-280, 289-309, 315-369, 371-379, 381-571, 580-581, 589, 599
311	Telecommunications Access Costs	04	005	505-590 Comm. Ed. and Services	110-280, 289-309, 315-379, 381-599
312	Literacy Incentive Aid	01	001-999	201 Education - Kindergarten 203 Education – Elementary General 211 Education – Secondary General 610 Curriculum Consultant & Dev't 640 Staff Development	110, 140-144, 145, 152, 161-164, 185-186, **199**, 210-251, 270-280, 305, 307, 366, 391, 394, 396-397, 405, **430**, 455, **460**, 465, 505
312	Literacy Incentive Aid	04	001-999	640 Staff Development	110, 120, 140-144, 145, 152, 161-164, 185-186, 210-219, 305, 307, 366, 391, 394, 396-397, 405, 455, 465, 505
313	Achievement and Integration Aid and Levy	01, 18	005	010-030 Administration 105-120 District Support Services	110, 120, 140-146, 156, 163, 165, 170, 175, 185-186, 195-199, 210-251, 270-280, 295-299, 305, 320-329, 335, 358, 360, 365-366, 369, 389-391, 394, 398, 401-433, 455-456, 460-461, 465, 470, 490, 505-506, 535, 555-556, 562-564, 589, 820, 898

FIN	Description	Funds	Org	Programs	Object
313	Achievement and Integration Aid and Levy	01, 18	001-999	050 School Administration 200-203 Elem. Regular Instr. 211-215 Sec. Regular Instr. 220-270 Elem. & Sec. Reg. Instr. 291-298 Co-curricular Activities 301-399 Career and Technical Instr. 605-640 Instructional Support 710-712, 740-760, 790 Pupil Support	110, 120, 140-146, 156, 163, 165, 170, 175, 185-186, 195-199, 210-251, 270-280, 295-299, 305, 320-329, 335, 358, 360, 365-366, 369, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 505-506, 535, 555-556, 562-564, 589, 820, 898
313	Achievement and Integration Aid and Levy	04	001-999	582 School Readiness	120, 140-146, 156, 163, 165, 175, 185-186, 195-199, 210-251, 270-280, 295-299, 305, 320-329, 335, 358, 360, 365-366, 369, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 505-506, 535, 555-556, 562- 564, 589, 820, 898
314	Paraprofessional Training	01, 04	001-999	640 Staff Development	141, 144, 161-162, 186, 210, 214, 219, 270
316	General Education Revenue for Staff Development	01	001-999	010-050 Administration 105-110 District Support Services 200-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 401-420 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support	110-186, 190, 195-280, 295-299, 305, 307, 320-329, 335, 365-366, 389-392, 396-398, 401-405, 455, 465, 470-490, 505, 535, 555, 562-563, 589, 820
317	Basic Skills	01	001-999	200 Voluntary Pre-K 412 Developmentally Delayed	120, 140, 141, 143, 144, 145, 161, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 360, 365, 366, 394, 401, 406, 430, 433, 456, 466, 506, 535, 556, 563-564, 589
317	Basic Skills	04	001-999	579-582 Preschool Programs	120, 140, 141, 143, 144, 145, 161, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 360, 365, 366, 394, 401, 406, 430, 433, 456, 466, 506, 535, 556, 563-564, 589

FIN	Description	Funds	Org	Programs	Object
317	Basic Skills	01	001-999	219 English Learner	110, 140, 141, 143-146, 161, 163, 170, 175, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 320, 329, 335, 355, 358, 360, 365, 366, 369, 390-391, 394-397, 401, 405, 406, 430, 433, 455, 456, 460, 461, 465, 466, 490, 505, 506, 530, 535, 555, 556, 562-564, 589
317	Basic Skills	01	001-999	271-274 Remedial Instruction	140, 141, 143-146, 185-186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 335, 366, 394, 396, 397, 406, 430, 433, 456, 460, 466, 506, 535, 556, 563-564, 589
317	Basic Skills	01	001-999	275-277 Individual Instr.	140, 141, 143-146, 185-186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 366, 394, 396, 397
317	Basic Skills	01	001-999	278 Individual Instr.	140, 141, 143-146, 185-186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 360, 365-366, 394, 396, 397
317	Basic Skills	01	001-999	279 Parental Involvement	110, 140, 141, 143, 144, 156-161, 163-165, 169, 170, 175, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 316, 320, 329, 335, 347-349, 351-353, 355-358, 360-363, 365-366, 377-379, 390-392, 394-397, 401, 406, 430, 456, 466, 490
317	Basic Skills	01	001-999	400 Non-Reimb. Special Education 401-416 Special Education	140, 143-146, 150-166, 168-170, 172-176, 185-186, 199, 210-251, 270, 280, 299, 305, 307, 315, 335, 350, 366, 369, 391-394, 396-397, 399, 406, 433, 456, 466, 506, 533, 556, 564
317	Basic Skills	01	001-999	420 Special Education	143-146, 150-151, 153-166, 168-170, 172-176, 185-186, 199, 210-251, 270, 280, 299, 305, 307, 315, 335, 350, 366, 369, 391-394, 396-397, 399, 406, 433, 456, 466, 506, 533, 556, 564

FIN	Description	Funds	Org	Programs	Object
317	Basic Skills	01	001-999	422 Special Education	140, 143, 151-152, 156-157, 159, 161-163, 165, 175-176, 199, 210-251, 270, 280, 299, 305, 394, 396-397
317	Basic Skills	01	001-999	640 Staff Development	110, 143-146, 185-186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 366, 401, 490
317	Basic Skills	01	001-999	710, 712 Guidance Services 730 Psychological 740 Social Work	110, 156-160, 165, 169, 170, 175, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 347-349, 351-352, 362-363, 366, 377-379, 390, 391, 392, 394-397
318	Incentive Revenue	01, 18	005	010-030 Administration 105-120 District Support Services	110, 120, 140-146, 156, 163, 165, 170, 175, 185-186, 195-199, 210-251, 270-280, 295-299, 305, 320-329, 335, 358, 360, 365-366, 369, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 505-506, 535, 555-556, 562-564, 589, 820, 898
318	Incentive Revenue	01, 18	001-999	050 School Administration 200-203 Elem. Regular Instr. 211-215 Sec. Regular Instr. 220-270 Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 605-640 Instructional Support 710-712, 740-760, 790 Pupil Support	110, 120, 140-146, 156, 163, 165, 170, 175, 185-186, 195-199, 210-251, 270-280, 295-299, 305, 320-329, 335, 358, 360, 365-366, 369, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 505-506, 535, 555-556, 562-564, 589, 820, 898
318	Incentive Revenue	04	001-999	582 School Readiness	120, 140-146, 156, 163, 165, 175, 185-186, 195-199, 210-251, 270-280, 295-299, 305, 320-329, 335, 358, 360, 365-366, 369, 389-391, 394, 398, 401-433, 455-456, 460-461, 465-466, 470, 490, 505-506, 535, 555-556, 562-564, 589, 820, 898

FIN	Description	Funds	Org	Programs	Object
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 and Technical Instr. 401-422 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-740 Pupil Support	110-140, 143, 145, 150-154, 156-158, 160, 165, 167, 169-170, 174, 185, 191-280, 295-299, 305, 316-329, 335, 365-366, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 535, 555, 562-563, 589, 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, 335, 365-366, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 535, 555, 562-563, 589, 820
320	American Indian Education	01	001-999	200-270 Elem./Sec. Regular Instr.	140-144, 170, 175, 185-186, 191, 199, 210-251, 270, 299, 305, 329, 360, 365, 366, 369, 394, 401, 406, 430, 470, 490, 535, 563-564, 589, and 898
320	American Indian Education	01	001-999	605 Instructional Support	110, 175, 185-186, 199, 210-251, 270, 299, 305, 401, 470 and 490
320	American Indian Education	01	001-999	610-640 Instructional Support	141-144, 185-186, 199, 210-251, 270, 299, 305, 366, 401, 470 and 490
320	American Indian Education	01	001-999	710-712 Pupil Support	165, 169-170, 175, 185-186, 199, 210-251, 270, 299, 305, 366, 401, 470 and 490
320	American Indian Education	01	001-999	740 Pupil Support	156, 165, 185-186, 199, 210-251, 270, 299, 305, 366, 401, 470 and 490
320	American Indian Education	01	001-999	790 Pupil Support	141-144, 165, 169-170, 175, 185-186, 199, 210-251, 270, 299, 360, 365-366, 369, 401, 406, 430, 470, 490 and 898
321	Community Education	04	001-999	505-590 Comm. Ed. and Services	110-280, 289-309, 315-599, 740, 810-899

FIN	Description	Funds	Org	Programs	Object
322	State Adult Basic Education	04	001-999	520 Adult Basic/Continuing Ed.	110-146, 156-158, 163-165, 168, 170-170, 175, 185-186, 195, 199-280, 295, 299, 305, 315, 318-340, 343-344, 347-350, 353-360, 365-369, 373-374, 377-378, 389-392, 394-398, 401-433, 440, 455-456, 460-490, 505-506, 530, 535, 555-556, 560, 564, 570, 580, 589, 820
324	GED Testing and Adult Basic Education Supplemental Services	04	001-999	520 Adult Basic/Continuing Ed.	110-146, 156-158, 163-165, 168, 170-170, 175, 185-186, 199-280, 299, 305, 315, 318-340, 343-344, 347-350, 353-360, 365-369, 373-374, 377-378, 389-390, 392, 394-398, 401-433, 440, 455-456, 460-490, 505-506, 530, 535, 555-556, 560, 564, 570, 580, 589 820
325	Early Childhood and Family Education	04	001-999	580 Early Childhood and Family Education	110-146, 154-160, 163-164, 170, 175-176, 185-186, 191, 199, 210-280, 290-291, 299, 305, 315, 318-340, 350, 355, 357-358, 360, 363, 365-366, 369, 376, 378-379, 389, 390-391, 394-398, 401-433, 455-456, 460-461, 465-466, 470-490, 505-506, 530, 535, 555-556, 560-564, 580-581, 589, 820, 898
326	Adults with Disabilities	04	001-999	510 Adults with Disabilities	110-280, 289-309, 315-599, 810-899
328	Home Visiting	04	001-999	580 Early Childhood and Family Education	110-143, 145-146, 154-160, 163-164, 170, 175-176, 185-186, 191, 199-280, 289-291, 299, 305, 315, 320-329, 335, 360, 363, 365-366, 376, 378-379, 389-391, 394-398, 401-433, 455-456, 461, 465-466, 470, 505-506, 535, 555-556, 562-564, 589, 820
330	Learning and Development	01	001-999	200-201 Education – Kindergarten 203 Ed. Elementary – General	140, 195, 199, 210-280, 289-299, 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	110-280, 289-309, 315-599, 810-895, 898
333	Maximum Effort Loan	07	005	910 Retirement of Long-Term Oblig.	710-720, 790

FIN	Description	Funds	Org	Programs	Object
335	Quality Compensation – Alternative Teacher Professional Pay System	01	001-999	010-050 Administration 100-199 District Support Services 200-270Elem./Sec. Regular Instr. 291-298 Co-curricular Activities 301-399 Career and Technical Instr. 600-699 Instr. Support Services 700-712, 720-740 Pupil Support 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, 335, 365-366, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 535, 555, 562-563, 589, 820
335	Quality Compensation – Alternative Teacher Professional Pay System	01	001-999	401-416 Special Ed. Instruction	110, 140, 143, 145-162, 165, 168, 170, 174, 185-186, 191, 199-251, 270-280, 295-299, 305, 307, 320, 329, 335, 365-366, 396-398, 401-406, 455, 465-466, 490, 505-506, 533, 555-556, 562, 564
335	Quality Compensation – Alternative Teacher Professional Pay System	01	001-999	420 Special Ed. Instruction	110, 140, 143, 145-162, 165, 168, 170, 174, 185-186, 191, 199-251, 270-280, 295-299, 305, 307, 320, 329, 335, 365-366, 396-398, 401-406, 455, 465-466, 490, 505-506, 533, 555-556, 562, 564
335	Quality Compensation – Alternative Teacher Professional Pay System	01	001-999	422 Special Education – Students without Disabilities	110, 140, 143, 151-152, 156-157, 165, 191, 199, 210-251, 270-280, 295, 299, 305, 329, 396-398, 401, 405-406, 433, 455-456, 465-466, 505-506, 530, 533, 555-556, 562, 564
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, 335, 365-366, 389-392, 396-398, 401-405, 455, 461-465, 470-490, 505, 535, 555, 562-563, 589, 820

FIN	Description	Funds	Org	Programs	Object
336	Raised Academic Achievement – Advanced Placement Programs	01	001-999	010-050 Administration 100-199 District Support Services 200-270 Elem./Sec. Regular Instr. 291-298 Co-curricular Activities 301-399 Career and Technical Instr. 400-499 Special Ed. Instruction 600-699 Instr. Support Services 700-712, 720-740 Pupil Support 790 Other Pupil Support Serv.	110-280, 289-309, 315-499, 810-898
337	Early Learning Scholarships – Pathway II	04	001-999	581 Prekindergarten 582 School Readiness 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, 345-352, 355-358, 360, 362-363, 365-366, 369, 371-379, 389-391, 394-395, 397-398, 401-433, 455-456, 460-461, 465-466, 470, 490, 495, 505-506, 530, 535, 555-556, 560-564, 570-571, 580-581, 589, 820, 898
338	Early Learning Scholarships – Pathway I	04	001-999	581 Prekindergarten 582 School Readiness 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, 345-352, 355-358, 360, 362-363, 365-366, 369, 371-379, 389-391, 394-395, 397-398, 401-433, 455-456, 460-461, 465-466, 470, 490, 495, 505-506, 530, 535, 555-556, 560-564, 570-571, 580-581, 589, 820, 898
339	English Learner	01	001-999	219 English Learner	110, 140, 141, 143-146, 161, 163, 170, 175, 185, 186, 199, 210, 214, 218, 219, 220-251, 270, 280, 299, 305, 320, 329, 335, 355, 358, 360, 365, 366, 369, 390-391, 394-397, 401, 405, 406, 430, 433, 455, 456, 460, 461, 465, 466, 490, 505, 506, 530, 535, 555, 556, 562-564, 589
340	Scholarships	01, 08 and 18	001-999	960 – Other Nonrecurring Items	898
342	Safe Schools Revenue	01	001-999	710-712 Guidance 720-740 Health and Social Work	154-158, 160, 165, 169, 185, 199, 200-280, 289-299, 345-349, 352, 362, 366, 375-379

FIN	Description	Funds	Org	Programs	Object
342	Safe Schools Revenue	01	001-999	715 School Security	168, 170, 185-186, 200-280, 289-299, 310, 311, 315, 319-320, 340, 366, 405, 455, 465, 505, 520, 530, 532, 535, 555, 560-563, 580-581, 589
342	Safe Schools Revenue	01	001-999	716 Drug Abuse Prevention 717 Gang Resistance Education	140, 143, 144, 168, 170, 185-186, 195, 200-280, 289-299, 310, 311, 360, 365, 366, 401, 430
342	Safe Schools Revenue	01	001-999	718 Other School Security	310, 311, 360, 365, 366, 401, 406, 430, 535, 563-564, 589
343	School Library Aid	01	001-999	620 Library Media Center	143, 144, 199, 210-280, 289-291, 299, 305, 315, 316, 366, 396, 397, 401, 405, 455, 465, 470, 505, 530, 535, 555, 560-563
344	School Readiness	01	001-999	581 Prekindergarten 582 School Readiness	110-146, 150-160, 163-165, 170, 175-176, 185-186, 191, 199, 210-280, 289-291, 299, 305, 315, 320-340, 345-348, 350-352, 355, 357-358, 360, 362-363, 365-366, 369, 371-379, 389-391, 394-395, 397-398, 401-433, 455-456, 460-461, 465-466, 470, 490, 495, 505-506, 520-530, 535, 555-556, 560-564, 580- 581, 589, 820, 898
344	School Readiness	04	001-999	581 Prekindergarten 582 School Readiness	110-146, 150-160, 163-165, 170, 175-176, 185-186, 191, 199, 210-280, 289-291, 299, 305, 315, 320-340, 345-348, 350-352, 355, 357-358, 360, 362-363, 365-366, 369, 371-379, 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, 560-564, 580-581, 589, 820, 898
346	Iron Range Resources and Rehabilitation Board Grants	01	001-999	211 Education Secondary General 810 Operations and Maintenance 850 Facilities	110-280, 289-309, 315-599, 810-899
347	Physical Hazards	01	001-999	865 LTFM, Excluding Costs in Program Codes 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 910

FIN	Description	Funds	Org	Programs	Object
347	Physical Hazards	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 910
348	Charter School Building Lease Aid	01	001-999	850 Facilities	335, 570, 571, 896
349	Other Hazardous Materials	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 910
349	Other Hazardous Materials	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 910
350	Aid to Nonpublic Pupils – Health Services	04	001-004, 006-999	590 Other Community Programs 720 Health Services	143-144, 154-155, 170, 195, 199, 210-280, 289-299, 305, 320, 330, 335, 345-346, 350, 366, 375-376, 398, 401-405, 455, 465, 530, 535, 555, 560-561, 580, 581, 589, 895
351	Aid to Nonpublic Pupils – Textbooks and Tests	04	001-004, 006-999	590 Other Community Programs	398, 406, 430-433, 460-461, 466, 895
352	Environmental Health and Safety Management	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 535, 562-563, 589-590, 790, 820, 910
352	Environmental Health and Safety Management	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 535, 562-563, 589-590, 790, 820, 910
353	Aid to Nonpublic Pupils – Guidance and Counseling	04	001-004, 006-999	590 Other Community Programs 710 SEC. Counseling and Guidance	110, 143-144, 146, 165, 170, 185-280, 289-299, 305, 320, 330, 335, 350, 366, 398, 401-405, 455, 465, 530, 535, 555, 560-561, 580-581, 589, 895

FIN	Description	Funds	Org	Programs	Object
354	Early Childhood Screening Program	04	001-999	583 Preschool Screening	110-146, 150-160, 163-165, 170, 175, 185-186, 195, 199, 210-280, 289-299, 305, 315, 320-329, 335,345-348, 350, 355, 357-358, 360, 365-366, 375-379, 390-391, 394, 398, 401-433, 455-456, 461, 465-466, 470, 490, 505-506, 530, 535, 555-556, 560-564, 580-581, 589, 820
355	Voluntary Prekindergarten Remodel	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 820, 910
355	Voluntary Prekindergarten Remodel	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed	110-280, 289-309, 315-520, 590, 790, 820, 910
356	Literacy Aid-One Time Funds	01	001-999	610 Curriculum Consultant & Dev't	110, 140-144, 145, 152, 161-164, 185-186, 199, 210-251, 270-280, 305, 307, 366, **391**, 394, 396-397, 401, 405, 406, 430, 455, 460, 465, 505
356	Literacy Aid-One Time Funds	01	001-999	640 Staff Development	110, 140-144, 145, 152, 161-164, 185-186, 199, 210-251, 270-280, 305, 307, 366, 394, 396-397, 401, 405, 455, 465, 505
356	Literacy Aid-One Time Funds	04	001-999	640 Staff Development	110, 120, 140-144, 145, 152, 161-164, 185-186, 199, 210-251, 270-280, 305, 307, 366, 394, 396-397, 401, 405, 455, 465, 505
357	Teacher Compensation for Read Act Training	01	001-999	640 Staff Development	185, 195, 210, 218, **219**, 366, 401, 405, 455, 465, 505
357	Teacher Compensation for Read Act Training	04	001-999	640 Staff Development	185, 195, 210, 218, **219**, 366, 401, 405, 455, 465, 505
358	Asbestos Removal and Encapsulation	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868 866 LTFM – $100,000 to $1,999,999 Per Site, Per Year for Finance Codes 358, 363 and 366	110-280, 289-309, 315-520, 590, 790, 820, 910

FIN	Description	Funds	Org	Programs	Object
358	Asbestos Removal and Encapsulation	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 910
362	Youth Development/Youth Services	04	005	585 Youth Development	110-280, 289-309, 315-599, 810-895
363	Fire Safety	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868 866 LTFM – $100,000 to $1,999,999 Per Site, Per Year for Finance Codes 358, 363 and 366	110-280, 289-309, 315-520, 590, 790, 910
363	Fire Safety	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 910
364	Hearing Impaired Support Services	01	001-999	301-399 Career and Technical Instr.	110-280, 289-309, 315-599, 810-899
364	Hearing Impaired Support Services	04	001-999	505-590 Community Ed. and Serv.	110-280, 289-309, 315-599, 810-899
366	Indoor Air Quality	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868 866 LTFM – $100,000 to $1,999,999 Per Site, Per Year for Finance Codes 358, 363 and 366	110-280, 289-309, 315-520, 590, 790, 820, 910
366	Indoor Air Quality	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 896, 910
367	Accessibility	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 820, 910

FIN	Description	Funds	Org	Programs	Object
367	Accessibility	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 910
368	Building Envelope (Excluding Roof)	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 820, 910
368	Building Envelope (Excluding Roof)	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 910
369	Building Hardware and Equipment	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-280, 289-309, 316-461, 470-520, 590, 820, 910
369	Building Hardware and Equipment	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 316-461, 470-520, 590, 820, 910
370	Electrical	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 316-461, 470-520, 590, 820, 910
370	Electrical	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 316-461, 470-520, 590, 820, 910
371	Taconite $25 Restricted/Reserved	01	001-999	412 Developmentally Delayed 605 General Instructional Support	110-280, 289-309, 315-599, 810-899

FIN	Description	Funds	Org	Programs	Object
371	Taconite $25 Restricted/Reserved	04	001-999	579 Preschool – Instructional 580 Early Childhood and Family Education 581 Prekindergarten 582 School Readiness	110-280, 289-309, 315-599, 810-899
372	Medical Assistance/Third Party Revenue	01	001-999	400 Special Education Instr.	110, 166, 170, 199-280, 295, 299, 305, 308-309, 315-329, 340, 360, 365-368, 389, 390-392, 396-397, 401-405, 455, 465, 470, 490, 505, 520, 530, 532, 555, 562, 570, 583
372	Medical Assistance/Third Party Revenue	01	001-999	401-416 Special Education Instr.	110, 140, 143-165, 168-170, 172-186, 191, 195-251, 270-280, 295-299, 305, 307, 315, 320-329, 335, 340, 350, 365-366, 369, 392-394, 396-399, 401-406, 433, 455-456, 465-466, 490, 505-506, 530, 533, 555-556, 560, 562, 564, 582-583, 820, 898
372	Medical Assistance/Third Party Revenue	01	001-999	420 Special Education Instr.	110, 143-151, 153-165, 168-186, 191, 195, 199, 210-251, 270-280, 295-299, 305, 307, 315, 320-329, 335, 340, 350, 365-366, 369, 379, 392-394, 396-399, 401, 405-406, 433, 455-456, 465-466, 490, 505-506, 530, 533, 548, 555-556, 560, 562, 564, 582, 820, 898
373	Student Support Personnel Aid	01	001-999	710-712 Counseling and Guidance 720 Health Services 730 Psychological and Health Services 740 Social Work Services	154, 156-157, 165, 169, 185, 199, 210-280, 290-291, 299, 316, 345, 347-348, 366, 375, 377-378, 396-397
374	Student Support Personnel Aid – Cooperative or Intermediate	01	001-999	710-712 Counseling and Guidance 720 Health Services 730 Psychological and Health Services 740 Social Work Services	154-156, 157, 165, 169, 185, 199, 210-280, 290-291, 299, 316, 345, 347-348, 366, 375, 377-378, 396-397

FIN	Description	Funds	Org	Programs	Object
377	Family Service and Mental Health Initiatives	01	005	105-110 District Support Services	110-280, 289-309, 315-499, 810-899
377	Family Service and Mental Health Initiatives	01	001-999	200-211 Elem./Sec. Regular Instr. 710-760, 790 Pupil Support Serv.	110-280, 289-309, 315-499, 810-899
377	Family Service and Mental Health Initiatives	04	005	505, 590 Community Education	110-280, 289-309, 315-499, 810-899
379	Interior Surfaces	01	001-999	865 LTFM, Excluding Costs in Programs 866 and 867	110-280, 289-309, 315-520, 590, 790, 820, 910
379	Interior Surfaces	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 910
380	Mechanical Systems	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 820, 910
380	Mechanical Systems	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 910
381	Plumbing	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 820, 910
381	Plumbing	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 910
382	Professional Salaries and Services	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 535, 562-563, 589, 790, 820, 910

FIN	Description	Funds	Org	Programs	Object
382	Professional Salaries and Services	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 535, 562-563, 589, 790, 820, 910
383	Roofing Systems	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 820, 910
383	Roofing Systems	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 910
384	Site Projects	01	001-999	865 LTFM, Excluding Costs in Programs 866, 867 and 868	110-280, 289-309, 315-520, 590, 790, 820, 910
384	Site Projects	06	001-999	867 LTFM Projects Per Site, Per Year that are Bond Financed 868 LTFM Projects Per Site, Per Year that are $2,000,000 or More and Financed on a Pay-As-You-Go Basis	110-280, 289-309, 315-520, 590, 790, 820, 896, 910
388	Gifted and Talented	01	001-999	218 Gifted and Talented	110-280, 289-309, 315-599, 810-899
389	School District Lease Levy	01	001-999	850 Capital Facilities	330, 335, 570-571, 580-581
390	Taconite Revenue used for Building Maintenance and Repair	01	001-999	850 Capital Facilities	110-280, 289-309, 315-898
401	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, 154-161, 163, 165, 170, 175-186, 199-280, 299, 303-304, 315, 318, 320-329, 335, 345-352, 355, 358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898

FIN	Description	Funds	Org	Programs	Object
401	Title I, Part A – Improving the Academic Achievement of the Disadvantaged	01	001-999	201 Education – Kindergarten	110, 120, 140-146, 154-161, 163, 165, 170, 175-186, 199-280, 299, 303-304, 315, 318, 320-329, 335, 345-352, 355, 358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
401	Title I, Part A – Improving the Academic Achievement of the Disadvantaged	04	001-999	579 Preschool – Instructional 581 Prekindergarten	110, 120, 140-146, 154-161, 163, 165, 170, 175-186, 199-280, 299, 303-304, 315, 318, 320-329, 335, 345-352, 355, 358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
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, 120, 140-146, 156-161, 163, 165, 169-170, 175-186, 199-280, 299, 303-304, 315, 318, 320, 329, 335, 345-352, 355, 358, 360, 362-368, 375-379, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895
414	Title II, Part A – Supporting Effective Instruction	01	001-999	204 Improve Teacher Quality	110-120, 140-146, 161, 163, 170, 185-186, 199-280, 299, 303-304, 315, 320, 329, 350, 366-368, 389, 401, 405-406, 455, 465, 470, 505-506, 530, 555, 562, 564, 820, 895
414	Title II, Part A – Supporting Effective Instruction *Program 205 and 505 for use by Reap Districts Only	01	001-999	205 Language Instruction/EL*	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
414	Title II, Part A – Supporting Effective Instruction	01	001-999	206 Student Support & Academic Achievement	110-120, 140-146, 154-161, 163, 165, 168-170, 175-176, 185-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898

FIN	Description	Funds	Org	Programs	Object
414	Title II, Part A – Supporting Effective Instruction	01	001-999	207 Innovative Programs	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
414	Title II Part A – Supporting Effective Instruction	01	001-999	216 Title I, Part A of ESEA	110, 120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318, 319-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
414	Title II, Part A – Supporting Effective Instruction	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, 562, 564, 820, 895
417/617	Title III, Part A – English Language Acquisition, Language Enhancement and Academic Achievement	01	001-999	205 Language Instruction/EL	110-120, 140-146, 154-161, 163, 165, 170, 175-186, 199-280, 299, 303-304, 315, 318-319, 320, 329, 335, 345-350, 351-352, 355, 357-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 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	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, 308-309, 315, 320, 329, 335, 341-379, 389, 401-406, 433, 455-456, 465-466, 490, 505-506, 520-530, 532-533, 548, 550-556, 560, 562, 564, 570, 582-583, 820, 895, 898

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	001-999	420 Special Ed. Instruction	110, 143-151, 153-166, 168-186, 199-280, 299-304, 308-309, 315, 320-329, 335, 340-379, 389, 401, 405-406, 433, 455-456, 465-466, 490, 505-506, 520-530, 532-533, 548, 550-556, 560, 562, 564, 570, 582-583, 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, 315, 320-329, 335, 341-379, 389, 401, 405-406, 433, 455-456, 465-466, 490, 505-506, 520-530, 532-533, 548, 550-556, 560, 562, 564, 570, 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, 315, 320-329, 335, 340-379, 389, 401, 405-406, 433, 455-456, 465-466, 490, 505-506, 520-530, 532-533, 548, 550-556, 560, 562, 564, 570, 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	401-416 Special Ed. Instruction	110, 140, 143-168, 170-186, 199-280, 299, 303-304, 315, 320-329, 335, 341-363, 366-368, 371-379, 389, 401, 405, 455, 465, 490, 505, 530, 531, 555, 560, 562, 570, 580, 582-583, 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	420 Special Ed. Instruction	110, 140, 143-168, 170-186, 199-280, 299, 303-304, 315, 320-329, 335, 341-363, 366-368, 371-379, 389, 401, 405, 455, 465, 490, 505, 530, 531, 555, 560, 562, 570, 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, 335, 341-350, 353-361, 366, 368, 371-379, 389, 401, 405-406, 433, 455-456, 465-466, 490, 505-506, 530, 533, 555-556, 560, 562, 564, 570, 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, 335, 357-358, 366, 389, 401, 405, 455, 465, 490, 560, 562, 570, 895
424	Title V, Part B – Rural and Low-Income Schools	01	001-999	204 Improve Teacher Quality	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
424	Title V, Part B – Rural and Low-Income Schools	01	001-999	205 Language Instruction/EL	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
424	Title V, Part B – Rural and Low-Income Schools	01	001-999	206 Student Support & Academic Achievement	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898

FIN	Description	Funds	Org	Programs	Object
424	Title V, Part B – Rural and Low-Income Schools	01	001-999	207 Innovative Programs	110-120, 140-146, 154-161, 163, 165, 170, 175-186, 199-280, 299, 303-304, 315, 319-320, 329, 335, 345-352, 355, 358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895
424	Title V, Part B – Rural and Low-Income Schools	01	001-999	216 Title I, Part A of ESEA	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
424	Title V, Part B – Rural and Low-Income Schools	04	001-999	505 General Community Education (for 21st Century)	110, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 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, 152, 154-163, 165, 170-172, 175-186, 191, 199-280, 299, 303-304, 315, 320-329, 341-343, 345-349, 351-352, 353-355, 358, 359-361, 362-369, 371-373, 375-379, 389, 401-406, 430, 433, 455-456, 465-466, 470, 506,564
428/628	Carl Perkins Vocational and 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, 364-369, 401-495, 505-506, 530-531, 555-556, 590, 820, 895
428/628	Carl Perkins Vocational and Applied Technology	01	001-999	301-399 Career and 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, 364-369, 401-495, 505-506, 530-531, 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, 150-152, 154-163, 165, 170 -172, 175-186, 191, 199-280, 299, 303-304, 315, 320-329, 341-343, 345-349, 351- 355, 358-369, 371-373, 375-379, 389, 401, 405-406, 430, 433, 455-456, 465-466, 470, 506, 564

FIN	Description	Funds	Org	Programs	Object
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, 315, 320-329, 335, 355-358, 366-368, 389, 401, 405, 455, 465, 490, 505, 530, 555, 560, 562, 570, 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, 315, 320-329, 335, 355-358, 366-368, 389, 401, 405, 455, 465, 490, 505, 530, 555, 560, 562, 570, 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, 307-309, 315-329, 335, 341-368, 371-379, 389, 401, 405-406, 433, 455-456, 460-490, 505-506, 520-530, 533, 555-556, 560, 562, 564, 570, 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, 199-251, 270-280, 299, 303-304, 315, 320-329, 335, 341-363, 366-368, 371-379, 389, 401, 405, 455, 465, 490, 505, 530, 555, 560, 562, 570, 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, 199-251, 270-280, 299, 303-304, 315, 320-329, 335, 340-363, 366-368, 371-379, 389, 401, 405, 455, 465, 490, 505, 530, 555, 560, 562, 570, 582-583, 820, 895
433	Title IV, Part A – Student Support and Academic Enrichment	01	001-999	204 Improve Teacher Quality	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
433	Title IV, Part A – Student Support and Academic Enrichment *Program 205 and 505 for use by Reap Districts Only	01	001-999	205 Language Instruction/EL*	110-120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898

FIN	Description	Funds	Org	Programs	Object
433	Title IV, Part A – Student Support and Academic Enrichment	01	001-999	206 Student Support & Academic Achievement	110, 120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311, 315, 320-329, 335, 345-352, 355, 358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895
433	Title IV, Part A – Student Support and Academic Enrichment	01	001-999	216 Title I, Part A of ESEA	110, 120, 140-146, 154-161, 163, 165, 168-170, 175-186, 199-280, 299, 303-304, 311,315, 318-320, 329, 335, 345-352, 355-358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 820, 895, 898
438/638	Federal Adult Basic Education Formula Revenue	04	005	520 Adult Basic/Continuing Ed.	110-146, 156-158, 163-165, 168, 170, 175, 185-186, 199-280, 299, 303-304, 315, 318, 320-340, 343-344, 347-350, 353-360, 365-369, 373-374, 377-378, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 560, 562, 564, 570, 580, 820, 895
442	Title III, Part A – Immigrant Grant	01	001-999	205 Language Instruction/EL	110-120, 140-146, 156-161, 163, 165, 170, 175-186, 199-280, 299, 303-304, 315, 329, 335, 347-352, 355, 358, 360, 364-369, 375-379, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 562, 564, 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, 191, 199-251, 270-280, 299, 303-304, 315, 320, 329, 335, 340-349, 352, 355-358, 366-368, 371-379, 389, 401-405, 440, 455, 465, 490, 505, 555, 562, 570, 820, 895
469	Child and Adult Care Food Program	02	001-999	770 Food Services	110, 170, 185-186, 210-214, 218, 219, 220-251, 270-280, 303-304, 315-340, 350, 366-367, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 820, 895

FIN	Description	Funds	Org	Programs	Object
469	Child and Adult Care Food Program	04	001-999	505-599 Comm. Ed. and Services	110, 170, 185-186, 210-214, 218, 219, 220-251, 270-280, 303-304, 315-340, 350, 366-368, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 820, 895
475/675	Carl Perkins Career and 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, 364-369, 401-495, 505-506, 530-531, 555-556, 590, 820, 895
475/675	Carl Perkins Career and Technical Education – Reserve	01	001-999	301-399 Career and 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, 364-369, 401-495, 505-506, 530-531, 555-556, 590, 820, 895
499	Miscellaneous Federal Revenue Received from the Minnesota Department of Education	01	001-999	010-050 Administration 105-120 District Support Services 200-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 810-850 Operations & Maintenance	110-280, 289-304, 306-820, 890, 895, 898
499	Miscellaneous Federal Revenue Received from the Minnesota Department of Education	02	001-999	770 Food Service	110, 170, 185-280, 289-304, 315-330, 335, 350, 365-366, 398-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895
499	Miscellaneous Federal Revenue Received from the Minnesota Department of Education	04	001-999	505-583 Community Education 585-590 Community Education Services	110-280, 289-304, 306-820, 890, 895, 898
510	Indian Elementary and Secondary School Assistance	01	001-999	200-270 Elem./Sec. Regular Instr. 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support	110-190, 199-280, 299, 303-304, 306-309, 315-379, 381-389, 399-544, 546-599, 810, 820, 895, 898

FIN	Description	Funds	Org	Programs	Object
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	204 Improve Teacher Quality	110-186, 199-280, 292-299, 303-304, 329, 335, 350, 365-368, 389, 401-433, 455-456, 465-466, 470-490, 505-506, 530, 535,555-556, 562, 564, 589, 895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	205 Language Instruction/EL	110-186, 199-280, 292-299, 303-304, 329, 335, 350-369, 389, 401-433, 455-456, 460-490, 505-506, 530, 535, 555-556, 562, 564, 589, 820, 895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	206 Student Support & Academic Achievement	110-186, 199-280, 292-299, 303-304, 320-329, 350-369, 389, 401-433, 455-456, 460, 465-466, 470-490, 505-506, 530, 535, 555-556, 562, 564, 589, 820, 895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	207 Innovative Programs	110-186, 199-280, 292-299, 303-304, 329, 350-369, 389, 401-433, 455-456, 460-490, 505-506, 530, 535, 555-556, 562, 564, 589, 820, 895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	210 Enhancing Ed. Thru Tech.	110-186, 199-280, 292-299, 303-304, 320-329, 350-369, 389, 401-433, 455-456, 460-490, 505-506, 530, 535, 555-556, 562, 564, 589, 820, 895
514	Title V, Part A – Small, Rural Education Achievement Program Grants	01	001-999	216 School Improvement	110-186, 199-280, 292-299, 303-304, 329, 350-369, 389, 401-433, 455-456, 460-490, 505-506, 530, 535, 555-556, 562, 564, 589, 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, 535, 555-556, 562, 564, 589-590, 820, 895, 898

FIN	Description	Funds	Org	Programs	Object
599	Miscellaneous Direct Federal Revenue	01	001-999	010-050 Administration 105-120 District Support Services 200-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 401-420 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 810-850 Operations & Maintenance	110-280, 289-304, 306-820, 890, 895, 898
599	Miscellaneous Direct Federal Revenue	02	001-999	770 Food Service	110, 170, 185-280, 289-304, 315-330, 335, 350, 365, 366, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895, 899
599	Miscellaneous Direct Federal Revenue	04	001-999	505-583 Community Education 585-590 Community Education Services	110-280, 289-304, 306-820, 890, 895, 898
699	Miscellaneous Federal Revenue Received from Another Agency	01	001-999	010-050 Administration 105-120 District Support Services 200-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 810-850 Operations & Maintenance	110-280, 289-304, 306-820, 890, 895, 898
699	Miscellaneous Federal Revenue Received from Another Agency	02	001-999	770 Food Service	110, 170, 185-280, 289-304, 315-330, 335, 350, 365, 366, 398-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895

FIN	Description	Funds	Org	Programs	Object
699	Miscellaneous Federal Revenue Received from Another Agency	04	001-999	505-583 Community Education 585-590 Community Education Services	110-280, 289-304, 306-820, 890, 895, 898
701	National School Lunch Program – NSLP	02	001-999	770 Food Services	110, 170, 185-280, 289-305, 315-330, 335, 350, 365, 366, 398, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895, 899
702	After-School Snack Program	02	001-999	770 Food Services	110, 170, 185-280, 289-305, 315-330, 350, 365, 366, 398, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895, 899
702	After-School Snack Program	04	001-999	505-590 Comm. Ed. and Services	110, 170-172, 176-280, 289-305, 315-340, 342-350, 365-369, 398, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589-590, 820, 895-899
703	Special Milk Program – SMP/MN Kindergarten Milk Program – MKMP	02	001-999	770 Food Services	110, 170, 185-280, 289-305, 315-330, 350, 365, 366, 398, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895, 899
705	School Breakfast Program – SBP	02	001-999	770 Food Services	110, 170, 185-280, 289-305, 315-330, 335, 350, 365, 366, 398, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895, 899
706	Fresh Fruit and Vegetable Grant Program	02	001-999	770 Food Services	110, 170, 210-240, 250-251, 270-280, 299, 303-304, 401-405, 490, 530, 535, 562, 580, 589
707	A La Carte/Other	02	001-999	770 Food Services	110, 170, 185-280, 289-305, 315-330, 335, 350, 365, 366, 398, 401-405, 440, 455, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895, 899

FIN	Description	Funds	Org	Programs	Object
709	Summer Food Service Program for Children	02	001-999	770 Food Services	110, 170, 185-280, 289-305 315-330, 335, 350, 365, 366, 398, 401-405, 440, 455, 460, 465, 490-499, 505, 530, 535, 550-555, 560, 562, 580, 589, 590, 820, 895, 899
710	Supply Chain Assistance Funding	02	001-999	770 Food Services	490, 495
711	Learning Year – Summer	01	001-999	760 Pupil Transportation	110-172, 175-280, 289-309, 315-455, 820, 895-899
713	Open Enrollment Transportation–Outside the District	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
714	Transportation to Multi-District Integration/Desegregation Programs	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895
715	Foster Care Transportation	01	001-999	760 Pupil Transportation	360, 364-365
716	Noon Kindergarten Transportation	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
717	Late Activities Bus for Public School Pupils	01	001-999	291-298 Extra/Co-Curr Activities 760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
717	Late Activities Bus for Public School Pupils	04	005	505-590 Comm. Ed. and Services	110-280, 289-309, 315-455, 465, 820, 895-899
718	Student Transportation Safety	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 470-556, 580-599, 810-820, 895-899
719	Traffic Hazards – Walkers	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 470-556, 580-599, 810-820, 895-899
720	Regular-to-and-from School	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 562-563, 820, 895-899
721	Regular Summer School	01	001-999	200-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899

FIN	Description	Funds	Org	Programs	Object
722	Area Learning Center (ALC) Transportation Aid	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
723	Transportation of Pupils Attending Special Education Programs	01	001-999	200-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 400-420 Special Ed. Instruction 760 Pupil Transportation	110-140, 143-280, 289-309, 315-455, 465, 562, 582, 583, 820, 895-899
725	Between Schools – Public	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
726	Nonpublic Nonregular	01	001-999	291-298 Extra/Cocurr Activities 760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
728	Special Transportation of Selected Pupils	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
733	Non-Authorized Transportation	01	005	010-030 Administration 105-110 District Support Services	110-280, 289-309, 315-455, 465, 470-556, 560-563, 580-599, 810-820, 895-899
733	Non-Authorized Transportation	01	001-999	050 School Administration 200-270 Elem./Sec. Regular Instr. 291-298 Co-Curricular Activities 301-399 Career and Technical Instr. 401-420 Special Ed. Instruction 605-640 Instructional Support 710-712, 720-760, 790 Pupil Support 800-899 Sites, Building, Equip	110-280, 289-309, 315-455, 465, 470-556, 560-563, 580-599, 810-820, 895-899
733	Non-Authorized Transportation	01	001-999	850 Capital Facilities	535, 570-571, 589
733	Non-Authorized Transportation	02	001-999	770 Pupil Support Services	110-280, 289-309, 315-455, 465, 470-556, 560-563, 580-599, 810-820, 895-899
733	Non-Authorized Transportation	04	001-999	505-590 Comm. Ed. and Services	110-280, 289-309, 315-455, 465, 470-556, 560-563, 580-599, 810-820, 895-899
737	Ineligible/Nonresident Pupils	01	001-999	760 Pupil Transportation	110-280, 289-309, 315-455, 465, 820, 895-899
739	Low Income Families Enrollment Options Transportation Reimbursement	01	001-999	760 Pupil Transportation	305-309, 315-399

FIN	Description	Funds	Org	Programs	Object
740	State – Special Education	01	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, 335, 340, 350, 365-366, 369, 381-385, 391-394, 396-399, 401, 405-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 555-556, 560, 562, 564,582, 820, 898
740	State – Special Education	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, 335, 340, 350, 365-366, 369, 381-385, 391-394, 396-399, 401, 405-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 555-556, 560, 562, 564, 582, 820, 898
740	State – Special Education	01	001-999	422 Special Education – Students without Disabilities	110, 140, 143, 144, 151-152, 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, 555-556, 562, 564
742	State – Special Education Separate Sites and Programs	01	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, 335, 340, 350, 365-366, 369, 381-385, 391-394, 396-399, 401, 405-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 555-556, 560, 562, 564,582, 820, 898
742	State – Special Education Separate Sites and Programs	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, 335, 340, 350, 365-366, 369, 381-385, 391-394, 396-399, 401, 405-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 555-556, 560, 562, 564, 582, 820, 898

FIN	Description	Funds	Org	Programs	Object
756	State – Special Student Aid	01	005	400-416 Special Ed. Instruction 420 Special Education Instruction	390, 392-393
761	Non-Special Education State Placement	01	001-999	201, 203, 211 Instr. Programs	390, 392, 394
761	Non-Special Education State Placement	01	001-999	422 Special Education – Students without Disabilities	390, 392
791	Projects Funded by Certificates of Participation (Financed Purchases)	01	01-999	920 Retirement of Non-bonded Obligation	580, 581, 920
791	Projects Funded by Certificates of Participation (Financed Purchases)	06	001-999	920 Retirement of Non-bonded Obligation	580-581
791	Projects Funded by Certificates of Participation (Financed Purchases)	06	001-999	870 Building Construction	110-280, 289-305, 350, 366, 505-506, 510, 520-530, 532-533, 555-556, 820, 896
792	Unfunded Severance and Retirement Levy	01	005	010-030 Administration 105-120 District Support Services	191, 200-280, 289-299
792	Unfunded Severance and Retirement Levy	01	001-999	All Other Programs except 770	191, 200-280, 289-299
792	Unfunded Severance and Retirement Levy	02	001-999	770 Food Services	191, 200-280, 289-299
792	Unfunded Severance and Retirement Levy	04	005	505-590 Comm. Ed. and Services	191, 200-280, 289-299
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	110-280, 289-309, 315-599, 810-820, 895-899
795	Capital Projects Levy	01	005	010-270, 291-712, 720-850, 870-999	316
795	Capital Projects Levy	01	005	108 Admin. Technology Services 630 Instruction-Related Tech.	110, 170, 185-186, 199, 201-280, 289-291, 299, 305, 315, 335, 530, 535, 555-556, 560-561, 562-564, 580-581, 589

FIN	Description	Funds	Org	Programs	Object
795	Capital Projects Levy	01	001-999	010-270, 291-712, 720-850, 870-999	315, 335, 405-406, 465-466, 505-506, 530, 535, 548, 550, 555-556, 560-561, 562-564, 570-571, 580-581, 589
795	Capital Projects Levy	01	001-999	200-298 Elem./Sec. Regular Instr. 301-399 Career and 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, 201-280, 289-291, 299, 305, 505-506, 510-530, 555-556, 910
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. and Services	220, 291-295
797	OPEB Pay As You Go Levy	01	005	010-050 Administration 105-120 District Support Services 200-270 Elem./Sec. Regular Instr. 291-297 Co-curricular 301-399 Career and Technical Instr. 400-499 Special Ed. Instruction 505-590 Comm. Ed. and Services 605-640 Instructional Support 700-712, 720-790 Pupil Support 810 Operations and Maintenance	291
797	OPEB Pay As You Go Levy	02	005	770 Food Services	291
797	OPEB Pay As You Go Levy	04	005	505-590 Comm. Ed. and Services	291

FIN	Description	Funds	Org	Programs	Object
798	Children with Disabilities in School – Age Care	04	005	570 School – Age Care	110-280, 289-309, 315-334, 336-490, 505, 530-531, 535, 555, 562-564, 589-590, 810-820, 895-899
799	Collaboration – Expansion of Early Intervention and Prevention Services	01, 18	001-999	203 Elementary Education 211 Secondary Education 400 Special Education	110-280, 289-309, 315-599, 810-820, 895-899
799	Collaboration – Expansion of Early Intervention and Prevention Services	01, 18	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, 335, 340, 350, 365-366, 369, 381-385, 391-394, 396-399, 401, 405-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 555-556, 562,564, 582, 820, 898
799	Collaboration – Expansion of Early Intervention and Prevention Services	01, 18	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, 335, 340, 350, 365-366, 369, 381-385, 391-394, 396-399, 401, 405-406, 433, 455-456, 465-466, 470, 490, 505-506, 530, 533, 555-556, 562,564, 582, 820, 898
799	Collaboration – Expansion of Early Intervention and Prevention Services	01, 18	001-999	422 Special Education – Students without Disabilities	110, 140, 143, 144, 151-152, 156-157, 159, 161-163, 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, 555-556, 562, 564
799	Collaboration – Expansion of Early Intervention and Prevention Services	04	001-999	505-590 Comm. Ed. and Services	110, 140-141, 143-146, 150-166, 168-170, 172-176, 185-186, 190-191, 195, 199, 210-280, 291-299, 305-309, 315-394, 396-399, 401-433, 455-456, 465-466, 470, 490, 505-506, 520-530, 533, 535, 555-556, 562-564, 582-589, 820, 898

FIN	Description	Funds	Org	Programs	Object
801/901	ABE IELCE Competitive Allocation	04	005	520 Adult Basic/Continuing Ed.	110, 120, 140-146, 156-158, 163-165, 168, 170-170, 175, 185-186, 199-280, 299, 303-304, 315, 320-340, 344-345, 350, 355-360, 365-369, 373-374, 377-378, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 560, 562, 564, 570, 580, 820, 895
803/903	ABE Statewide Supplemental Services – Regular Federal Competitive	04	005	520 Adult Basic/Continuing Ed.	110-146, 156-158, 163-165, 168, 170-170, 175, 185-186, 199-280, 299, 303-304, 315, 318-340, 344, 347-350, 353-360, 364-369, 373-374, 377-378, 389, 401-433, 455-456, 460-490, 505-506, 530, 555-556, 560, 562-564, 570, 580, 820, 895
817/917	Statewide Low Incidence	01	001-999	640 Staff Development	110-190, 199-280, 299, 303-304, 307, 315, 320-329, 335, 350, 356-357, 360, 366-369, 389, 401-430, 465-466, 490, 530-531, 535, 562-564, 570, 589, 820, 895, 899
830	Career and Technical Education Revenue^ ^Check Secondary Vocational Education Manual for Reimbursed Object Codes.	01	001-999	301-341 Career and Technical Instr. 361-371 Career and Technical Instr. 385-399 Career and Technical Instr. 610 Curriculum Consultant/Dev.	110-280, 289-309, 315-599, 810-820, 895-899
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	110, 140, 143, 145, 161, 170, 185, 191, 199, 210-251, 270-280, 299, 305, 320, 366, 390, 393, 394, 396, 397, 399, 401, 406, 433, 456, 466, 506, 530, 533, 555, 556, 562, 564, 820
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, 366-369, 374, 389, 401-433, 460, 465-466, 470-490, 535, 562-564, 570, 589, 820, 895, 898

FIN	Description	Funds	Org	Programs	Object
848/948	Title I, Part A – School Improvement Grants – Regional	01	001-999	216 Title I, Part A of ESEA	110, 140-146, 170, 185-186, 199-280, 299, 303-304, 316-329, 335, 350, 365-368, 389, 401, 405, 430-433, 455-456, 465, 470-490, 530, 535, 555, 562, 570, 589, 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, 562, 564, 820, 895
851/951	Title I, Part A – School Improvement Grants Part II	01	001-999	216 Title I, Part A of ESEA	110, 140-146, 170, 185-186, 199-280, 299, 303-304, 316-329, 335, 350, 365-368, 389, 401, 405, 430-433, 455-456, 465, 470-490, 530, 535, 555, 562, 570, 589, 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 and 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, 389, 401-430, 455-456, 465-466, 470, 505-506, 530, 535, 555-556, 562, 564, 580, 589, 820
859/959	Title V, Part B – Charter School Federal Grant	01	001-999	200-270 Elem./Sec. Regular Instr. 301-399 Career and Technical Instr. 710-740 Pupil Support	315, 335, 360, 364, 401-433, 455-456, 460-470, 505-506, 530, 535, 555-556, 560-562, 564, 570-571, 580, 589, 820
859/959	Title V, Part B – Charter School Federal Grant	02	001-999	770 Food Services	401, 530
863	Title I, Part C – Education of Migrant Children	01	001-999	216 Title I, Part A of ESEA	110, 140-146, 154-158, 160-161, 163, 165, 170, 175-186, 199-280, 299, 303-304, 315, 318-329, 335, 350, 358, 360, 362-369, 375-379, 389, 401-433, 455-456, 460-490, 506, 562, 564, 895
868	Title VIII – Sub B: Education for Homeless Children and Youths	01	001-999	201 Education – Kindergarten 203 Elem Education General 211 Ed. Secondary – General	110-146, 154-160, 163, 165, 169-170, 175-186, 199-280, 299, 303-304, 315, 320-329, 335, 345-352, 355, 358, 360, 362-369, 375-379, 389, 401-433, 455-456, 465-466, 470-490, 505-506, 555-556, 562, 564, 820, 895, 898

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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% of actual market value of all taxable property situated within its corporate limits (Minn. Stat. 475.53, subd. 4 [2024]). 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 [2024]). Finally, there is no limit on the rate of interest that a school district obligation can carry (Minn. Stat. 475.55, subd. 2 [2024]).

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) [2024]]. A district may also enter into a line of credit agreement with a financial institution [Minn. Stat. 123B.12 (b) [2024]].

   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 [2024]).

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 [2024]). 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 [2024]).
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 [2024]).

    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% 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% 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 [2024]). 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 2024, 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 2024 , 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 2024, 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 [2024]).

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 [2024]).

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 2024, 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 (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 2020 through 2024.

Issue Type	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
General Obligation (G.O.) Bonds	87	79	93	53	97
G.O. Refunding	19	10	47	65	33
Aid Anticipation	8	9	6	9	10
Tax Anticipation	1	1	0	0	0
Capital Equipment	0	0	1	0	0
Certificate of Participation (COP)	1	0	2	1	2
Total Number of Issues	116	99	149	128	142
Total Amount Issued	**$2,027,152,414**	**$1,153,937,278**	**$1,910,886,603**	**$1,417,833,964**	**$2,624,903,999**
Net Change in Program (Amount Issued)	76%	-40%	35%	-46%	94%
Approximate Savings on Program	$159,323,298	$16,813,710	$26,911,827	$21,614,520	$48,388,198

Chapter 13 – Financial Accounting and Reporting

Section 1 – Cost Allocation Standards

Introduction

The purpose of this chapter is to define how costs should be distributed to expenditure accounts. The goals are to achieve adherence to state and federal statutes and Generally Accepted Accounting Principles (GAAP), and to achieve uniform reporting among the districts and schools.

I. Principles and Criteria for Cost Allocation

Merely providing a comprehensive chart of accounts (Part I in this manual) does not solve the problems related to providing comparable programmatic financial data on a statewide basis. This section, along with Chapter 10 in Part I, Permitted Code Combinations, should provide the desired comparability results.

Since many revenues are restricted in their uses, it is important to identify all costs that can be associated with each of these revenues, whether they can be charged directly or charged back to the activity from a particular cost center pool. The standards included in this chapter cover costs that must be prorated or distributed prior to reporting to the State with the distribution based on such factors as square footage, mileage, timesheets, etc. Section VI of this chapter covers Indirect Costs Relating to Federal Grants and Contracts.

A. Introduction

Cost allocation is the system used to apportion or distribute costs. The principles and criteria cover all UFARS program codes. For example, if a central service program or department serves programs in different funds, the costs should be applied across all funds receiving the benefit and to all relevant programs within these funds.

It is imperative that expenditures can be compared among districts within the state and that all costs are reflected within every program. Obviously, for all programs where the costs drive funding (such as special education, secondary vocational, English learners (EL) and some transportation activities) all costs must be reflected. Also, any programs that require a reserved fund balance need to reflect all costs. There are other programs that receive restricted revenues and those programs need all costs allocated to them. Finally, to assure fund integrity, all costs incurred in one fund but with benefits to other funds must be allocated. See Attachment A summarizing the cost allocation standards using a flow chart.

B. Allocation of Costs to Other Accounts

A central consideration in deciding whether cost components of a program may or should be distributed to other funds is whether the activity in question is causing additional costs. For example, if the community education program is causing additional maintenance costs, the maintenance costs should be charged to that program. However, if these expenses would have occurred even if the community education program did not exist, these costs should not be charged to the community education program. The same would hold true of items such as accounting expenses and utilities.

Costs are distributed to other funds from the General Fund (Fund 01) using the chargeback method (or, are directly distributed as in C.1.). Central service department costs (e.g., the printing shop) recorded within Program Code 110, Business Support; or Program Code 810, Operations and Maintenance should generally be distributed to other programs since other departments have some freedom to acquire the central service from outside sources and/or are free to determine the degree of service to utilize. A basis for allocating these costs must be documented. A district may also use the Internal Service Fund (Fund 20) if the district intends to recover the full cost of providing the service (including depreciation expense) through user charges.

Usually, only the following General Fund programs may distribute costs using the chargeback method to other funds: Program Code 110, Business Support Services; Program Code 810, Operations and Maintenance; and Program Code 930, Employee Benefits.

C. Methods for Distributing Costs

Direct assignment of costs – direct assignment is used when allowable costs can be readily and accurately distributed at the time costs are incurred. All allowable costs, no matter how seemingly appropriate to a program, may be charged to the program only with appropriate documentation. Appropriate documentation is determined by the type of allowable cost being allocated. Some costs that are incurred for the benefit of multiple programs, functions, or other cost objectives may be allocated using direct assignment, provided there is adequate documentation to justify the portion specifically attributable to the program. In general, before-the-fact percent-based allocations are not acceptable for shared costs. In the instances where an employee is spending time in different functional areas, the employee's payroll expenses can be directly distributed as the expense is incurred with supporting after-the-fact documentation that accurately reflects the actual work performed such as time reports or equivalent documentation. Compensation charged must be reasonable in relation to the duties performed. Position titles and before-the-fact schedules do not determine proper allocation. The Minnesota Department of Education webpage for Food and Nutrition can be located by going to MDE>Districts, Schools and Educators>Food and Nutrition>School Nutrition Programs. There are many resources on the webpages, including Methods for Distributing Costs.

Chargeback allocation of costs – this method is used to distribute allowable costs that cannot be easily, conveniently, and accurately allocated at the same time as the costs are being incurred. This method follows the same documentation standards required for direct assignment, as stated previously. Under this approach, a school district may allocate costs consisting of several object line items to programs receiving the benefit by utilizing a single chargeback object account. Only the following UFARS object codes may be used and only within specific UFARS program codes:

Object Code(s) Code Costs	**Description**	**UFARS Program Code(s) Originally Incurring**
195	Interdepartmental Employee Salaries and Wages (Chargeback)	001-850
295	Interdepartmental Employee Benefits	001-850, 930 (Chargeback)
365	Interdepartmental Transportation (Allocation)	760, 770
398	Interdepartmental Miscellaneous (Chargeback)	110, 770, 810
895	Federal Indirect Cost Chargeback	105, 110, 770, 810

Caution must be used when using the chargeback allocation method involving salaries since many restricted revenue programs require detailed salary information. This includes, but is not limited to, basic skills, learning and development, special education, food service and Title I, II and VI federal programs.

A credit entry using the above object codes with the appropriate program code creates a contra-expenditure account (credit amount) which must be equal to a corresponding set of debit entries using the same object code. The debit entries result in districts charging the prorated expenditures to the specific program code(s) receiving the benefit of the service. **For each of the above chargeback object codes used, debits must equal credits when totaling all funds.**

II. Application of Cost Allocation Principles

Cost allocation is the process of identifying, aggregating and assigning cost(s) to one or more cost objective(s). This term includes both **direct assignment** of cost and the **reassignment** of a share portion an indirect cost pool. Before a cost can be assigned to a program as either direct or indirect, it must first be allowable.

A. *Direct Distribution Costing Method*

Accounting for the cost in the user program by a direct charge.

General Examples:

- All regular secondary classroom teacher salaries allocated to specific Program Codes 212 to 270.
- Custodian is assigned to district bus garage (Program Code 760, Object Code 170).

1. Food Service Fund

a) Food Costs – Direct Assignment

All food costs must be identified as either Program or Nonprogram. Food costs associated with meals claimed for reimbursement are Program food costs and must be allocated to the specific program under which the meal/snack was served. Food costs associated with any sale that is not claimed for reimbursement are Nonprogram food costs and must be allocated to Finance Code 707. Nonprogram foods includes food costs and milk served a la carte as well as foods used in student second entrees, adult meals, catering and special functions.

Finance 701	Finance 702	Finance 703	Finance 705	Finance 706	Finance (Nonprogram) 707	Finance 709	Finance 469
National School Lunch Program (NSLP)	After School Snack Program	Special Milk Program and Minnesota Kindergarten Milk Program	School Breakfast Program (SBP)	Fresh Fruit/Veg Grant Program (FFVP)	A la Carte And Other Nonprogram	Summer Food Service Program (SFSP)	Child and Adult Care Food Program (CACFP)

Food cost allocation between the different programs does not have to be exact but rather a reasonable approximation that can be used to determine a per meal cost as well as measure the financial outcome of each program. A suggested method for determining the food allocation is:

Program Food Costs:

1. Average menu cost for each type of meal times the number of meals claimed.

Nonprogram Food Costs:

1. A la carte – use sales report to identify quantities of each item sold, multiplied by the cost of each item.
2. Adult and student second meals – same method as for Program Food Costs.
3. Catering and special functions – each event should be costed out before quoting a price so food costs should be pre-determined.

b) Labor Costs – Direct Assignment

Only labor costs that can be documented as necessary for the purpose of the grant are considered allowable as a direct cost to the food service program. Time and effort reporting must support labor costs directly charged to the Federal program. The type and frequency of time and effort documentation required is dependent on whether an employee works on a single cost objective or on multiple cost objectives.

Single Cost Objective	Multiple Cost Objective
Periodic certification prepared at least semiannually signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.	Personnel activity report (PAR) or equivalent documentation that is prepared at least monthly and signed by the employee. Reflect an after-the-fact distribution of the actual activity of the employee as well as account for the total activity for which the employee is compensated. Example: a time reporting system that provides the exact hours a custodian cleans the food service area(s) and the other areas of the school. Federal regulations do not require the School Food Authority (SFA) to use a specific PAR form.

Once the labor cost has been determined to be allowable as a direct cost, it must be allocated among pertinent programs. As with food costs, the method for allocating to the different programs does not need to be exact. Since some of the programs run concurrently, it is not likely that time would be separated out for Programs 702, 703 or 707. Most of the labor costs will be associated with Program 701 Lunch and Program 705 Breakfast. It is recommended that the District develop a method most efficient and suitable for their time keeping system to allocate costs to each program.

c) Other Program Costs

The full cost of a food service program includes both direct and indirect costs. The determining factor in distinguishing a cost as direct or indirect, is the extent to which it can be identified with a specific program rather than the nature of the goods and services themselves. School districts have two options when recovering costs benefiting the school food service that are paid from the General Fund.

a. **Direct Assignment (or Chargeback Method)** – The transaction that records the transfer of actual costs that can be readily and accurately identified at the time costs are incurred. When direct costs are transferred at the end of the year, we refer to that as a chargeback. The same Federal cost principles apply as well as the required documentation to support the charge as direct.
b. **Reassignment - Indirect Cost Rate Allocation Method** – Indirect costs are costs incurred for multiple programs or activities and cannot be readily or easily identified with those programs or activities. These costs are not accumulated in units easily traceable to individual activities and therefore must be allocated using a rate calculated by MDE in accordance with an approved Indirect Cost Rate Plan that approximates the activities' proportional benefit derived.

Consistency
A cost cannot be assigned to a federal award as a direct cost if the same cost incurred for the same purpose, in similar circumstances has been allocated to other awards as an indirect cost. For example, if the restricted indirect cost pool includes costs for Payroll/Purchasing/Finance/Human Resources and the Indirect Cost Rate Allocation Method is used for allocating these costs to Special Education or Title Programs, those same costs cannot be charged directly to School Nutrition Programs.

d) General Requirement/UFARS Coding

Cost Allocation (7 Code of Federal Regulations (C.F.R.) 210.14 and 210.19; Minn Stat. 124D.111 and 123B.77 [2024])

a. Federal regulations for school meal programs require school food service expenditures to be in accordance with the financial management system established by the state agency.
b. Minnesota Statutes require food service revenues and expenditures to be attributed to a school food service fund and require school districts to adopt the Uniform Financial Accounting and Reporting Standards (UFARS).
c. UFARS requires school districts to allocate their foodservice expenses by program. Only code combinations that reflect allowable charges to a program are available for use. All expenses related to non-reimbursable sales must be recorded in Finance Code 707. A chart showing UFARS codes is attached.

If you have questions, please contact:

Food and Nutrition Services
mde.fns@state.mn.us
651-582-8526
800-366-8922 (toll free Minnesota only)

Food Service Fund 2 Reporting

For Public Schools

Revenues	Lunch (Finance 701)	After School Snack (Finance 702)	Special Milk (Finance 703)	Kindergarten Milk (Finance 703)	Breakfast (Finance 705)	A La Carte Other (Finance 707)	Summer Food (Finance 709)	Child and Adult Care Food Program (Finance 469)
Student	Source 601	Source 601	Source 601	Source 601	Source 601	Source 601	Source 601	Source 400
Adult						Source 606	Source 606	Source 606
Special Function Food Sales						Source 608		Source 608
State Reimbursement	Source 300			Source 300	Source 300		Source 300	
Federal Reimbursement	Sources 471-472	Source 499	Source 475		Source 476		Source 479	Source 400
Commodity Distribution	Source 474		Source 474		Source 474		Source 474	Source 477

Expenditures	Lunch (Finance 701)	After School Snack (Finance 702)	Special Milk (Finance 703)	Kindergarten Milk (Finance 703)	Breakfast (Finance 705)	A La Carte Other (Finance 707)	Summer Food (Finance 709)	Child and Adult Care Food Program (Finance 469)
Food	Object 490	Object 490			Object 490	Object 490	Object 490	Object 490
Milk	Object 495	Object 495	Object 495	Object 495	Object 495	Object 495	Object 495	Object 495
Labor	Object 100-299-305	Object 100-299-305	Object 100-299-305	Object 100-299-305	Object 100-299-305	Object 100-299-305	Object 100-299-305	Object 100-299-305
Interest						Object 740		
Other	All Other Objects	All Other Objects	All Other Objects	All Other Objects	All Other Objects	All Other Objects	All Other Objects	All Other Objects
Commodity Distribution	Object 491				Object 491		Object 491	

2. Community Service Fund

Only the additional costs associated with the existence of community education can properly be allocated to this fund.

Examples:

a. Additional custodial time necessary to clean the classrooms after community education classes.
b. Additional electrical and heating costs incurred in maintaining classrooms ready for community education classes.
c. Any costs which would still be incurred if community education activities were to be discontinued shall remain in the General Fund. This test of whether to allocate costs applies in particular to community education sharing a facility with the K-12 classes.

In the case where community education has the exclusive use of a building, any operating expenses can properly be charged to the Community Service Fund. Any capital improvements made to the building must be made out of the General Fund and should not be allocated in any way to the Community Service Fund. The building remains the property of the school district. Therefore, the school district is responsible for any capital expenditure associated with the building.

Example A (Community Education Building Located in a Non-K-12 Learning Site)

If the community education programs or administrative offices for the community education program are housed in a district-owned building which is used only for non-instructional purposes (separate district office, warehouse area, or vacant school), the square footage occupied would be the basis for allocation. The costs of custodial salaries, heat, water and general repairs would be totaled (Program Code 810). The useable square footage would then be determined for each occupant (e.g., community education, transportation, district office, etc.). This percentage of the total useable square footage would be applied to total costs and allocated to the proper funds. See Attachment C for an example illustrating the above situation.

Example B (Community Education Building Located in a K-12 Learning Site)

If a community education program uses space that is also used by the K-12 program, the simple square foot allocation basis is not appropriate. In this case, the program should still pay for its costs. However, certain costs should remain in the General Fund. Custodial costs, for example, will be incurred because of the K-12 program. Therefore, community education should only be charged for excess costs, overtime pay to staff to maintain the boiler, or late cleanup after a program. These costs are best obtained by job timesheet entries. A sample period may be used if job timesheets are not available. The remaining costs, principally heat, light and water should be allocated by a percentage of usage. Usage is determined by both the amount of space and the percentage of time used. See Attachment C for an example illustrating the above situation.

Example C (Swimming Pools)

Swimming pools present a special problem due to their high utility usage and intensive custodial care required. The best method to allocate costs for buildings with pools is to use a consultant to determine operation costs. Districts must subtract costs from the total building costs thus reducing the available square footage in the building. The pool would be allocated on an hours used basis; the remaining space would be allocated as appropriate. See Attachment C for an example illustrating the above situation.

3. Nonpublic School Programs

Public schools are required by law to provide services to nonpublic schools in the areas of health (Finance Code 350), guidance and counseling (Finance Code 353), and textbooks and instructional materials (Finance Code 351). Public schools must maintain a separate accounting for each nonpublic school they deal with. Each nonpublic school is assigned a number.

If a school district is using its own personnel, the following steps should be followed to allocate expenditures associated with health services and guidance and counseling.

First, determine the percentage of time spent with the nonpublic schools for the purpose of determining the total expenditures to be coded to them. Second, allocate those expenditures on the basis of the number of students in each nonpublic school.

If the school district hires personnel strictly to deal with nonpublic schools, the total expenditures to be allocated are clear. These expenditures should then be allocated to the various nonpublic schools on the basis of the number of students in each nonpublic school.

Public schools can charge actual costs of up to 5% of expenditures as administrative costs. When these administrative costs are reimbursed, the revenues should be coded back to the fund having generated the administrative costs. See Part B below.

B. Chargeback Allocation Method

Account for the cost initially in the central service department and then allocate by utilizing a negative dollar amount chargeback account within the central service department (credit amount).

Examples:

1. Central Printing
   Account for the cost in the user programs by offsetting the central printing department costs with a negative chargeback entry, using Object Code 398 – Interdepartmental Miscellaneous Services, and charging the user programs with a positive chargeback entry, using Object Code 398.

2. Central Warehouse
   Account for the cost in the user program by offsetting the central warehouse department costs monthly (or at least annually) by making a negative chargeback entry, using Object Code 398 – Miscellaneous Services Chargeback, and charging the user programs with a positive chargeback entry, using Object Code 398 – Miscellaneous Services Chargeback. The dollar amount of the chargeback could be based on the square footage of the warehouse space, or some other similar basis such as a service charge method as follows: If we assume that the warehouse operation would require $150,000 to operate and would make inventory purchases of $2,000,000, there would be a service charge of 7.5% ($150,000/$2,000,000).

3. Other Food Service Costs
   Utility costs that can be identified with food preparation in the kitchen and custodial time needed to move groceries or clean the kitchen may be allocated to the Food Service Fund from the General Fund using Chargeback Object Code 398.

4. Transportation Program
   Normally during the year, all costs associated with a district-owned bus fleet, or a combination district- and contractor-owned bus fleet, are accumulated in a central cost pool with a Finance Code 720. However, in some cases bus driver salaries and other expenditures can be allocated as the cost is being incurred to another appropriate finance code. At year-end, these costs must be allocated to all appropriate finance codes. The basis for allocation should normally be cost per mile. However, in some cases, allocation based on cost per student is appropriate. Object Code 365 should be used. Refer to *Exhibit F1* for a sample cost allocation of a district-owned operation and *Exhibit F2* for a sample cost allocation method for contractor owned fleet.

5. Employee Benefits
   See *Attachment B*.

6. Federal Indirect Cost Chargeback
   Use Object Code 895 to reclassify the indirect cost allowance in federal grants (see *Part VI*).

III. Allocation of Costs to Sites

Certain costs should be allocated to each budgeted learning site using the UFARS Organization Dimension. The same principles and criteria covered in Section I apply to allocating costs to learning sites. The following table should be used to help determine the costs to be allocated to a learning site.

Guide to Cost Allocation to Sites

	Specific Restricted Program			Other Programs
UFARS Programs	**Basic Skills/ Compensatory Education (Minn. Stat. 126C.15 [2024]) Finance Code 317**	**School Site Decision Making Agreement (Minn. Stat. 123B.04 Minn. Stat. 122A.61 [2024])**	**Staff Development and Staff Development Incentive (Minn. Stat. 122A.61 [2024]) Finance Code 316**	**Unrestricted Revenue and Other Restricted Revenue Not Specifically Mentioned[1]**
001-099 Administration	Not applicable	Only costs associated with Code 050, School Administration	Not applicable	Use Org. Dim. Code 005 except for UFARS Program Code 050, School Administration where it is recommended to use learning site org. codes.
100-199 District Support Services	Not applicable	Only costs associated with Human Resource activity for acquiring and maintaining staff, attendance recording and reporting, and any district central support services negotiated in the agreement such as purchasing, printing, and warehousing	Not applicable	Use Org. Dim. Code 005
200-299 Elementary and Secondary Regular Instruction	Require Learning Site Org. Codes, however, districts receiving compensatory transition revenue may use Org. Code 005 for the statutorily unrestricted part of this revenue. (1998 Laws, Article I, Section 35 – Must not exceed 5% of the former comp. revenue	Require Learning Site Org. Codes	Not applicable	Recommend for Learning Site Org. Code

	Specific Restricted Program			Other Programs
UFARS Programs	**Basic Skills/ Compensatory Education (Minn. Stat. 126C.15 [2024]) Finance Code 317**	**School Site Decision Making Agreement (Minn. Stat. 123B.04 Minn. Stat. 122A.61 [2024])**	**Staff Development and Staff Development Incentive (Minn. Stat. 122A.61 [2024]) Finance Code 316**	**Unrestricted Revenue and Other Restricted Revenue Not Specifically Mentioned[1]**
300-399 Vocational Educational Instruction	Require Learning Site Org. Codes	Require Learning Site Org. Codes	Not applicable	May use Learning Site Org. Coded
400-499 Special Education Instruction	May use unfunded costs with Learning Site Org. Codes	May use non-funded costs with Learning Site Org. Codes	Not applicable	May use non-funded costs with Learning Site Org. Codes
500-599 Community Educational Services	May use Learning Site Org. Codes	May use Learning Site Org. Codes	May use Learning Site Org. Codes	May use Learning Site Org. Codes
600-699 Instructional Support Services	Require Learning Site Org. Codes	Require Learning Site Org. Codes	Require Learning Site Org. Codes	May use Learning Site Org. Codes
700-799 Pupil Support Services	Require Learning Site Org. Codes	Require Learning Site Org. Codes	Not applicable	May use Learning Site Org. Codes
800-899 Sites, Buildings and Equipment	Require Learning Site Org. Codes with Code 810 only	Require Learning Site Org. Codes	Not applicable	May use Learning Site Org. Codes
900-999 Fiscal and Other Fixed Costs Programs	Not applicable	Not applicable	Not applicable	May use Learning Site Org. Codes

[1]Generally, salaries and fringe benefits should be included when it is recommended that costs be allocated to learning sites. However, for those districts whose management philosophy dictates they pool all staff salaries and benefits districtwide and only account for full-time equivalent staff (FTE) for each site, Organization Dimension Code 005 may be used.

IV. Allocation of Costs to UFARS Programs

All identifiable costs should be allocated to the UFARS programs which are receiving the benefit. The same principles and criteria covered in Section I apply to allocating these costs. The following table should be used to help determine the costs to be allocated to various UFARS programs which include the Food Service Fund (Program Code 770) and the Community Service Fund (Program Codes in the 500 series).

Guide for Cost Allocation to UFARS Programs

UFARS Programs Incurring Costs	Cost Allocation Standards	Basis of Allocation
001-099 Administration	Only Program Code 050, School Administration, may perform activities which can be allocated to other UFARS programs within the General Fund including various restricted revenue programs	Allocate actual costs directly.
100-199 District Support Services	Only Program Code 110, Business Support Services, may perform activities which can be allocated to other UFARS programs, including various restricted revenue programs. These activities include, but are not limited to, purchasing, printing, data processing, and warehousing	Purchasing – Number of orders Printing – Number of pages Warehousing – By item Data Processing – By CPU (central processing unit) time
200-299 Elementary and Secondary Regular Instruction	Only activities that relate to restricted revenue programs must be allocated. See *Part V*.	Use actual costs of the following: Salaries – Average/FTE various employee groups Benefits – Average percent of salary for various employee groups Instructional Supplies – ADM (average daily membership)
300-399 Vocational Education Instruction	Only activities that relate to other restricted revenue programs must be allocated. See *Part V*.	Use actual costs of the following: Salaries – Average/FTE various employee groups Benefits – Average percent of salary for various employee groups Instructional Supplies – ADM
400-499 Special Education Instruction	Only activities that relate to other restricted revenue programs must be allocated. See *Part V*.	Use actual costs of the following: Salaries – Average/FTE various employee groups Benefits – Average percent of salary for various employee groups Instructional Supplies – ADM

UFARS Programs Incurring Costs	Cost Allocation Standards	Basis of Allocation
500-599 Community Education Services	Only activities that relate to other restricted revenue programs must be allocated. This includes distributing costs within the 500 program series. Also, not more than 5% of ECFE revenue may be used to administer ECFE programs (Minn. Stat. 124D.11, subd. 5 [2024]). According to Minnesota Statutes 2024, section 124D.20, subdivision 9, a district may use up to 10% of its community education revenue for equipment that is used exclusively in community education programs and is further restricted to certain capital items. See *Part II* and *Part V*.	Use actual costs of the following: Salaries – Average/FTE various employee groups Benefits – Average percent of salary for various employee groups Instructional Supplies – ADM
600-699 Instructional Support Services	Only activities that relate to restricted revenue programs must be allocated. See *Part V*.	Use actual costs of the following: Salaries – Average/FTE various employee groups Benefits – Average percent of salary for various employee groups Instructional Supplies – ADM.
700-799 Pupil Support Services	Only activities that relate to restricted revenue programs must be allocated including the various food service programs and transportation programs. There are limitations on costs to be allocated to Food Service (Minn. Stat. 124D.111, subd. 3 [2024]). For the nonpublic pupil aid activities, the district may claim and receive percent of the allocation for the administration of the program. Minnesota Statutes 2024, section 123B.46. See *Part II* and *Part V*.	Use actual costs of the following: Salaries – Average/FTE various employee groups Benefits – Average percent of salary for various employee groups Instructional Supplies – ADM
800-899 Sites, Buildings and Equipment	Only Program Code 810, Operations and Maintenance, may perform activities which can be allocated to other UFARS programs including various restricted revenue programs. These activities include repairs and maintenance of equipment. For restricted revenue programs and the food service and community service funds, this includes custodial care and ordinary upkeep.	Use actual costs of the following: Salaries – Average/FTE various employee groups Benefits – Average percent of salary for various employee groups Instructional Supplies – ADM

V. Allocation of Costs to Restricted/Reserved Revenue Programs

Certain sources of revenue require that all costs related to this revenue be identified. The following programs should include all costs that satisfy the standards in this section.

A. Certain Components of General Education Revenue

1. General Education Revenue for Area Learning Centers and State-Approved Alternative Learning Program
   Use **Finance Code 303** to identify all expenditures associated with the district's students attending an area learning center (Minn. Stat. 123A.05-123A.09 [2024]). Use **Finance Code 305** to identify all expenditures associated with the district's students attending state-approved alternative learning program. School districts must reserve revenue in an amount equal to at least 90% of the district average general education revenue less compensatory revenue times the number of pupil units attending an area learning center program or alternative program.

2. Basic Skills Revenue
   Use **Finance Code 317** to identify all expenditures itemized under basic skills legislation (Minn. Stat. 126C.10, subd. 4 [2024]) and (Minn. Stat. 126C.15, subd.1 [2024]). Basic skills revenue is comprised of the following three revenue components: (1) compensatory education; (2) English learners basic; and (3) $250 times the English learner pupil units. Use **Finance Code 309** to identify all expenditures related to Basic Skills for Extended Time.

3. Staff Development Revenue
   Use **Finance Codes 316** to identify all expenditures associated with the district's staff development programs (Minn. Stat. 122A.61 [2024]). Two percent of Basic General Education Revenue must be restricted/reserved for staff development activities. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs.

4. Operating Capital Revenue
   Use **Finance Code 302** to identify all expenditures stipulated in Minnesota Statutes 2024, section 126C.10, subdivisions 13 and 14. Expenditures for capital items not associated with Total Operating Capital Revenue should be recorded using Finance Code 000 or other appropriate finance code. Revenue for a district equals $109 times the district's maintenance cost index times its actual pupil units, plus $79 times the actual pupil units for the school year.

5. Learning and Development Revenue
   Use **Finance Code 330** to identify all expenditures to reduce and maintain the district's instructor-to-learner ratio in kindergarten through grade 6 to a level of 1 to 17 on average as stipulated in Minnesota Statutes 2024, section 126C.12.

B. Community Education

Use **Finance Code 321** to identify community education activities defined in [Minnesota Statutes 2024, section 124D.20], subdivision 8. Do not include community education expenditures for which other finance codes exist (Finance Codes 322, 325, 326, and 438).

C. Early Childhood Family Education (ECFE)

Use **Finance Code 325** within Program Code 580 to identify all expenditures for the ECFE activities offered by the school district according to [Minnesota Statutes 2024, section 142D.11].

D. Adult Basic

Use **Program Code 520** to identify all expenditures along with various finance codes including Finance Code 322, State Adult Basic Education; and Finance Code 438, Adult Basic Education. In no case shall federal and state aid plus levy equal more than 100% of the actual cost of providing these programs ([Minn. Stat. 124D.52 [2024]]).

E. Special Education

Use **Finance Code 740** to identify all expenditures incurred for state fund special education programs. Special education salary expenditures eligible to generate state special education aid include expenditures for essential personnel including special education teachers, related services staff, and support services staff who provide direct services to students with disabilities. Salaries of administrative and supervisory personnel are not eligible to generate special education aid. Expenditures for contracting with outside consultants to conduct assessment and Individual Education Program (IEP) planning for individual pupils are eligible to generate special education aid.

Districts may generate state special education aid when contracting with a public or private agency, other than another public school, for individual student services. The purchase of instructional equipment and supplies are reimbursable with state special education aids when purchased for student use.

F. Long-Term Facilities Maintenance (LTFM)

Use **Finance Codes 347, 349, 352, 355, 358, 363, 366-370 and 379-384** to identify all expenditures approved for LTFM ([Minn. Stat. 123B.595], subd. 12 [2024]).

1. 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.
2. The district must annually update the plan, biennially submit a facility maintenance plan to the commissioner, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

3. For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

G. Secondary Vocational Education

Use **Finance Code 830** to identify all expenditures eligible for state funded secondary vocational aid (use with Program Code Series 301-399 and Program Code 610) according to Minnesota Statutes 2024, section 124D.4531.

H. Disabled Access Levy

Use **Finance Code 794** to identify all expenditures for the removal of architectural barriers and for fire safety modifications according to Minnesota Statutes 2024, section 123B.58. The district may levy up to $300,000 under this authority as approved by the commissioner and the amount may be levied over eight or fewer years.

I. Health and Development Screening Aid

Use **Finance Code 354** to identify all expenditures related to the state aid for each child screened according to Minnesota Statutes 2024 142D.091. Use Fund 04, Community Service Fund.

J. Integration Revenue

Use **Finance Code 313** to identify expenditures related to Integration Revenue according to Minnesota Statutes 2024, section 124D.861.

K. State School to Work Disabled Program

Use **Finance Code 835** to identify all expenditures funded by this program according to Minnesota Statutes 2024, section 124D.454.

VI. Indirect Costs Relating to Federal Grants and Contracts

Minnesota Indirect Cost Rate LEA Delegation Agreement (Updated July 2025)

The U.S. Office of Management and Budget (OMB) Circular CFR Title 2 Subtitle A Chapter 2 Part 200, sets forth the cost principles and standards for determining the allowable costs of federally funded grants and contracts administered by state and local governments and contains provisions for determining indirect cost rates for grantees and sub-grantees of federal grants. The objectives of the Circular are:

A. Establish Uniform Standards of Allowability

All federal agencies agree to recognize the central service costs which benefit grant programs as allowable costs of those programs, so long as they are calculated in accordance with the Circular.

B. Establish Uniform Standards of Allocation

All federal agencies accept the method of allocation agreed to by the "cognizant" federal agency. Costs are allocated to the benefiting departments regardless of the funding source or the ability of that source to pay.

C. Identify the Full Cost of Federal Programs

By identifying, accumulating, and allocating all allowable direct and indirect costs to the program for which the cost was incurred, the exact cost of all federal programs may be determined.

D. Ensure Federal Programs Bear Their Fair Share of Costs

Only by identifying and allocating all direct and indirect costs within a central service cost allocation plan, in conformity with the circular, will localities be reimbursed for the total cost of federal programs.

E. Simplify Intergovernmental Relations

Under the OMB Omni Circular concept of the "cognizant" agency, one agency with one group of reviewers approves a cost plan. All other agencies accept the plan. Thus, uniform methods of allocation and allowability are applied to all federal grants.

Six months preceding the expiration of the delegation agreement, the Minnesota Department of Education (MDE) contacts the U.S. Department of Education (US-DOE) to request a new delegation agreement, and submits an indirect cost proposal to the (US-DOE). The proposal, upon acceptance by the US-DOE, delegates authority to MDE to establish restricted and unrestricted indirect cost rates for use by local educational agencies (LEAs) in Minnesota. For an LEA to have authority to recover indirect costs for the administration of federal or state grants, an LEA must have an approved indirect cost rate as established by MDE.

Indirect Cost Rates

An indirect cost rate is a means of determining in a reasonable manner the percentage of allowable general management costs that each federal grant should bear. Indirect costs are generally administrative costs such as the salaries and expenses for people who are engaged in administrative activities from which the entire LEA benefit.

An indirect cost rate is the ratio of total indirect costs to total direct costs, based on an LEA's actual expenditures, exclusive of any extraordinary or distorting expenditures, such as capital outlay and major subcontracts. (Only the first $25K of the sub-contracted amount is included in the calculation. Effective FY 2026 only the first $50K.) When calculating the indirect cost rate, the expenditures for the second preceding fiscal year are used. For example, expenditures for FY 2024 will be used when calculating the rates for FY 2026. The second preceding year is used since the actual costs for the immediately preceding year will not be available at the time the LEA needs to calculate the rate for the following year.

MDE elects to use the fixed with carry-forward rate for indirect costs referenced in the Uniform Guidance (2 CFR Appendix VII to Part 200 B.5.). This means that the following year's rates will be reduced or increased for under/over application of indirect costs in the current year. For example, in FY 2026 the actual indirect costs from FY 2024 will be compared to the estimated FY 2024 indirect costs used to calculate the indirect cost rate in that year. The difference will be applied to the FY 2026 estimated indirect cost used in the calculation of the FY 2026 indirect cost rate.

Classification of Costs

Indirect costs, 2 CFR 200.414, are those costs which are not readily identifiable with the activities of the grant but are, nevertheless, incurred for the joint benefit of those activities and other activities or programs of the organization.

In accordance with OMB Omni Circular, indirect costs are costs meeting the following criteria:

a. Incurred for a common or joint purpose benefiting more than one cost objective; and,
b. Not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.

A cost may not be allocated to a federal financial assistance program as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a federal financial assistance program as a direct cost.

Direct costs, 2CFR 200.413, are those that can be identified specifically with a particular cost objective. These costs may be charged directly to grants, contracts, or to other programs against which costs are finally assigned. Typical direct costs chargeable to a grant include, but are not limited to: compensation of employees for the time devoted and identified specifically to the performance of those programs; cost of materials acquired, consumed, or expended specifically for the purpose of those programs; travel expenses incurred specifically to carry out the program, etc.

Disallowed costs, 2 CFR 200.420 – 200.475, are certain costs for which federal funds cannot be used. These are costs directly attributable to governance. However, for rate computational purposes, these disallowed costs should be included in the base for allocation along with direct costs if they generated or benefited from allowable indirect cost. Examples of disallowed costs are bad debts, contingencies, entertainment, fines and penalties, governance, and/or contributions and donations to outside organizations.

Excluded costs, 2 CFR 200-1 MTDC, are costs that are extraordinary or distorting expenditures and are excluded from the computation of the indirect cost rate. Excluded costs in this category include capital outlay, debt service, judgments against the school district, certain transfers, and internal service fund expenditures. For formula computational purposes, these costs are excluded from the rate computation. Indirect cost recoveries on federal or state programs and refunds returned on federal or state programs are also categorized as excluded costs.

Rate Types

Restricted rates, as defined in the Education Department General and Administrative Regulations (EDGAR), 34 CFR 76.563-76.569, at 76.563 restricted rates apply to grants that are made under federal programs with supplement and in no case supplant requirements. This means that the funds are to support additional state and local funding. Such amounts are intended to supplement, but not replace, local funds. Most of the federal grants that the LEA receives are through MDE, are designated restricted, therefore require the use of a “restricted” indirect cost rate.

Restricted grants include only indirect costs consisting of general management costs and fixed charges as defined below:

General management costs consist of the salaries and expenses for employees performing accounting, payroll preparation, or personnel management activities. Those activities that are limited to one school, subject, or phase of operation are not general management costs. Salaries and expenditures related to the direction and supervision of such functions as instruction, guidance, attendance, transportation, community services and student services are considered direct costs.

As stated in EDGAR 76.565, “general management costs are the costs of activities that are for the direction and control of the grantee's affairs that are organization-wide. An activity is not organization-wide if it is limited to one activity, one component of the grantee, one subject, one phase of operations, or other single responsibility. General management costs include the costs of performing a service function, such as accounting, payroll preparation, or personnel management that is normally at the grantee's level even if the function is physically located elsewhere for convenience or better management.”

When calculating a restricted indirect cost rate, the term “General Management Costs” does not include expenditures for:

a. Divisional administration that is limited to one component of the grantee;
b. The governing body (members of the board of education) of the grantee;
c. Compensation of the chief executive officer (Superintendent of a school district) of the grantee;
d. Compensation of the chief executive officer of any component of the grantee; and
e. Operation of the immediate offices of these officers.

For purposes of this section:

The chief executive officer of the LEA is the individual who is the head of the executive office of the grantee and exercises overall responsibility for the operation and management of the organization. The chief executive officer's immediate office includes any deputy chief executive officer or similar officer along with immediate support staff of these individuals. The term does not include the governing body of the grantee, such as a board or a similar elected or appointed governing body; and components of the grantee are those organizational units supervised directly or indirectly by the chief executive officer. These organizational units generally exist one management level below the executive office of the grantee. The term does not include the office of the chief executive officer or a deputy chief executive officer or similar position.

Salaries and expenses for auditing, budgeting, payroll, personnel, purchasing and employee relations are examples of services typically benefit multiple internal activities and programs where costs are determined by means of an indirect cost proposal. For LEAs this would include most of the costs recorded in General

Administrative Support (Program Code 105), Administrative Technology Services (Program Code 108) and Business Support Services (Program Code 110). The expenses incurred within these program codes are of a nature where direct costs cannot be specifically identified and as such are considered indirect in nature.

An individual principal's salary, including benefits and operational expenditures related to the principal's immediate office are not indirect costs. The associated costs are disallowed costs and are considered to be direct costs for rate computation purposes for both the restricted and unrestricted rate.

Fixed charges classified as indirect costs are limited to amounts associated with general management costs. The fixed charges can be viewed as appended to those administrative functions, and the classification rules are the same as those applied to salaries.

Expenditures which are exclusively identified as employee retirement expenses are; Social Security, pension fund payments, premium expenditures for employee insurance or liability insurance, unemployment and workers compensation, and all similar costs normally considered being employee fringe benefits.

No other items are to be classified as indirect fixed charges.

Severance Pay: Note that per OMB Omni Circular, 200.431 (b), payments to separating employees for termination benefits and/or unused leave are **not** charged as direct costs to any federal awards ("terminal leave costs" Object Codes 191 and 291). The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as annual leave, family related leave, sick leave, holidays, court leave, military and administrative leave, are allowable **if all** of the following criteria are met: (1) the leave is provided under established written leave policies, (2) costs are equitably allocated to all related activities, including Federal awards, and (3) accounting basis (cash or accrual) selected for costing each leave category is consistently followed by the non-federal entity. The leave costs are treated as indirect costs when computing the restricted and unrestricted indirect cost rate with one exception. When computing the restricted indirect cost rate, termination leave costs to employees who are indirect for the unrestricted rate, but direct for the restricted rate (i.e., superintendent and their office), are considered direct cost payments for rate calculation purposes only.

Pay-As-You-Go Post-Retirement Health Benefits (PRHB), will be treated as indirect costs for both the restricted and unrestricted rate regardless of where the employees' salary is recorded, with one exception. For purposes of calculating the restricted rate, PRHB costs (Object 291) associated with superintendent, chief executive officer (CEO) of components (as defined by EDGAR 76.565(d)(2)) and their immediate offices will be treated as direct. All PRHB paid to a trust (up to or equal to the annual required contribution – Object Code 252) will be considered direct costs for the purpose of indirect cost rate calculations.

Unrestricted Rates apply to grants not subject to the supplement but not supplant legislative restriction.

Indirect Costs – Expenditure for office of the superintendent (Program Code 020), and other administrative support (Program Code 107) in addition to operations and maintenance of plant are classified as an indirect cost when calculating an unrestricted rate. All other costs are classified the same as the restricted rate calculations. Direct costs, disallowed costs, and excluded costs are also classified the same as the restricted rate calculations.

Federal rules allow a SEA to be more restrictive in setting an unrestricted rate. MDE Financial Management team applies a 50% unrestricted rate to schools with a rate greater than 50%. A statewide average of the new data is calculated. All LEAs initially limited to 50% will now be assigned the statewide average for a final unrestricted rate.

Audit Requirements

General Statement – Classification of expenditures must conform to program and object codes as detailed in the Uniform Financial Accounting and Reporting Standards (UFARS) manual.

Additional Documentation – Indirect Costs – Detailed records are required to support any indirect costs attributed to Program Code 105 (General Administrative Support). The records should provide a detailed analysis of costs classified as indirect, including a justification or explanation as well as other relevant information. Failure to provide adequate documentation may result in single audit questioned costs related to indirect cost recovery. Expenditures recorded in Program Code 110 (Business Support Services) do not require additional documentation in support of classification as indirect costs.

Additional Documentation – Excluded Costs – Schedules or other records that document the reporting of all expenditures recorded as excluded costs should be maintained. Failure to document all excluded cost types accurately may result in single audit comments relative to indirect cost calculation.

Records and documentation supporting the indirect cost allocation plan must be retained for a period of five years after the last day of the fiscal year to which the proposal applies or until audited, whichever occurs sooner. If audit exceptions have been noted, records must be retained until those exceptions have been resolved.

Budgeting Indirect Costs in Fixed Grant Awards

Use of Rates – Once the applicable rate has been determined, the amount available to earn indirect cost dollars can be computed as follows:

The amount available to earn indirect cost is determined by subtracting excluded costs (items of equipment, sub-awards/subcontracts in excess of $25,000 (Effective FY 2026 in excess of $50,000) and flow-through funds) from the grant award. Note that only the first $25,000 (Effective FY 2026 only the first $50,000) of a sub-award/subcontract is included in the Base of Application, and only during the first year of the sub-award/subcontract. Amounts exceeding $25,000 (Effective FY 2025 exceeding $50,000) during the first year, as well as the entire sub-award/subcontract amounts during subsequent years, are excluded from the Base of Application.

The remaining amount is the net available for both indirect and direct costs. To determine the amount available to be assessed indirect costs, the net amount is divided by the combined percentage of 100.00% plus the applicable indirect cost rate percentage. For example: the indirect cost rate is 5.45%, the total entitlement for a Title 1 project is $945,000.00, and the project included $1,395.00 for capital outlay.

Grant Award	$945,000.00
Less: Capital Outlay	$1,395.00

Net Available for Indirect and Direct Cost $943,605.00

Amount Available to be Assessed Indirect Costs	***Indirect Cost Dollar Amount =***
$943,605 ÷ 1.0545	$894,836 x .0545 = Indirect Cost Dollar Amount
$894,836	$48,769 = Indirect Cost Dollar Amount

Note: The above example shows how to calculate the maximum amount of indirect costs that could be claimed against a grant; however, the amount of indirect costs actually paid for a fixed grant will depend on the actual amount of direct costs actually incurred for the grant. In no case can the amount of actual direct costs plus calculated indirect costs plus capital outlay costs exceed the total amount of the fixed grant award.

Indirect Cost Rate Calculation Process

1. The LEA is required to report expenditures consistent with the current year UFARS manual.
2. The LEA is required to maintain proper internal controls, necessary timekeeping records and accounting records to support the audited UFARS submission.
3. The LEA is required to utilize and comply with the proper accounting treatment defined in OMB Omni Circular and EDGAR.
4. The sources of data utilized to calculate the indirect cost rate is obtained from the audited UFARS data submitted to MDE from the second preceding fiscal year. MDE calculates the indirect rate for the LEA using the reported UFARS.
5. MDE publishes the calculated rates and posts them to the Data and Analytics page of the MDE website (https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=45).
6. An LEA may apply the posted indirect cost rate to direct costs associated with their grants. The LEAs may use up to the maximum awarded rate per grant. An LEA may not use a rate greater than the awarded rate for any grant.
7. The MDE posted negotiated rate is the maximum allowable indirect cost rate for the year awarded. Federal law or grant conditions may limit the amount of indirect costs or the indirect cost rate. For example, if a district has a restricted rate of 5% and the law allows only a 3% rate of recovery, then it can recover only indirect costs equal to 3% of the direct costs.

   Grant terms and conditions may also exist for some grants that prohibit any recovery or allow limited recovery of indirect costs. Recovery of indirect costs on grants is subject to the availability of funds. Most restricted grants are allocated to the state as a block grant in which each district is entitled to a maximum grant amount. The total direct costs plus indirect costs cannot exceed the maximum entitlement. Indirect costs are recovered only to the extent of direct costs incurred. The indirect cost rate is applied to the direct cost amount expended, not to the grant award.

An indirect cost rate certification issued by the department is established for a specific fiscal year. The rate is valid from July 1 through June 30 of the applicable fiscal year of approval. To recover indirect costs, LEAs apply the indirect cost rate in effect for a given fiscal year to the grant expenditures during the fiscal year, including any disbursements made on a project balance that is brought forward.

Listed below are program codes, program categories and object codes used by MDE to establish the restricted and unrestricted indirect cost rates. Also included are the excluded program codes, program categories and object codes that are excluded from the calculations.

Restricted Rate Guide

Funds 01, 02, 04

Indirect Costs (numerator)

Program Codes	Program Categories	Object Codes
105	General Administration Support	All-1
108	Administrative Technology Services	All-1
110	Business Support Services	All-1
All	Terminal Leave (Except Programs 010, 020, 107)	191
All	Pay-As-You-Go PRHB	291

Direct/Disallowed Base Costs (denominator)

Program Codes	Program Categories	Object Codes
010	Board of Education	All-2
020	Office of Superintendent	All-2
030	Instructional Administration	All-2
050	School Administration	All-2
107	Other Administration	All-2
200 series	Regular Instruction	All-2
300 series	Vocational Instruction	All-2
400 series	Special Education Instruction	All-2
500 series	Communication Education and Services	All-2
600 series	Instructional Support	All-2
700 series	Pupil Support Services (except 770)	All-2
770	Food Service	All-3
805-810	Operations and Maintenance	All-2
940	Insurance	All-2

Excluded Costs

Program Codes	Program Categories	Object Codes
All	Federal Sub-award/Subcontract > $25,000 (Effective FY 2026 > $50,000)	304, 309, 341-349, 351-356, 364
All	Payments to Others	390-394, 399
All	Capital Expenditures	500-599
All	Debt Service	700-799
All	Other Expenditures	800-899 except 820 and 899
All	Other Financing	900-999
010	Continued Retiree Benefits – Pay As You Go	291
020	Continued Retiree Benefits – Pay As You Go	291
107	Continued Retiree Benefits – Pay As You Go	291
120	Cooperative Purchasing and Services	All
850	Capital Facilities	All
855	Alternative Facilities	All
865	Health & Safety	All
866	LTFM	All
867	LTFM < $2M (BOND)	All
868	LTFM > $2M (PAY.AS.YOU.GO)	All
870	Building Construction	All
910	Retirement of Long-Term Obligations	All
920	Retirement of Non-bonded Obligations	All
930	Employee Benefits Clearing Account	All
935	Post-Employment Benefits	All
950	Transfers	All

Program Codes	Program Categories	Object Codes
960	Other Nonrecurring Items	All

All-1 = All costs of the program except: Objects 304, 309, 341-349, 351-356, 364, 390-394, 399, 500-599, 700-799, 800-899 except 820 and 899, 900-999

All-2 = All costs of the program except: Objects 191, 291, 304, 309, 341-349, 351-356, 364, 390-394, 399, 500-599, 700-799, 800-899 except 820 and 899, 900-999

All-3 = All costs of the program except: Objects 191, 291, 304, 309, 341-349, 351-356, 364, 390-394, 399, 490-499, 500-599, 700-799, 800-899 except 820 and 899, 900-999

Unrestricted Rate Guide

Funds 01, 02, 04

Indirect Costs (numerator)

Program Codes	Program Categories	Object Codes
020	Office of Superintendent	All-1
105	General Administration Support	All-1
107	Other Administration	All-1
108	Administrative Technology Services	All-1
110	Business Support Services	All-1
805-810	Operations and Maintenance	All-1
All	Terminal Leave	191
All	Pay-As-You-Go PRHB	291

Direct/Disallowed Base Costs (denominator)

Program Codes	Program Categories	Object Codes
010	Board of Education	All-2
030	Instructional Administration	All-2
050	School Administration	All-2
200 series	Regular Instruction	All-2
300 series	Vocational Instruction	All-2
400 series	Special Education Instruction	All-2
500 series	Communication Education and Services	All-2
600 series	Instructional Support	All-2
700 series	Pupil Support Services (except 770)	All-2
770	Food Service	All-3
940	Insurance	All-2

Excluded Costs

Program Codes	Program Categories	Object Codes
All	Federal Sub-award/Subcontract > $25,000 (Effective FY 2026 > $50,000)	304, 309, 341-349, 351-356, 364
All	Payments to Others	390-394, 399
All	Capital Expenditures	500-599
All	Debt Service	700-799
All	Other Expenditures	800-899 except 820 and 899
All	Other Financing	900-999
120	Cooperative Purchasing and Services	All
850	Capital Facilities	All
855	Alternative Facilities	All
865	Health & Safety	All
866	LTFM	All
867	LTFM < $2M (BOND)	All
868	LTFM > $2M (PAY.AS.YOU.GO)	All
870	Building Construction	All
910	Retirement of Long-Term Obligations	All
920	Retirement of Non-bonded Obligations	All
930	Employee Benefits Clearing Account	All
935	Post-Employment Benefits	All
950	Transfers	All
960	Other Nonrecurring Items	All

All-1 = All costs of the program except: Objects 304, 309, 341-349, 351-356, 364, 390-394, 399, 500-599, 700-799, 800-899 except 820 and 899, 900-999

All-2 = All costs of the program except: Objects 191, 291, 304, 309, 341-349, 351-356, 364, 390-394, 399, 500-599, 700-799, 800-899 except 820 and 899, 900-999

All-3 = All costs of the program except: Objects 191, 291, 304, 309, 341-349, 351-356, 364, 390-394, 399, 490, 491, 495, 499, 500-599, 700-799, 800-899 except 820 and 899 and 900-999

Carry-Forward Calculation

A fixed rate with carry-forward provision has characteristics of both a provisional rate, which is a temporary rate subject to adjustment, and a predetermined rate, which is a permanent rate not subject to adjustment. A rate is computed and fixed for a specified future period based on an estimate of that future period's level of operations. However, when the actual costs of that period become known, the difference between the estimated costs and the actual costs is carried forward as an adjustment to a subsequent period for which a rate is established. The adjustment cannot be made in the fiscal period immediately following because the fixed rate for the immediately following fiscal period will already have been determined. An adjustment generally will be carried forward to the second fiscal period following the period being adjusted. A fixed rate should be selected that will closely approximate the actual rate expected to be incurred. An accurate forecast will confine carry-forward amounts to minimal differences.

The calculation used for FY 2026 for the restricted and unrestricted carry-forward computations is as follows:

Step #1:

(FY 2024 Actual UFARS Denominator) x (FY 2024 Estimated Indirect Cost Rate[2]) = Estimated Amount Eligible for Indirect Cost

Step #2:

(Estimated Amount Eligible for Indirect Cost) – (FY 2024 Actual Indirect Cost) = Carryover

Step #3:

(FY 2024 Actual UFARS Numerator) – (Carryover) = Adjusted FY 2026 UFARS Numerator

Step #4:

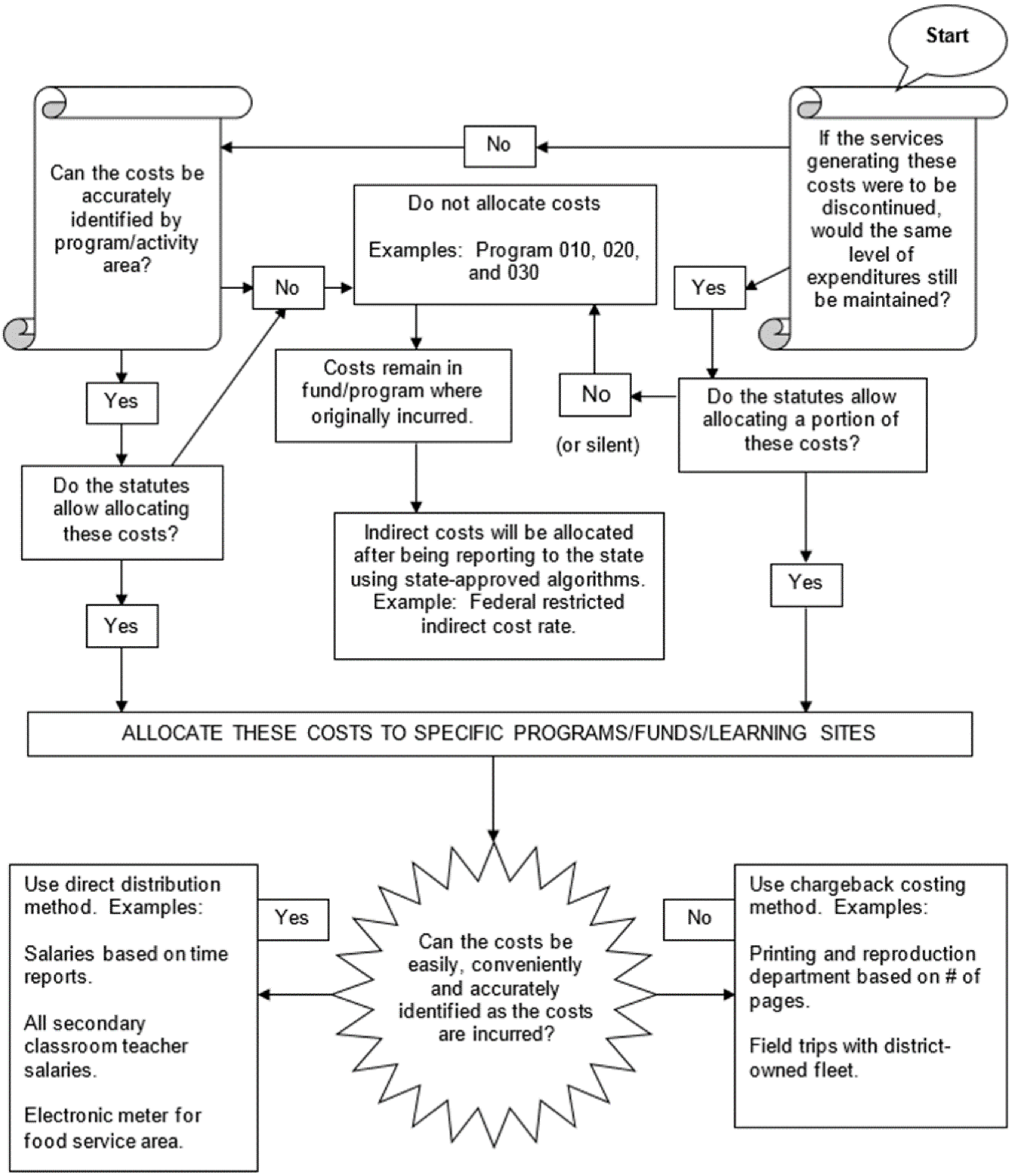
(Adjusted FY 2024 UFARS Numerator) / (FY 2024 Actual UFARS Denominator) = FY 2026 Indirect Cost Rate

[2]FY 2026 Estimated Indirect Cost Rate was calculated using:
(FY 2024 Actual UFARS Numerator) / (FY 2024 Actual UFARS Denominator)

Note: Numerator means the same as indirect costs. Denominator means the same as the direct/disallowed base costs.

Attachment A

VII. Cost Allocation Standards (to UFARS Program/Funds/Learning Sites)



Attachment B

UFARS Accounting – Employee Benefits

Program Dimension Code 930 – Employee Benefits

Allocation of Program Costs

According to the UFARS manual, at year-end all costs associated with benefits, Re-employment Insurance, and Workers Compensation are to be allocated to the program which generated the benefit. State reporting requirements to the U.S. Department of Education also require that employee benefits in the Operating Funds be allocated to specific programs which receive the benefit. Because of the above, the description for Program Code 930 was changed to "Employee Benefits (clearing account only)." The Internal Service Fund (20) does not need to have Program Code 930 be zero due to the nature of the fund.

If indirectly allocating employer costs for employee benefits that have been charged to Program Dimension Code 930, districts must, at a minimum, allocate employer costs to one or more of the following general areas, using chargeback codes:

Program Code:
- 030 General Administration – Instructional (000 Series)
- 105 District Support Services (100 Series)
- 201 Kindergarten Instructional Services
- 203 Elementary Instructional Services
- 211 Secondary Instructional Services
- 399 Secondary Vocational Instructional Services
- 420 Special Education Instructional Services
- 505 (Fund 04) – Community Service Program (General) (500 Services Except for ECFE)
- 580 (Fund 04) – Early Childhood and Family Education
- 605 Instructional Support Services (600 Series)
- 640 Staff Development
- 760 Pupil Transportation Services
- 770 (Fund 02) – Food Service Program
- 790 Other Pupil Support Services (700 Series except for pupil transportation and food service)
- 810 Operations and Maintenance of Facilities Services (800 Series)

Review the current UFARS Chapter 10 Unrestricted grids for allowable code combinations.

Example A – Community Education Building Located in a Non-K-12 Learning Site

If a building was occupied as follows:

Square Footage	Location
30,000	District Office
10,000	Community Education
10,000	Food Service
5,000	Vacant Rooms
5,000	Common Areas
60,000	Total

The amount allocated to Community Education would be determined as follows: The amount of square footage allocated would consist of used space plus a prorated share of common area. The common area is 9.09% of used space 5,000 / 55,000, therefore, community educators would have 10,000 + 10,000 x .0909 = 10,909 square feet allocated to it and the yearly costs would equal $80,000 x 10,909 / 60,000 = $14,545. From this it follows if Community Education was the sole occupant of a building, they would pay 100% of the costs (assuming there was no vacant space).

Example B – Community Education Building Located in a K-12 Learning Site

If community education uses 1,500 square feet of a 10,000-square-foot building for four hours three days a week and the K-12 program uses the space for eight hours five days a week. The allocation to community education would be the percentage of space multiplied by the percentage of time used (this is the percentage of utilization). In this case, the space allocation is 1,500 / 10,000 = .15. The time allocation is 12 / 52 = .23 for a utilization of 3.46% (.15 x .23). Community education should be allocated 3.46% of total costs.

The General Fund should pay for the remaining costs, which include the 77% of utilized time and all of the non-used time (weekends, etc.).

Example C – Swimming Pools

The following example shows a calculation with journal entries of a K-12 learning site that has a pool, community education classes, and administration offices in it.

Facts

Use	Square Footage
Instructional Usage (K-12 and Community Education)	6,000 Square Feet
District Offices	2,000 Square Feet
Community Education Offices	1,000 Square Feet
Pool	1,500 Square Feet
Common Areas	500 Square Feet
Total	11,000 Square Feet

Attachment C

Costs – All Program Code 810

Object Code	Use	Cost
170	Custodial	$30,000
170	Custodial Overtime for Community Education	$4,000
200s	Benefits	$6,500
300	Utilities, Repairs	$15,000
401	Custodial Supplies, Repair Supplies	$3,000
440	Fuel for Building	$3,000
500	Costs Attributable to Pool (according to study)	$30,000
Total Costs		$91,500

General Community Education classes use 3,000 square feet M-W-F – four hours per day

K-12 use 6,000 square feet M-T-W-Th-F – eight hours per day

Community Education Pool – eight hours per week

K-12 Pool – 20 hours per week

Community Education Costs

Facilities Uses

Action	Cost	Description	Action	Cost	Description
	$91,500	Total Costs		11,000	Square Feet
Less	$4,000	Overtime	Less	1,500	Pool
Less	$30,000	Pool	Less	500	Common Areas
	$57,500	Cost to Allocate		9,000	Specific Uses

Allocate Common .0555 = 500/9,000

Location	**Square Feet**	**Comments**
K-12	6,334	(6,000 + Prorated Share of Common)
District Office	2,111	(2,000 + Prorated Share of Common)
Community Education Office	1,055	(1,000 + Prorated Share of Common)
	9,500	Total

1. Custodial Overtime – $4,000
2. Community Education Administrative Offices

(Allocated to Community Education)	1,055 / 9,500 x $57,500 =	$6,385
District Office Cost	2,111 / 9,500 x $57,500 =	$12,777
(These costs are not allocated to maintain program integrity.)		
Instructional Space	6,334 / 9,500 x $57,500 =	$38,338
Total		$57,500

3. A portion of the instructional space must be allocated to community education for use of 3,000 square feet of space three days a week, four hours a day.

Total Usage is	6,000	Square feet x 8 hours x 5 days =	240,000
	3,000	Square feet x 4 hours x 3 days =	36,000
Total			276,000

Community Education's allocation is 36,000/276,000 = .1304 of the instructional space which is .1304 X $38,338 = $4,999.

4. Pool Costs allocation

Use	Hours
K-12 Usage	20 hours
Community Education Usage	8 hours
Total	28 hours

The Community Education allocation would be 8 / 28 x $30,000 = $8,571

Journal Entry

Entry		Code	Debit	Credit
1)	E	04-005-505-000-195-000	$4,000	
2)	E	04-005-505-000-398-000	$6,385	
3)	E	04-005-505-000-398-000	$4,999	
4)	E	04-005-505-000-398-000	$8,571	
5)	G	04-101-00	$27,803	
1)	E	01-005-810-000-195-000		$4,000
2-4)	E	01-005-810-000-398-000		$19,955
5)	G	01-101-00		$27,803

Entry 1) could be made at the time the overtime is incurred which would imply using Object Code 170 rather than 195.

This example is only one method of allocation; other methods may be used as long as they use identifiable costs, allocated using a logical, appropriate methodology.

Section 2 – Student Transportation Services

The following information on financial accounting and cost allocation methods for student transportation services can also be viewed on the Minnesota Department of Education website.

Financial Accounting for Student Transportation Services

Minnesota Statutes 2024, section 123B.92, subdivision 5, defines how school districts report transportation expenditures. School districts that contract for transportation services are allowed to allocate certain transportation expenses based on contract rates under certain circumstances. It also permits districts to report district-owned transportation expenditures based on a cost-per-mile, cost-per-hour, cost-per-route or a cost-per-student method. The exceptions are:

1. Bus driver salaries and related fringe benefits may either be directly charged to the appropriate transportation category or allocated among categories.
2. Contracts with a privately-owned company or an individual who provides transportation exclusively in "one" transportation category, for example, only providing transportation to special education students (disabled) or parent transporting a child to and from school, must be charged directly to the appropriate transportation finance code.
3. Expenditures for capital outlay, leased buses, student board and lodging, crossing guards and aides on buses must be charged directly to the appropriate transportation finance code.

In addition, districts will be limited to which staff salaries can be included in the finance codes associated with the transportation program. Staff salary limitations are being done to ensure an equitable distribution of state aids among districts.

In order to implement this system, districts will be required to keep detailed records in a number of areas. The records may include log sheets on the number of miles, hours or routes traveled, actual time sheets, or time studies for employees who work part-time in transportation. In addition, the district must send worksheets to Minnesota Department of Education (MDE) on how the district arrived at the final costs reported in each transportation category. Also, the district may be asked to supply log sheets, time studies, contracts, etc. The written documentation must be available to the MDE auditor if the transportation program is audited. If districts are unable to produce the written documentation, the expenditures may be disallowed.

Reporting Transportation Expenditures

There are four possible methods of reporting transportation expenditures. Districts that contract for services may allocate based on contract rates or the contract-owned standard allocation method based upon a cost-per-mile, cost-per-hour, cost-per-route or cost-per-student. Districts that use district-owned transportation services may report expenditures based on direct rates or district-owned standard allocation method based on a cost-per-mile, cost-per-hour, cost-per-route or a cost-per-student. A district may use a variety of these methods to report transportation expenditures at year-end.

The cost per student calculation is used when there are students of different transportation categories on a bus. The cost would need to be a cost per student to report expenditures accurately as state aid is based on these expenditures.

Contractor-Owned Transportation Services

School districts that contract for transportation services may allocate their transportation costs either based on contracted rates or the standard cost-per-mile, cost-per-hour, cost-per-route or cost-per-student basis. Transportation services provided by contractor-owned school bus companies incorporated under different names but owned by the same individual or group of individuals must be treated as the same company for cost allocation purposes.

Contractor-Owned Allocation Based on Contract Rates

A school district that contracts for transportation service may allocate transportation expenses to transportation categories based upon contract rates. Districts may only allocate transportation expense to transportation categories based upon contract rates if contract rates are reasonably consistent on a cost-per-mile, cost-per-hour, cost-per-route, or cost-per-student basis. In order to allocate transportation expense based upon contract rates, a school district, if audited, must be able to demonstrate to the auditor that variances in the application of transportation cost basis rates are appropriate.

Contractor-Owned Standard Cost-per-mile, Cost-per-hour, Cost-per-route, or Cost-per-student Basis

Districts that receive separate bills for different categories of transportation service from a specific contractor must add the bills together and reallocate the expenditures on a cost-per-hour, cost-per-route or cost-per-student basis. If further allocation is needed because students from more than one category ride on the same bus run, districts must further allocate the expenditures on a cost per student.

District-Owned Transportation Services

School districts may either direct charge district-owned transportation cost or allocate the amount to the transportation categories based on a cost-per-mile, cost-per-hour, cost-per-route, or a cost-per-student basis.

District-Owned Operation – Direct Charged

Districts may directly charge transportation costs to the appropriate categories based on actual costs from detailed records. Detailed records include timesheets or time studies, fuel slips, insurance premiums, etc.

Even though the district reports expenditures based on actual amounts, the number of miles must be reported on the Pupil Transportation Annual Report.

District-Owned Allocation Based Upon Cost-per-mile, Cost-per-hour, Cost-per-route or Cost per-student Basis

School districts may allocate the transportation expenditures among categories based on a cost-per-mile, cost-per-hour, cost-per-route or cost-per-student basis.

Definition of Miles, Hours, Routes

Districts must maintain daily records on miles, hours, or routes in order to properly allocate costs at year end. The miles, hours, or routes reported at year end will be a cumulative total of both the daily predetermined and varied routes. The basic route definition is the actual daily path of travel of a school bus from an approved bus facility, a school, or the first pick-up point through a series of pick-up stops and delivery points to a final delivery point plus the shortest reasonable path for the bus to travel back to the approved bus facility, school or first pick-up point. See section on following page: *Mileage, Hour or Route Log*.

Counting Miles

The starting mileage is the odometer reading when the vehicle starts its route. The ending mileage is the odometer reading when the vehicle terminates its route. The starting or ending mileage may be taken at a school or at the vehicle storage area.

Counting Hours

The starting hour is when the vehicle starts its route. The ending hour is when the vehicle terminates its route. The staring or ending hour may be taken at a school or at the vehicle storage area.

Counting Routes

A route must consist of a trip “to and from” a school, program, event, etc. Each run on a route will be counted as a route.

Following are some examples on how districts would report routes. In the following examples, the school district has 175 student contact days.

- For a bus route that consists of a secondary/elementary run and a special education run each day, the district would report 175 regular routes in the Regular/Excess Category and 175 special education routes in the Disabled Category.
- If a district has 10 regular routes to and from school daily, the district would report 1,750 (10 x 175) regular routes in the Regular/Excess Category on the year-end report.
- If a special education student was placed in a program for 30 days and transported to and from the program daily, the district would report 30 special education routes in the Disabled Category on the year-end report.
- Each student activity trip or field trip would be a route. This is true even though the routes will vary in length. These routes will be reported in the Non-authorized Category on the year-end report.

- If the district operates a late bus that takes students home after school every day of the school year, the district would report 87.5 (175 / 2) routes in the Late Activity Category. This is because the route did not operate "to and from" a school, program or event.

Parent Mileage

Include the miles, hours or routes that parents or guardians drive a student to-and-from school for which the school district reimbursed them. For example, report the number of miles to a nonpublic school and/or the transportation of a student that receives special education transportation when the district actually paid the parents or guardians. The district should have an agreement with the parent or guardian on the rate and schedule of payments. If the district did not reimburse the parent or guardian, the miles would not be reported. The miles reported on the annual Pupil Transportation Report **should only include the miles while the student is in the vehicle**.

Mileage, Hour or Route Log

Based on the cost allocation method used, districts must maintain either a mileage, hour or route logs for buses in their district-owned fleet. Districts that contract for school bus service must obtain the records from the contractor. There must be documentation on how the mileage, hour or route logs are determined.

It is imperative that the beginning and ending mileage be recorded for each bus on July 1 at the beginning of the fiscal year and on June 30 at the end of the fiscal year. If a bus is used on a predetermined route (same miles every day), the daily miles, hours or routes should be multiplied by the number of days in the school year to determine the annual mileage for the vehicle. It is important to determine the type of route, for example regular (Finance Code 720), special education (Finance Code 723), student activity trip (Finance Code 733), etc.

When buses are not used on predetermined routes, mileage, hours or routes must be recorded by trip. A bus route begins when a bus leaves a point, for example a garage, home, or school empty and proceeds on a route picking up pupils and then traveling to a school(s) until the bus is empty and returning the pupils to a designated point after school. A bus route may have more than one run. For example, it is possible to have six runs on the same route, one high school run, one middle school run and one elementary run for both morning and afternoon.

There are sample monthly logs in this manual if the district/contractor does not have a system currently in place. The *Predetermined Mileage Log* on Page 50 can be used for predetermined routes. The *Route Varies Mileage Log* on Page 51 should be used when the length of the route varies from trip to trip. If districts do not use these mileage logs, an equivalent substitute log may be used.

Salaries and Fringe Benefits

A district may include the salaries and benefits of 1) an employee designated as the district transportation director, 2) an employee providing direct support to the transportation director or 3) an employee providing direct transportation services such as a bus driver or bus aide. Salaries and fringe benefits of district employees, whose primary duties are not transportation (including central office administrators and staff, building administrators and staff, teachers, social workers, school nurses and instructional aides) cannot be included in finance codes associated with the transportation program, unless the employee has been designated as the district's transportation director.

The salaries and fringe benefits of the district employees who work part-time in transportation and part-time in other areas (e.g., custodian/bus driver, Minnesota Automated Reporting Student System (MARSS) secretary/transportation secretary) may only be included in transportation if there is written documentation. For part-time transportation employees, the following forms of documentation will be acceptable:

1. Timesheets: timesheets must identify the hours worked on transportation responsibilities. The employee and his/her supervisor must sign and date the time sheets.
2. Time Studies: time studies must be conducted at least three times during a school year. The first time period studied should be from August 15 through September 15; the second period should be from January 15 to February 15; and the third time period should be from April 15 through May 15. The time study must include the name of the employee, title, specific transportation job responsibilities, and the hours worked on those responsibilities. The employee and his/her supervisor must sign and date the time study. There is a sample time study, *Personnel Activity Report*, on page 52 of this manual that may be used for this purpose.

Failure to sign and date any of the above documents will result in an employee's salaries/fringe benefits being disallowed. In addition, districts may be asked to produce position descriptions identifying a part-time employee's transportation responsibilities. General statements such as "works on transportation matters" will not be acceptable. An after-the-fact time study or survey will not be accepted. The time study must be done during the specified time periods.

For full-time transportation employees, the only acceptable form of written documentation will be contracts, agreements or position descriptions that identify the specific transportation responsibilities of each employee.

Once the total amount of salaries/fringe benefits have been identified for full-time and part-time employees, the salaries/fringe benefits may or may not be allocated among all finance codes depending on the employee's transportation responsibilities. For example, if an employee works only on arranging transportation for student activity and field trips, that employee's salaries/fringe benefits may only be charged to the finance code associated with that type of service (733 – Non-authorized Transportation).

Overview of District in the Sample

The following are sample cost allocations for a district to use in allocating its transportation expenditures. Districts may allocate their expenditures based on either miles, hours, routes or students. The examples that follow use cost per miles and student as cost drivers. This assumes the district has district and contractor expenditures for transportation. It is recommended that transportation costs that are to be allocated based on miles be coded to Finance Code 720, Regular To and From School, during the school year. Districts would then allocate those expenditures to other finance codes or transportation categories at the end of the school year based on the cost allocation method. Districts that choose to allocate either on hours, routes or students should use those as cost drivers instead.

The cost per student calculation is used when there are students of different transportation categories on a bus. The cost would need to be a cost per student to report expenditures accurately as state aid is based on these expenditures.

Determining Total Transportation Expenditures for the Year

When allocating by the standard mileage, hour or cost-per-route, districts must first determine their total transportation expenditures for the entire school year. If the district contracts for bus service and the privately-owned school bus company or companies send separate bills for the different categories of transportation, the bills must be added together to determine total transportation expenditures for the year and then allocated among the categories of service that the contractor provided for the district. The exception would be for those contractors that provide only one type of transportation service and/or contract rates are reasonably consistent among categories.

District and Contractor-Owned Operation in Sample– Allocation Based on Mileage and Cost per Student

The district contracts for a portion of pupil transportation services. All bills from the contractor are recorded in Finance Code 720 during the school year and allocated to other finance codes by a cost per mile or student.

The district transports students to and from school (both regular and special needs students on regular routes), for open enrollment outside of district, intradistrict desegregation, students with disabilities, between school buildings, nonauthorized and ineligible/nonresident students. The district also has its contractor provide transportation including regular and students with disabilities and special transportation of selected pupils. Students with a disabled classification must have an IEP that clearly identifies the need for special transportation.

The district has a transportation director and secretary who work with the contractor by designing transportation routes, determining safe school bus stops, dealing with discipline issues, coding students and expenditures for state reporting, and negotiating contracts. The district also has their own bus drivers, mechanics and custodian. An individual was hired by the district to assist students at hazardous crossings.

Exhibits

The following is an explanation of the exhibits in this sample cost allocation:

Exhibit A lists all transportation expenditures. Each expenditure is broken into the categories of “Costs To Be Allocated” or “Costs That Cannot be Allocated.”

Note: The amount the district paid to the second contractor for transporting students with disabilities is coded directly to Finance Code 723.

Exhibit B is the year-end pupil transportation data reported by the district. Mileage and students reported on the following pages will be used to allocate expenditures among all finance codes.

Exhibits C1 and C2 are the calculations of the **cost-per-mile** (C1=District Owned Fleet, C2=Contractor Owned Fleet).

Exhibits D1 and D2 show the steps necessary to determine the expenditures for each finance code.

Exhibits E1 and E2 shows the journal entries necessary to record the expenditures for cost per mile in the proper finance code.

Exhibit F1 and F2 shows how the district determined the **cost-per-student** riding on regular bus routes.

Exhibit G1 and G2 shows final reconciliation of costs.

Total Transportation Expenditures, Exhibit A

Costs To Be Allocated	UFARS Code	District Expense	Contractor Expense	Total Expense
Transportation Supervisor Salary	01-005-760-720-110-000	$65,000		$65,000
Bus Drivers' Salaries	01-005-760-720-170-000	700,000		700,000
Mechanics' Salaries	01-005-760-720-170-000	95,000		95,000
Custodians' Salaries who Drive Bus	01-005-760-720-170-000	35,000		35,000
Transportation Secretaries' Salaries	01-005-760-720-170-000	90,000		90,000
Safety and Driver Trainer Salary	01-005-760-720-170-000	45,000		45,000
FICA/Medicare	01-005-760-720-210-000	78,795		78,795
PERA	01-005-760-720-214-000	77,250		77,250
Medical Insurance	01-005-760-720-220-000	30,000		30,000
Dental Insurance	01-005-760-720-235-000	1,000		1,000
Life Insurance	01-005-760-720-230-000	400		400
Workers Compensation	01-005-760-720-270-000	15,000		15,000
Unemployment Compensation	01-005-760-720-280-000	900		900
Other Employee Benefits	01-005-760-720-299-000	500		500
Data Processing Services	01-005-760-720-316-000	2,500		2,500
Physicals/Drug Testing	01-005-760-720-305-000	7,000		7,000
Licenses	01-005-760-720-305-000	900		900
Advertising	01-005-760-720-305-000	15,000		15,000
Snow Removal	01-005-760-720-305-000	4,000		4,000
Communications/Telephones	01-005-760-720-320-000	2,000		2,000
Water/Sewer/Garbage	01-005-760-720-330-000	2,200		2,200
Electricity	01-005-760-720-330-000	22,000		22,000
Property Insurance	01-005-760-720-340-000	40,000		40,000
Repair and Maintenance Buildings	01-005-760-720-350-000	20,000		20,000
Transportation Contracts	01-005-760-720-360-000		$1,000,000	1,000,000
Travel Expense	01-005-760-720-366-000	5,000		5,000
General Supplies	01-005-760-720-401-000	7,000		7,000
Uniforms	01-005-760-720-401-000	4,000		4,000
Oil and Grease	01-005-760-720-401-000	20,000		20,000
Tires and Tubes	01-005-760-720-401-000	15,000		15,000
Fuel	01-005-760-720-440-000	200,000		200,000
Dues Membership	01-005-760-720-820-000	500		500
Total Costs to be Allocated		$1,600,945	$1,000,000	$2,600,945
Costs That Cannot Be Allocated	**UFARS Code**	**District Expense**	**Contractor Expense**	**Total Expense**
Traffic Hazards (Crossing Guard Salary)	01-005-763-719-170-000	$12,000		$12,000
Bus Drivers' Salaries	01-005-760-723-170-000	300,000		300,000
Paras' Salaries	01-005-760-723-170-000	100,000		100,000
All Benefits	01-005-760-723-2XX-000	60,000		60,000
Transportation Contract Private Carrier	01-005-760-723-360-000		+$250,000	250,000
Parent Mileage	01-005-760-720-360-000	++4,632.50		
Total Costs that Cannot be Allocated		$476,632.5	$250,000	$726,632.50
Total Cost		$2,077,577.50	$1,250,000	$3,327,577.5

+This transportation private carrier expense includes all related costs for Finance Code 723.

++Parent Mileage is calculated based upon multiplying the total mileage from Exhibit B by the Internal Revenue Service (IRS) standard mileage rate of $0.545

Pupil Transportation Data Reported on Year-end Reports, Exhibit B

The following data were reported on the MARSS Report and the Pupil Transportation Annual Report by the district in this sample. These data are used to calculate the cost per mile (Exhibits C and D) and the cost per student (Exhibit F).

To and From School Transportation Categories – Regular Term

Finance Code	Category	Public Students From MARSS	Nonpublic Students From Annual Report
720	Regular Early Childhood Disabled	0	0
720	Regular Elementary (K-6)	1,514	11
720	Regular Secondary (7-12)	1,378	14
720	Excess (Secondary 1-2 and Hazards Riders)	424	0
723	Special Education (Disabled)	143	0
728	Special Transportation	22	0
714	Achievement and Integration (Interdistrict)	0	0
737	Ineligible/Nonresident	5	0
Total To and From		3,486	25

Pupil Transportation Data Reported on Year-end Reports, Exhibit B Continued

Mileage By Category

Finance Code	Category	District Mileage	Contract Mileage	Parents	Total Mileage
720	Regular/Excess	385,000	394,151	8,500	787,651
711	Learning Year Summer	0	0		0
713	Open Enrollment Outside District	2,500	0		2,500
714	Achievement and Integration (Interdistrict)	0	0		0
313	Achievement and Integration (Intradistrict)	5,000	0		5,000
716	Noon Kindergarten	0	0		0
717	Late Activity Public	0	0		0
721	Summer School Regular	0	0		0
723	Special Education (Disabled)	120,000**	125,000**		245,000
725	Between School Buildings Public	0	0		0
726	Nonpublic Non-regular	5,000	0		5,000
728	Special	0	19,905		19,905
733	Nonauthorized	5,675	46,804		52,479
737	Ineligible	2,500	0		2,500
739	Low Income Mileage Reimbursement	0	0		0
Total		525,675	585,860	8,500	1,120,035

****Finance Code 723 is based upon direct contract expenditures and district direct expenditures for special education routes. These miles are not included in the cost per mile calculation but are reported on the paper annual report.**

District Owned

Calculation Cost-Per-Mile, District-Owned Fleet, Exhibit C1

Total Expenditures to Be Allocated / [3]Total Mileage = Cost Per Mile

$1,600,945 (Exhibit A) / 405,675 (Exhibit B) = **$3.95** Cost Per Mile.

[3]Total Mileage = Total Mileage (Exhibit B) – Disabled Miles (Exhibit B). In this example disabled mileage is directly charged (405,675 = 525,675- 120,000).

Determination of Expenditures for Each Finance Code, District-Owned, Exhibit D1

Finance Code 313, Achievement and Integration (Intradistrict)

Allocated Mileage Cost:	5,000 miles (Exhibit B)	x	$3.95	=	$19,750.00

Finance Code 713, Open Enrollment Outside District

Allocated Mileage Cost:	2,500 miles (Exhibit B)	x	$3.95	=	$9,875.00

Finance Code 723, Special Education (Disabled)

Bus Drivers' Salaries (Exhibit A)	$300,000.00
Paras' Salaries (Exhibit A)	$100,000.00
All Benefits (Exhibit A)	$60,000.00
Costs that cannot be allocated (Exhibit A)	
Allocation of Cost Per Student (Exhibit F1)	$4,533.80
Total Disabled Transportation Cost	$464,533.80

Finance Code 726, Nonpublic Non-regular

Allocated Mileage Cost:	5,000 miles (Exhibit B)	x	$3.95	=	$19,750.00

Finance Code 733, Nonauthorized

Allocated Mileage Cost:	5,675 miles (Exhibit B)	x	$3.95	=	$22,416.25

Finance Code 737, Ineligible/Nonresident Students

Allocated Mileage Cost:	2,500 miles (Exhibit B)	x	$3.95	=	$9,875.00

(Note: This district charges the parents of these students a fee for this transportation service. The district would record the fees received from the parents in UFARS Revenue Account 01-xxx-760-737-050-000.)

Journal Entries – Allocated Expenditures, District-Owned Fleet, Exhibit E1

The following are the journal entries that are necessary to transfer expenditures to the proper finance codes. Only the allocated mileage and regular route costs will be transferred. Salaries, contractor's fees, and equipment purchases are directly coded to the proper finance codes when they are paid.

Transportation Category	Fund	Org	Prg	Fin	Obj	Debit	Credit
Achievement and Integration (Intradistrict)	01	005	760	313	365	19,750.00	
Open Enrollment Outside District	01	005	760	713	365	9,875.00	
Special Education (Disabled)	01	005	760	723	365	4,533.80	
Nonpublic Non-regular	01	005	760	726	365	19,750.00	
Non-authorized	01	005	760	733	365	22,416.25	
Ineligible	01	005	760	737	365	9,875.00	
Regular	01	005	760	720	365		$86,200.05

The total dollar amounted debited to Object Code 365, Transportation Chargebacks, is $86,200.05. This amount equals the total dollar amount credited to Object Code 365, Transportation Chargebacks. Remember, whenever a district uses a chargeback code, the dollar amounts debited and credited to a chargeback code must zero out at year-end. Disabled direct charged based on invoices from contractor.

Contractor Owned

Calculation Cost-Per-Mile, Contractor-Owned Fleet, Exhibit C2

Total Expenditures to Be Allocated / [4]Total Mileage = Cost Per Mile

$1,000,000 (Exhibit A) / 460,860 (Exhibit B) = **$2.17** Cost Per Mile.

[4]Total Mileage = Total Mileage (Exhibit B) – Disabled Miles (Exhibit B). In this example disabled mileage is directly charged (460,860 = 585,860 – 125,000).

Determination of Expenditures for Each Finance Code, Contractor-Owned, Exhibit D2

Finance Code 723, Special Education (Disabled)

Contract with Private Operator (Exhibit A)	$250,000.00
Allocation of Cost Per Student (Exhibit F2)	$2,552.20
Total Special Education (Disabled) Cost	$252,552.20

Finance Code 728, Special Transportation of Selected Pupils

Allocated Mileage Cost: 19,905 miles (Exhibit B) x $2.17 = $43,193.85

Finance Code 733, Nonauthorized

Allocated Mileage Cost: 46,804 miles (Exhibit B) x $2.17 = $101,564.68

Journal Entries – Allocated Expenditures, Contractor-Owned Fleet, Exhibit E2

The following are the journal entries that are necessary to transfer expenditures to the proper finance codes. Only the allocated mileage and regular route costs will be transferred. Salaries, contractor's fees, and equipment purchases are directly coded to the proper finance codes when they are paid.

Transportation Category	Fund	Org	Prg	Fin	Obj	Debit	Credit
Special Education (Disabled)	01	005	760	723	360	2,552.20	
Special Transportation	01	005	760	728	360	43,193.85	
Non-authorized	01	005	760	733	360	101,564.68	
Regular	01	005	760	720	360		$147,310.73

Calculation Cost-Per-Student, District-Owned, Exhibit F1

Total Students Transported on Regular Bus Routes[5]

Eligible Public Students (Exhibit B)	2,892
Eligible Non-Public Students (Exhibit B)	25
Students with Disabilities on Regular Routes	10*
Excess (Secondary One-To-Two Mile and Hazards-Riders) (Exhibit B)	424
Total Students Transported on Regular Bus Routes	3,351

[5]Regular bus routes are defined as routes that are established at the beginning of the school year to provide transportation to eligible students. These routes have a specific course of travel that considers the students' grade and distance.

*This is a subset of the total number of students reported as Disabled. This represents the number of students that have special education transportation in their IEP and ride the regular bus. Special accommodations are made to the regular bus routes such as using buses with lifts or ramps or having aides ride the regular bus routes. If districts did not make these special accommodations, the students with disabilities would have to be transported on special routes. The contractor provided transportation for ineligible students.

Net Cost Regular To and From School-District

Total Expenditure (Exhibit A)		$1,600,945.00
Less:	Finance Code 313 Achievement and Integration (Intradistrict) (Exhibit D1)	19,750.00
	Finance Code 713 Open Enrollment (Exhibit D1)	9,875.00
	Finance Code 726 Nonpublic Non-regular (Exhibit D1)	19,750.00
	Finance Code 733 Non-Authorized (Exhibit D1)	22,416.25
	Finance Code 737 Ineligible (Exhibit D1)	9,875.00
	Subtotal	($81,666.25)
Net Cost Regular To and From School		**$1,519,278.75**

Calculation of Cost Per Student

Net Cost Regular To and From School/ Total Students Transported on Regular Bus Routes= Cost Per Student on Regular Bus Routes

$1,519,278.75/3,351= $453.38

Cost Per Student Finance Code 723 Special Education (Disabled): 10 students x 453.38= **$4,533.80**

Cost per student is an additional expenditure to mileage allocation. This accounts for students of multiple categories that are riding a regular bus but need to have additional costs allocated.

Final Reconciliation of Costs, District-Owned Fleet, Exhibit G1

Finance Code 720, Regular[6]	$1,514,744.95
Finance Code 720, Regular Parent Mileage (Exhibit A)	4,632.50
Finance Code 313, Achievement and Integration (Intradistrict) (Exhibit D1)	19,750.00
Finance Code 713, Open Enrollment Outside District (Exhibit D1)	9,875.00
Finance Code 719, Traffic Hazards (Crossing Guard) (Exhibit A)	12,000.00
Finance Code 723, Special Education (Disabled) (Exhibit D1)	464,533.80
Finance Code 726, Nonpublic Non-regular (Exhibit D1)	19,750.00
Finance Code 733, Non-authorized (Exhibit D1)	22,416.25
Finance Code 737, Ineligible (Exhibit D1)	9,875.00
Total District Owned Cost:	**$2,077,577.50**

[6]Net Cost Regular To and From School
$1,519,278.75 (Exhibit F1) – $4,533.80 (Disabled Cost Per Student) (Exhibit F1)

Calculation Cost-Per-Student Contractor-Owned Fleet, Exhibit F2

Total Students Transported on Regular Bus Routes[5]

Eligible Public Students (Exhibit B)	2,892
Eligible Non-Public Students (Exhibit B)	25
Students with Disabilities on Regular Routes (Exhibit B)	10*
Excess (Secondary One-To-Two Mile and Hazards-Riders)	424
Total Students Transported on Regular Bus Routes	**3,351**

[5]Regular bus routes are defined as routes that are established at the beginning of the school year to provide transportation to eligible students. These routes have a specific course of travel that considers the students' grade and distance.

*This is a subset of the total number of students reported as Disabled. This represents the number of students that have special education transportation in their IEP and ride the regular bus. Special accommodations are made to the regular bus routes such as using buses with lifts or ramps or having aides ride the regular bus routes. If districts did not make these special accommodations, the students with disabilities would have to be transported on special routes. The contractor provided transportation for ineligible students.

Net Cost Regular To and From School–Contractor

	Total
Expenditure (Exhibit A)	$1,000,000
Less: Finance Code 728, Special Transportation of Selected Pupils (Exhibit D2)	43,193.85
Finance Code 733, Nonauthorized (Exhibit D2)	101,564.68
Subtotal	($144,758.83)
Net Cost Regular To and From School	**$855,241.47**

Calculation of Cost Per Student

Net Cost Regular To and From School/Total Students Transported on Regular Bus Routes = Cost Per Student on Regular Bus Routes

$855,241.47/3,351= **$255.22**

Cost Per Student Finance Code 723 Special Education (Disabled): 10 students x 255.22= **$2,552.20**

Cost per student is an additional expenditure to mileage allocation. This accounts for students of multiple categories that are riding a regular bus but need to have additional costs allocated.

Final Reconciliation of Costs – Contractor-Owned Fleet, Exhibit G2

Finance Code 720, Regular[7]	$852,689.27
Finance Code 723, Special Education (Disabled) (Exhibit F2)	252,552.20
Finance Code 728, Special (Exhibit F2)	43,193.85
Finance Code 733, Non-authorized (Exhibit F2)	101,564.68
Total Contractor Owned Cost:	**$1,250,000.00**

[7]Net Cost Regular To and From School $855,241.47 (Exhibit F2) – $2,552.20 (Disabled Cost Per Student) (Exhibit F2)

Predetermined Route – Mileage Log

Description/Finance Code Key: Regular 720, Special Education (Disabled) 723, Special Transportation 728, Learning Year 711, Open Enrollment/Outside District 713, Achievement and Integration (Interdistrict) 714, Foster Care 715, Noon Kindergarten 716, Late Activity Public 717, Summer School 721, Between School Buildings/Public 725, Between School Buildings/Nonpublic 726, Student Activity Trip/Field Trip 733, and Ineligible 737.

Route Number	Description/Finance Code	AM/PM	Miles Traveled	No. of Days In School Year	Annual Miles
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
		AM			
		PM			
Total					

Route Varies – Mileage Log

Description/Finance Code Key: Regular 720, Special Education (Disabled) 723, Special Transportation 728, Learning Year 711, Open Enrollment/Outside District 713, Achievement and Integration (Interdistrict) 714, Foster Care 715, Noon Kindergarten 716, Late Activity Public 717, Summer School 721, Between School Buildings/Public 725, Between School Buildings/Nonpublic 726, Student Activity Trip/Field Trip 733, and Ineligible 737.

Bus Number:_______________________________Month/Year:_______________________

Trip Date Leave	Trip Date Return	From	To	Purpose of Trip	Finance Code	Driver's Signature	Start (odo.)	End (odo.)	Miles

Personnel Activity Report

Reporting of time and effort is required for part-time transportation employees. This form must be completed for the August 15-September 15, January 15-February 15 and April 15-May 15 time periods in order to obtain an accurate reflection of employee's yearly transportation activities.

Name:_________________________Title Classification:_______________________Reporting Period:___________

Date	Hours per day spent on Transportation Activities	Describe Transportation Activities in detail

I have performed the above duties as described.

I certify that to the best of my knowledge; the above-named employee has performed the above duties as described.

Employee Signature: ____ Date:________________

Supervisor Signature: ____ Date:________________

Determination of Annual Hours Working on Transportation

The total number of hours worked during the three-month study should be divided by three to obtain the average hours per month. That average should be multiplied times 12 (if employee works all year) to obtain the total number of hours that can be expensed to the transportation program.

Reminder: Employees, whose primary responsibilities are other than transportation, including central office administration and staff, building administrators and staff, teachers, social workers, school nurses and instructional aides cannot be included in the transportation program.

Section 3 – GASB Statement 34

Introduction

GASB Statement 34 makes sweeping changes in the way public school districts report their financial information. School districts will need to capitalize assets, record depreciation, and include a discussion of financial matters. But, where did this come from? What does this mean? What changes must we make? These and other questions were the topics of a yearlong review by a subcommittee of the Accounting Guidelines Committee in the state of Minnesota. The subcommittee was established in the summer of 2000 to review the requirements of GASB Statement 34 and to address implementation issues common to Minnesota school districts.

What is GASB?

The Governmental Accounting Standards Board (GASB) was formed in 1984 to develop and improve financial reporting rules for state and local governments in the United States, including school organizations. GASB rules must be followed by any entity when an audit report of that entity states that it follows generally accepted accounting principles (GAAP). “GASB Statement 34” or “GASB 34” refers to the issuance of Statement Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, on June 30, 1999, a set of standards that was in development for over a decade.

According to the Association of School Business Officials (ASBO):

> "Statement 34 is arguably the most significant change in the history of governmental accounting. It is a dramatic modification to the way that school organizations report and present financial information. The new reporting model affects every school organization that issues financial statements in conformance with generally accepted accounting principles (GAAP)." Statement 34 Implementation Guide, ASBO, Page 1.
>
> GASB Statement 34 requires that school organizations…
>
> "begin to prepare financial statements consistent with the new standards in three phases, depending on the total revenues of the entity during its first fiscal year ending after June 15, 1999. Phase One school organizations with revenues of $100 million or more must prepare the new financial statements for all fiscal years beginning after June 15, 2001. Phase Two school entities with revenues between $10 and $100 million must prepare the new financial statements for all fiscal years beginning after June 15, 2002. Phase Three districts with revenues under $10 million must prepare the new financial statements for all fiscal years beginning after June 15, 2003." Page 2.

Statement Features

According to the ASBO Guide, Pages 1 and 2, there are several important features of the GASB 34 financial model including:

- Government-Wide Financial Reporting
  Schools will now be required to produce financial reports that provide a clear picture of the organization as a single, unified entity. These new "districtwide" financial statements complement rather than replace traditional fund-based financial statements…
- Additional Long-Term Focus for School Activities
  Traditional reporting for tax-supported activities has focused on short-term…balances. The new financial reporting model retains this short-term focus in the governmental fund financial statements while providing a long-term perspective on these same activities…
- Narrative Overview and Analysis
  The new…model provides those who use financial reports with a simple narrative introduction, overview, and analysis of the…financial statements in the form of management's discussion and analysis (MD&A).
- Information on Major Funds
  There is a general consensus that fund information is most useful when presented for individual funds rather than when funds are combined…the new financial reporting model requires the presentation of individual fund data for each of the major funds in the school entity.
- Expanded Budgetary Reporting
  …Under the new…model, information on the original budget must also be presented. In addition, the new model eliminates aggregated budget presentations in favor of comparisons for the general fund and each individual major special revenue fund.

Further, the ASBO Guide states that school entities will be required to:

- Provide the most complete information ever available about the cost of delivering services to students; and
- Include information about the capital and infrastructure assets of the school organization for the first time.

The committee recommended that school personnel use the GASB Statement 34, Implementation Recommendations for School Districts that is published by ASBO as a guide. Where deviations from the ASBO Guide are recommended, they are either contained in this writing or will be communicated in future bulletins. This guide can be purchased from ASBO International, 11401 North Shore Drive, Reston, VA 20190-4200, 703-478-0405 (www.asbointl.org). The cost is $25/$35 for member/non-member. Another resource is the Guide to Implementation of GASB Statement 34 on Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This document can be obtained from GASB by writing Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, CT., 06856-5116, or calling 1-800-748-0659, ask for product code number GQA34.

Recommendations from the Committee

GASB Statement 34 gives school districts flexibility in preparing their statements. However, the committee believed school districts would achieve greater comparability and uniformity in financial reporting if districts apply the new standards using the same methodology. At the same time, the committee intended to have districts use existing data and accounting systems, not purchase new accounting systems.

A variety of communication tools will be used during the implementation process, including the placement of the recommendations (listed below) in superintendents' mailings, the use of the School Business Bulletin, the use of presentations at MDE training programs as well as other regional and state conferences. During implementation, members of the committee will collect samples of spreadsheets, software programs and print materials for use by district personnel.

1. Food Service Fund
   GASB Statement 34 requires a school district to distinguish between "Governmental Activities" and "Business-Type Activities." The most common school district activity that may be classified as a business-type activity is the food service operation. In reviewing the criteria that would require classification of the food service fund as a business-type activity, the committee concluded that the criteria would not be met for most Minnesota school districts. Therefore, the committee recommends that the food service fund be reported as a governmental activity in all districts.
2. Statement of Activities
   There are two areas of recommendations on the Statement of Activities that are drawn from GASB Statement 34.
   - Function/Program
     The new Statement of Activities requires districts to report expenditures by function. The committee recommends that districts use the existing programs identified in the Uniform Financial Accounting and Reporting Standards (UFARS) Manual as the functions. A district can report at a level of detail greater than this recommendation if desired.
   - Revenue Classifications
     The districtwide statement of activities requires districts to review all revenue accounts and classify them as program revenues or general revenues. Program revenues are further broken down into charges for services, operating grants and contributions, or capital grants and contributions. The committee created a guide for Minnesota school use. The Revenue Classification Guide is contained as Attachment K.
3. Budget Comparisons
   GASB Statement 34 requires a budgetary comparison for the General Fund and each major special revenue fund. This may be done as a statement included in the basic financial statements or as a schedule included as required supplemental information. The committee recommends presenting the budgetary comparison as a required supplementary information schedule. The comparisons report BOTH original and final amended budgets.

4. Trust Funds
   GASB Statement 34 requires dropping the concept of expendable and non-expendable trust funds. Funds previously reported as non-expendable, whose resources are used to support school district operations, are now reported in a new governmental fund type called "permanent funds." Funds previously reported as non-expendable, whose resources are not used to support school district operations, will continue to be reported as a fiduciary fund. Funds previously reported as expendable trust funds, and whose resources are used to support school district operations, are now reported as a special revenue fund. Previous expendable trust funds whose resources are not used for school district operations are reported in a fiduciary fund.

   Currently UFARS requires the use of Fund 08 to account for trust funds. The committee recommends districts establish separate funds, as applicable, to account for the activities as noted above. These separate funds would then be cross walked to Fund 08 for UFARS reporting.

5. Reconciliation Schedule
   Because the districtwide and fund financial statements use different bases of accounting, a summary reconciliation describing the differences is required. This reconciliation can be provided directly on the fund statements or on an accompanying, separate schedule following each fund statement. The committee recommends using a separate statement for the reconciliation.

6. Management Discussion and Analysis
   School districts must include a Management's Discussion and Analysis (MD&A), which is required supplementary information (RSI). The MD&A is required to precede the basic financial statements and notes. The committee recommends that district personnel use the ASBO Guide for implementing this feature of GASB Statement 34.

7. Capital Assets and Depreciation
   The committee recommends that district personnel use the ASBO Guide for establishing thresholds and depreciation lives. The committee also recommends that personnel meet with their auditor(s) to discuss capital asset and depreciation implementation plans. See Attachment L for a partial list of appraisal companies and suggestions for implementation.

Special Thanks to the GASB 34 Committee

Members of the Minnesota Department of Education Division of School Finance extend their appreciation to each member of the committee for their many months of work in this endeavor. In particular, Darwin Viker, committee chairperson, is recognized for his many additional hours of work on the project.

The members of the original GASB 34 committee are listed below.

Committee Members:	Affiliation:
Kristine Carr	North East (NE) Metro 916
Jim Eichten	Malloy, Montague, Karnowski, Radosevich & Co (MMKR)
Chuck Irrgang	Minneapolis (MPLS) Schools
Thomas Karlson	State Auditor’s Office
Bill Lauer	MMKR
Pat Leistikow	Grand Rapid Schools
Lori Mohs	Skyward Software Co.
Pat Morphew	Worthington Schools
Jon Nygaard	West Central Area Schools
Nancy Ramler	Central – Region III
Larry Shomion	St. Paul Schools
Darwin Viker	Larson, Allen, Weishair
Jim Westrum	Osseo Public Schools
Jeff Yeager	Arrowhead Regional Computing Consortium (ARRC) – Region II
Nancy Schultz	Designs for Learning

Minnesota Department of Education Staff:

Dick Guevremont

Debrah Firkus

Charles Speiker

Attachment K

Revenue Classification Guide

Source	Description	General Purposes	Charges For Services	Operating Grants	Capital Grants
001	Property Tax Levies	G			
004	From Municipalities	G			
009	Fiscal Disparities	G			
010	Cty Apportionment	G			
014	TAC Homestead Credit	G			
015	IRRRB Grant (IRRRB = Iron Range Resources and Rehabilitation Board)			P	G
016	TAC Levy Replacement	G			
017	TAC Gen Ed Aid Replace	G			
018	TAC Referendum Paymt	G			
019	Misc Local Taxes	G			
020	Prop Tax Shift Rec	G			
021	From Minnesota District		G		
022	Reimburse Spec Ed Salary		G		
031	From Non-Minnesota District		G		
035	From Non-Minnesota Non-District		G		
040	Tuition from Patrons		G		
050	Fees from Patrons		G		
060	Student Activity		G		
071	Medicaid from Dept of Human Serv.		G		
072	Medicaid Pmts-Private Insur		G		
092	Interest Earnings	G			
093	Rent		G		
096	Gift/Bequest-Local	G		P	P
097	Federal In-Kind Match Revenue	G		P	
099	Misc Local Revenue	G		P	P
201	Endow Fund Apportion	G			
211	Gen Ed Aid	G		P	P
213	Shared Time	G			
227	Abatement Aid	G			
229	Disparity Reduction Aid	G			
234	Homestead/Ag Credit	G			
235	Private Alt Program Aid	G			
258	Other State Credits	G			
296	Property Tax Shift Offset Adj	G			
298	Levy Equity Adjustments	G			
299	State Aid Adjustments	G			
300	State Aids and Grants			G	
301	Non-Public Aid			G	
307	Health and Safety Aid				G
308	Telecommunications Equity Aid				G
309	Debt Service Equalization Aid	G			
317	Long-Term Facilities Maint. Aid				G
360	Spec Education Aid			G	
369	Misc State Revenue			G	P
370	Other Aid/MDE			G	P

Source	Description	General Purposes	Charges For Services	Operating Grants	Capital Grants
397	TRA and PERA Special Funding Situations Revenue	G			
400	Federal Aids and Grants			G	P
405	Federal Flow Through-Other			G	P
471	School Lunch-Fed			G	
472	Free/Reduced Lunch			G	
473	Commodity Cash Rebate			G	
474	Commodity Distribution			G	
475	School Milk			G	
476	School Breakfast			G	
477	Cash in Lieu Commodities			G	
479	Summer Food SVC Prog			G	
500	Fed Direct Aid and Grant			G	P
506	Impact Aid	G		P	
550	Federal Emergency Econ. Injury Grant	G			
601	Sale to Pupils		G		
606	Sale to Adults		G		
608	Spec Func Food Sales		G		
614	Contribution to OPEB Trust	G			
615	Contributions for OPEB	G			
616	Retiree Contribution to Trust	G			
619	Cost of Materials (contra)	G			
620	Cost of Materials	G			
621	Sale SVCS/Resale Mat		G		
622	Sale of Materials		G		
623	Real Property Sales		G		
624	Sale of Equipment		G		
625	Insurance Recovery		G		
628	Judgments	G			
629	Health and Safety Revenue	G			
631	Sale of Bonds		Balance Sheet Item	Balance Sheet Item	
635	Certificates of Participation		Balance Sheet Item	Balance Sheet Item	
636	Capital Loans		Balance Sheet Item	Balance Sheet Item	
637	Debt Service Loans		Balance Sheet Item	Balance Sheet Item	
639-641	Non-State Loans and Proceeds from Federal EIDL and PPP Loans		Balance Sheet Item	Balance Sheet Item	

G = Generally

P = Potentially

Certain transactions that are unusual in nature and infrequent in occurrence may be appropriately reported as extraordinary items. Significant transactions within the control of management that are either unusual in nature or infrequent in occurrence may be reported as special items. Both special items and extraordinary are shown separately from revenues and expenses specifically because they are not representative of the district's usual annual financial transactions.

Attachment L

Appraisal Companies[8]

Name	Address	City	State	Postal	Phone
Duff & Phelps Corporations (Formerly American Appraisal Associates)	411 East Wisconsin Avenue, Suite 1900	Milwaukee	WI	53201	
Industrial Appraisal Company Bob Wentzel	250 Prairie Center Drive, Suite 325	Eden Prairie	MN	55344	952-942-6734
Valuation Advisory Group, Inc.	445 Pharr Road NE	Atlanta	GA	30305	404-841-0992
Valuations Northwest Inc.	1841 North Lakes Place	Meridian	ID	83646	208-375-1284

[8]This partial list of companies is not endorsed by the committee.

Other suggestions from the committee concerning fixed asset records include:

1. School district personnel should follow the guidance in the ASBO Implementation Guide for establishing capitalization thresholds and depreciation lives. The Department of Education will be changing the UFARS Manual to be consistent with this guide.
2. Before hiring an appraisal company, district personnel should meet with their auditor(s) to discuss plans for identifying capital assets, establishing thresholds, calculating depreciation lives and other assumptions that need to be clarified. Personnel will also need to identify which program/functions will be used in the financial statements to appropriately sort assets.
3. District personnel should meet with software vendors prior to having an appraisal. Items to be discussed include:
   - How are fixed asset records going to be maintained in the future?
   - Will the vendor have a fixed asset module?
   - Will the module calculate depreciation?
   - Will the appraisal company be able to download its data to a particular vendor system?

If you have names of other appraisal companies that should be placed on this list, please send them to [UFARS Accounting](mailto:mde.ufars-accounting@state.mn.us)(mde.ufars-accounting@state.mn.us). Modifications to the list will be placed on the Financial Management website as well as used in training sessions and special mailings.

Section 4 – GASB Statement 45

Introduction

In addition to pensions, many state and local governmental employers provide Other Post-Employment Benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes post-employment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. Statement 45 establishes standards for the measurement, recognition and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

What is GASB?

The Governmental Accounting Standards Board (GASB) was formed in 1984 to develop and improve financial reporting rules for state and local governments in the United States, including school organizations. GASB rules must be followed by any entity when an audit report of that entity states that it follows generally accepted accounting principles (GAAP). “GASB Statement 45” or “GASB 45” refers to the issuance of Statement Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, in July 2004.

Statement Features

As noted in the statement, the requirements of GASB 45 are to improve financial reporting.

> Postemployment benefits (OPEB, as well as pensions) are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered by employers to attract and retain qualified employees, some benefits, including salaries and active-employee healthcare, are taken while the employees are in active service, whereas other benefits, including postemployment healthcare and other OPEB, are taken after the employee's services have ended. Nevertheless, both types of benefits constitute compensation for employee services.
>
> From an accrual accounting perspective, the cost of OPEB, like the cost of pension benefits, should generally be associated with the period in which the exchange occurs, rather than with the periods (often many years later) when benefits are paid or provided. However, in current practice, most OPEB plans are financed on a pay-as-you-go basis, and financial statements generally do not report the financial effects of OPEB until the promised benefits are paid. As a result, current financial reporting generally fails to:
>
> - Recognize the cost of benefits in periods when the related services are received by the employer;
> - Provide information about the actuarial accrued liabilities for promised benefits associated with past services and whether and to what extent those benefits have been funded; and/or
> - Provide information useful in assessing potential demands on the employer's future cash flows.

> This statement improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement of recognition of OPEB cost (expense) over a period that approximates employees' years of service and by providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

The Guide to Implementation of GASB Statements 43 and 45 on Other Postemployment Benefits is a good resource available to school personnel. This document can be obtained from GASB by writing Governmental Accounting Standards Board, Order Department, 401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116, or calling 1-800-748-0659. Ask for Product Code GQA43/45.

Effective Date

The requirements of this statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999.

- Governments that were considered phase one governments for the purpose of implementation of Statement 34– those with annual revenues of $100 million or more—are required to implement this statement in financial statements for periods beginning after December 15, 2006.
- Governments that were phase two governments for the purpose of implementation of Statement 34– those with total annual revenues of $10 million or more but less than $100 million—are required to implement this statement in financial statements for periods beginning after December 15, 2007.
- Governments that were phase three governments for the purposes of implementation of Statement 34 –those with total annual revenues of less than $10 million—are required to implement this statement in financial statements for periods beginning after December 15, 2008.

Earlier application of this statement is encouraged. All component units should implement the requirements of this Statement no later than the same year as their primary government.

Determine Amount to be Funded for Current Year

Under the requirements of GASB 45, all districts have an obligation to recognize and report their annual required contribution (ARC). Regardless of the current funded status of the plan, the district has an ARC that comprises two components: normal costs, which will apply as long as there are covered active employees providing new services to the employer, plus (or minus) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess). This document does not address specifics relating to the actuarial determination of the district's unfunded liability.

There are several options a school district has when funding its postemployment benefits in any given year.

- Fund the entire Unfunded Actuarial Accrued Liability (UAAL) plus normal cost in a single payment, if sufficient resources are available.
- Fund an amount less than the unfunded actuarial accrued liability plus normal cost, but in excess of the ARC.
- Fund the annual required contribution.
- Fund an amount less than the annual required contribution.

The amount of postemployment benefits to be funded in any given year is dependent on various factors. The dollar amount that a district contributes is impacted by all of the following: the size of the district's liability; requirements for current year payment for postemployment benefits; available resources in the district's budget; and the amount of fund balance or bonding authority, if any, the district decides to use.

A school district may fund any amount up to its total unfunded liability plus current year normal cost, through pay-as-you-go payments or contributions to an irrevocable trust. Though districts are authorized to have a revocable trust or reserve bond proceeds in the general fund for OPEB, they would not be funding the OPEB liabilities according to GASB 45. These funds would simply be reported in the internal service or general fund of the district because the district would still have ownership or control of the assets.

Requirements for Establishing a Trust

This document provides current requirements concerning establishment of a benefit trust by school districts for postemployment benefits. Financial information in a school district annual report to the Minnesota Department of Education (MDE) must be based on the accounting system prescribed in the Uniform Financial Accounting and Reporting Standards (UFARS) Manual.

These requirements apply to all postemployment benefit plans where the district is providing for such benefits by contributions to a legally established revocable or irrevocable trust. Reference Minnesota Statutes 2024, section 471.6175, subdivision 7, (Minnesota Laws 2008, chapter 154, article 10, section 18) for the restrictions on the withdrawal of funds and termination of account for revocable and irrevocable trusts.

Unless a school district has established a trust, postemployment benefits are reported as a cost when payment for the benefit is made. This is a pay-as-you-go method, in contrast to recording cost when earned, which is recording a cost as employees are providing services to the district. If pay-as-you-go payments are made out of the operating funds of the district, those payments are considered contributions in relationship to the ARC. This does not prohibit districts from establishing trusts for select groups of employees, while using pay-as-you-go for other groups.

The Minnesota Department of Education recognizes that postemployment benefits may represent a significant liability that districts may want to fund. The Minnesota Department of Education also acknowledges that it is fiscally appropriate to have the cost and funding recognized and provided for such benefits as they are earned.

- UFARS has a separate reserve account, Reserve for OPEB Liabilities Not Held in a Trust (Balance Sheet 452), for reporting bond proceeds set aside and restricted/reserved for postemployment benefits.
- UFARS has a separate internal service fund, Postemployment Benefits Revocable Trust (Fund 25), for reporting resources set aside and held in a revocable trust arrangement for postemployment benefits.
- UFARS has a separate accounting fund, Postemployment Benefits Irrevocable Trust Fund (Fund 45), for reporting resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

The following are conditions and considerations in the use of a revocable or irrevocable Postemployment Benefits Trust Fund:

- The postemployment benefits accounted for in the fund must result from a written or implied contractual agreement as compensation for employee services. The district's obligation to pay for the benefits must accumulate during employment although the actual benefits are provided and payment for the provided benefits does not occur until after employment.
- The school board must agree in a formal, legally constituted trust agreement to establish a trust to hold and disburse resources set aside for the postemployment benefits. Employees eligible for benefits paid through the trust shall be notified that they may obtain a copy of the trust agreement upon request.
- For an irrevocable trust, physical segregation of trust assets must be made; the trust fund may not be merely an accounting shell consisting of a fund on the district's accounting records. Trust fund assets cannot be used for purposes other than those necessary to provide benefits for which the irrevocable trust was established.
- The department, in establishing accounting and reporting requirements for postemployment benefits, is not making a legal determination as to the authority of the school district to provide a particular benefit, nor is it making a limitation on benefits that the district has authority to provide. Any trust fund established must be in accordance with Minnesota Statutes.

  a. Minnesota Statutes 2024, section 471.6175, (Minnesota Laws 2008, chapter 154, article 10, section 18, signed into law on March 7, 2008) gives school districts the authority to establish a trust for postemployment benefits (OPEB) under GASB 45.
  b. Minnesota Laws 2008, chapter 154, article 10, section 27, validates trusts created prior to June 6, 2006.
  c. For terms of withdrawals from and termination of the trust account, reference Minnesota Statutes 2024, section 471.6175, subdivision 7.

- The Codification of Governmental Accounting and Financial Reporting Standards (GASB Cod. Sec. P20.504 [GASB 27 ¶ 39, GASB 45 ¶ 40]) issued by the Governmental Accounting Standards Board (GASB) has identified acceptable cost methods to determine the Annual Required Contribution (ARC) necessary to fund government employee benefit plans on an actuarial method.
- The United States Office of Management and Budget, in OMB Omni Circular, has established the standards for determining costs eligible to be charged to federally funded financial programs. Districts should reference the OMB Omni Circular for additional details (see 200.430 Compensation – personal services and Part 200.431 Compensation – fringe benefits).

  a. Postretirement health benefits (PRHB) refers to costs of health insurance or health services, not included in a pension plan, for retirees and their spouses, dependents and survivors.
  b. PRHB costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.
  c. For PRHB financed on a pay-as-you-go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.
  d. PRHB costs calculated using an actuarial cost method recognized by GAAP are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six-month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six-month period if an appropriate adjustment is made to compensate for the timing of the charges to the federal government and related federal reimbursements and the governmental unit's contributions to the PRHB fund. Adjustments may be made by cash refund, reduction in current year's PRHB costs or other equitable procedures to

compensate the federal government for the time value of federal reimbursements in excess of contributions to the PRHB fund.

e. Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the government's contribution in a future period.
f. When a governmental unit converts to an acceptable actuarial cost method and funds PRHB costs in accordance with this method, the initial unfunded liability attributable to prior years shall be allowable if amortized over a period of years in accordance with GAAP or, if no such GAAP period exists, over a period negotiated with the cognizant agency.
g. To be allowable in the current year, the PRHB costs must be paid either to: an insurer or other benefit provider as current year costs or premiums; or an insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing postretirement benefits to retirees and other beneficiaries.
h. The federal government shall receive an equitable share of any amounts of previously allowed postretirement benefit costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal or other credit.

- The contributions to the trust fund are to be reported as postemployment benefits up to or equal to the ARC (Object Code 252) and associated with the program code corresponding to the activities of the employee.
- The requirements identified in this section are subject to future revision to be in compliance with state and federal legal requirements and with GASB pronouncements.

Accounting Treatment

Guidelines to assist with the recording of financial transactions relating to other postemployment benefits (OPEB) expenditures are included in the next sections as follows:

- Pay-As-You-Go Funding (No Reserve or Restricted/Reserved in Fund 01 – Balance Sheet 452).
- Revocable Trust Fund Established (Fund 25).
- Irrevocable Trust Fund Established (Fund 45).

The guidelines represent the entries for the governmental funds only and do not include reporting required on the government-wide statements. Any difference between the Annual Required Contribution (ARC) and the amount paid or funded represents an underpayment or overpayment and must be reported on the government-wide statements.

All costs need to be recorded to the appropriate program codes. Do not use Program Code 930 for object codes 191, 252, 290 or 291. See Chapter 13 of the UFARS Manual referencing federal indirect cost rates.

Implicit Rate Subsidy

If your insurance plan covers both active employees and current retirees under the same premium, an implicit rate subsidy may have been calculated in your actuarial determination. The health insurance payment for retirees must be paid based on the value of the premium that was used in the determination rather than the actual cost of the premium. You may be able to determine this value from your actuarial study or you may need to contact your actuary. Since the premiums for active employees are subsidizing the retiree portion of the insurance plan, any variance between the value of the premium and premium actually charged the district goes back to the district and is accounted for by a reduction to the active employee costs for health insurance.

Determine Allocation of Contribution

To meet UFARS guidelines and federal reporting requirements, costs must be allocated equitably across all employees within the class. One method to achieve this may be to establish a contribution rate to apply to current employees eligible for postemployment benefits. Another method to achieve this consistency may be to divide the contribution by the total number of current employees eligible for postemployment benefits. Whatever method is used, the funds must be equitably distributed across all employees within the class that are eligible for postemployment benefits being funded.

Method #1 Based on Eligible Payroll

1a. Determine which postemployment benefits to include in the funding and the employee groups that are eligible for those benefits. You may want to refer to your actuary report for this information. For example, if all employees receive the same postemployment benefit then all employee groups will be included. If only teachers are eligible for the postemployment benefit to be funded, then only teachers would be included.
1b. Determine amount of eligible payroll for the affected employees.
1c. Divide the value of the postemployment benefits for the group by the eligible payroll for the group to get a contribution rate.
1d. Apply the contribution rate through the payroll system.

Example

In the following example, the amount to be contributed to the trust for other postemployment benefits is $1,031,999. The district's total ARC is $1,250,908, which means the district is funding the trust at a rate of 82.5%. The contribution does not exceed the ARC. If it did, the excess would not be eligible for federal aid and would not be allocated using the contribution rate for that year. See OMB Omni Circular, section 8(f), for instructions related to amounts funded in excess of the actuarially determined amount.

OPEB is provided to teachers, administrators, food service workers and secretaries so the wages from all four of these groups are included in the calculation of the OPEB contribution rate. Wages for nurses, custodial/maintenance and paraprofessionals are not included because these employee groups do not participate in the benefits being funded.

Administrator	$1,573,622
Nurses	N/A
Custodial/Maintenance	N/A
Food Service	251,528
Paraprofessionals	N/A
Secretary	1,758,212

Teacher	16,668,655
Total Wages Basis	**$20,252,017**
Health insurance	$979,994
Dental insurance	50,567
Life insurance	1,438
Amount to be funded	**$1,031,999**
Contribution rate: (1,031,999 divided by 20,252,017)	5.10%

Method #2 Based on Number of Employees

2a. Determine which postemployment benefits to include in the funding and the employee groups that are eligible for those benefits. You may want to refer to your actuary report for this information. For example, if all employees receive the same postemployment benefit then all employee groups will be included. If only teachers are eligible for the postemployment benefit to be funded, then only teachers would be included.
2b. Divide the contribution dollar amount for the group by the eligible employees in the group to get a contribution dollar amount.
2c. Apply the dollar amount through the payroll system.

Example

In the following example, the amount to be contributed to the trust for other postemployment benefits is $1,031,999. The district's total ARC is $1,250,908 which means the district is funding the trust at a rate of 82.5%. The contribution does not exceed the ARC. If it did, the excess would not be eligible for federal aid and would not be allocated using the contribution amount for that year. See OMB Omni Circular, 200.431, for instructions related to amounts funded in excess of the actuarially determined amount.

For this example, OPEB is provided to teachers, administrators, food service workers and secretaries so the employees from all four of these groups are included in the calculation of the OPEB contribution amount. Nurses, custodial/maintenance and paraprofessionals are not included because these employee groups do not participate in the benefits being funded.

Health insurance	$979,994
Dental insurance	50,567
Life insurance	1,438
Amount to be funded	**$1,031,999**
Total employees in groups funded	522
Contribution rate: (1,031,999 divided by 522)	$1,977
Object Code	252

The following are guidelines to assist with the recording of financial transactions relating to other postemployment benefits (OPEB) expenditures. This section of the document assumes the district is reporting the postemployment benefits as a cost when payment for the benefit is made. This is a "pay-as-you-go" method, in contrast to recording cost "when earned," which is recording a cost as employees are providing services to the district. These payments are considered as contributions in relationship to the ARC. This does not prohibit districts from establishing trusts for select groups of employees, while using "pay-as-you-go" for other groups.

The following guidelines are presented in the order in which tasks are generally performed.

Transaction	**Total Cost**	**Employees**	**Retirees**
Health Insurance	25,000.00	20,000.00	5,000.00
Implicit rate subsidy	n/a	(500.00)	500.00
Total Health Insurance and Implicit rate subsidy	**25,000.00**	**19,500.00**	**5,500.00**
Dental Insurance	4,000.00	3,000.00	1,000.00
Life Insurance	5,000.00	3,500.00	1,500.00
Total Payment	34,000.00	26,000.00	8,000.00
Retiree contribution	(1,000.00)	0.00	(1,000.00)
Net Cost	**33,000.00**	**26,000.00**	**7,000.00**

Step 1 – Record payments for member benefits

For illustration purposes only, the following transactions assume the following total monthly insurance premium for all employees and retirees:

1a. Record payment to provider of health insurance.

DR:	OPEB Costs (Operating Fund, Program, Object Code 291)	5,500
DR:	Health Insurance (Operating Fund, Program, Object Code 220)	19,500
CR:	Operating Fund, Cash or Investment Account	25,000

1b. Record payment to provider of dental insurance.

DR:	OPEB Costs (Operating Fund, Program, Object Code 291)	1,000
DR:	Dental Insurance (Operating Fund, Program, Object Code 235)	3,000
CR:	Operating Fund, Cash or Investment Account	4,000

1c. Record payment to provider of life insurance.

DR:	OPEB Costs (Operating Fund, Program, Object Code 291)	1,500
DR:	Life Insurance (Operating Fund, Program, Object Code 230	3,500
CR:	Operating Fund, Cash or Investment Account	5,000

1d. If applicable, recognize retiree share of benefit costs.

DR:	Operating Fund, Cash or Investment Account	1,000
CR:	Health insurance (Operating Fund, Program, Object Code 291)	1,000

Note: If payment is made with bond proceeds held in the Restricted/Reserved for OPEB Liabilities Not Held in a Trust (Balance Sheet 452) instead of unassigned operating funds, then the Finance Code 793 should be included with the Object Code 291 entries 1a, 1b, 1c, and 1d. Refer to the *Bonding for OPEB Liabilities* section below for more details.

Step 2 – Set up additional amount earmarked by school board

For illustration purposes only, the following transaction assumes the school board approved an increase of $100,000 to the designation for OPEB. No designation is recorded in UFARS. However, districts may want to use a unique code at the local level to identify designated funds.

DR:	Unassigned Fund Balance	100,000
CR:	Designated for future OPEB contributions (Committed Fund Balance)	100,000

Financial Transaction Accounting Other Postemployment Benefits (OPEB) Revocable Trust Fund Established (Fund 25)

The following are guidelines to assist with the recording of financial transactions relating to other postemployment benefits. This document assumes the district has met all requirements for the establishment of a revocable trust for other postemployment benefits (OPEB). For this information, please refer to *Requirements for Establishing a Trust* earlier in this section.

The following guidelines are presented in the order in which tasks are generally performed.

Step 1 – Contribution to the revocable trust to fund the Annual Required Contribution (ARC)

For illustration purposes, the following transactions assume a monthly cost allocation for postemployment benefits to one individual with wages of $25,000 and using allocation Method 1, as shown below.

Health Insurance	$1,200	($25,000 x	4.80%)
Dental Insurance	$50	($25,000 x	.20%)
Life Insurance	$25	($25,000 x	.10%)
	$1,275		5.10%

1a. Record OPEB expenditures through the payroll system. Amount based on contribution rate.

DR:	Operating Fund, Program, Object 252	1,275
CR:	Payroll Liability Account (Liability 215)	1,275

1b. Record contribution from district to Employee Benefit Trust Fund.

DR:	Payroll Liability Account (Liability 215)	1,275
CR:	Operating Fund, Cash or Investment Account	1,275

1c. Record contribution in Employee Benefit Trust Fund (Fund 25) received from district.

DR:	Fund 25, Cash or Investment Account	1,275
CR:	Fund 25, contributions to Employee Benefit Trust (Source Code 614)	1,275

Step 2 – Additional contribution to the revocable trust in excess of the Annual Required Contribution (ARC)

For illustrative purposes, the district makes a current year contribution of $200,000 in excess of the ARC.

2a. Record contribution from district to revocable Employee Benefit Trust Fund.

DR:	Operating Fund, Program, Object Code 290	200,000
CR:	Operating Fund, Cash or Investment Account	200,000

2b. Record contribution in revocable Employee Benefit Trust Fund (Fund 25) received from district.

DR:	Fund 25, Cash or Investment Account	200,000
CR:	Fund 25, contributions to revocable Employee Benefit Trust (Source Code 614)	200,000

Step 3 – Record payments from trust fund for member benefits

The following illustrates transactions that occur in the employee benefit trust fund and how they are accounted for. For illustration purposes only, the following transactions assume a monthly insurance premium for one current retiree.

Health Insurance	$1,500 (actual premium)
Health Insurance	$1,800 (value of premium)
Health Insurance	$300 (implicit rate subsidy)
Dental Insurance	$400
Life Insurance	$100

3a. If applicable, to recognize retiree share of benefit costs (2% of health insurance premium).

DR:	Fund 25, Cash or Investment Account	30
CR:	Fund 25, plan member contributions (Source Code 616)	30

3b. Record direct payment for retiree, from trust fund, to provider of health insurance.

DR:	Fund 25, trust fund disbursements (Program Code 935, Object Code 220)	1,500
CR:	Fund 25, Cash or Investment Account	1,500

3c. Record payment to district operating funds to cover implicit rate subsidy.

DR:	Fund 25, Trust Fund disbursements (Program Code 935, Object Code 220)	300
CR:	Fund 25, Cash or Investment Account	300
DR:	Operating Fund, Cash or Investment Account	300
CR:	Operating Fund, Program, Object Code 220	300

3d. Record direct payment for retiree, from trust fund, to provider of dental insurance.

DR:	Fund 25, Trust Fund disbursements (Program Code 935, Object Code 235)	400
CR:	Fund 25, Cash or Investment Account	400

3e. Record direct payment for retiree, from trust fund, to provider of life insurance.

DR:	Fund 25, Trust Fund disbursements (Program Code 935, Object Code 230)	100
CR:	Fund 25, Cash or Investment Account	100

3f. If your district pays the premiums on retirees in combination with active employees, the payment would be accounted for as follows. Keep in mind that the benefit may not be paid from the trust until it has been incurred. Withdrawing money from the trust prior to payment of the benefit may be in violation of the trust agreement as well as IRS regulations.

Record payment from trust fund to district.

DR:	Fund 25, Trust Fund disbursements (Program Code 935, Object Code 220)	1,800
CR:	Fund 25, Cash or Investment Account	1,800
DR:	Fund 01, Cash or Investment Account	1,800
CR:	Fund 01, Payroll Liability Account (Liability 215)	1,800

Record payment by district to provider:

DR:	Fund 01, Payroll Liability Account (Liability 215)	1,500
CR:	Fund 01, Cash or Investment Account	1,500
DR:	Fund 01, Payroll Liability Account (Liability 215)	300
CR:	Operating Fund, Program, Object Code 220	300

Financial Transaction Accounting Other Postemployment Benefits (OPEB) Irrevocable Trust Fund Established (Fund 45)

The following are guidelines to assist with the recording of financial transactions relating to other postemployment benefits. This document assumes the district has met all requirements for the establishment of an irrevocable trust for other post-employment benefits (OPEB). For this information, please refer to *Requirements for Establishing a Trust* earlier in this section.

The following guidelines are presented in the order in which tasks are generally performed.

Step 1 – Contribution to the irrevocable trust to fund the Annual Required Contribution (ARC)

For illustration purposes, the following transactions assume a monthly cost allocation for postemployment benefits to one individual with wages of $25,000 and using allocation Method 1, as shown below.

Health insurance	$1,200	($25,000 x 4.80%)
Dental insurance	$50	($25,000 x .20%)
Life insurance	$25	($25,000 x .10%)
	$1,275	5.10%

1a. Record OPEB expenditures through the payroll system. This amount is for funding the ARC only and is based on the contribution rate.

DR:	Operating Fund, Program, Object Code 252	1,275
CR:	Payroll Liability Account (Liability 215)	1,275

1b. Record contribution from district to irrevocable Employee Benefit Trust Fund.

DR:	Payroll Liability Account (Liability 215)	1,275
CR:	Operating Fund-Cash or Investment Account	1,275

1c. Record contribution in irrevocable Employee Benefit Trust Fund (Fund 45) received from district.

DR:	Fund 45, Cash or Investment Account	1,275
CR:	Fund 45, Contributions to Irrevocable Employee Benefit Trust (Source Code 614)	1,275

Step 2 – Additional contribution to the irrevocable trust in excess of the Annual Required Contribution (ARC)

For illustrative purposes, the district makes a current year contribution of $200,000 in excess of the ARC.

2a. Record contribution from district to irrevocable Employee Benefit Trust Fund.

DR:	Operating Fund, Program, Object Code 290	200,000
CR:	Operating Fund, Cash or Investment Account	200,000

2b. Record contribution in irrevocable Employee Benefit Trust Fund (Fund 45) received from district.

DR:	Fund 45, Cash or Investment Account	200,000
CR:	Fund 45, Contributions to Irrevocable Employee Benefit Trust (Source 614)	200,000

Step 3 – Record payments from trust fund for member benefits

The following illustrates transactions that occur in the employee benefit trust fund and how they are accounted for. For illustration purposes only, the following transactions assume a monthly insurance premium for one current retiree:

Health insurance	$1,500 (actual premium)
Health insurance	$1,800 (value of premium)
Health insurance	$300 (implicit rate subsidy)
Dental insurance	$400
Life insurance	$100

3a. If applicable, to recognize retiree share of benefit costs (2% of health insurance premium):

DR:	Fund 45, Cash or Investment Account	30
CR:	Fund 45, plan member contributions (Source Code 616)	30

3b. Record direct payment for retiree, from trust fund, to provider of health insurance.

DR:	Fund 45, Trust Fund disbursements (Program Code 935, Object Code 220)	1,500
CR:	Fund 45, Cash or Investment Account	1,500

3c. Record payment to district operating funds to cover implicit rate subsidy.

DR:	Fund 45, Trust Fund disbursements (Program Code 935, Object Code 220)	300
CR:	Fund 45, Cash or Investment Account	300
DR:	Operating Fund, Cash or Investment Account	300
CR:	Operating Fund, Program, Object Code 220	300

3d. Record direct payment for retiree, from trust fund, to provider of dental insurance.

DR:	Fund 45, Trust Fund disbursements (Program Code 935, Object Code 235)	400
CR:	Fund 45, Cash or Investment Account	400

3e. Record direct payment for retiree, from trust fund, to provider of life insurance.

DR:	Fund 45, Trust Fund disbursements (Program Code 935, Object Code 230)	100
CR:	Fund 45, Cash or Investment Account	100

3f. If your district pays the premiums on retirees in combination with active employees, the payment would be accounted for as follows. Keep in mind that the benefit may not be paid from the trust until it has been incurred. Withdrawing money from the trust prior to payment of the benefit may be in violation of the trust agreement as well as IRS regulations.

Record payment from trust fund to district:

DR:	Fund 45, Trust Fund disbursements (Program Code 935, Object Code 220)	1,800
CR:	Fund 45, Cash or Investment Account	1,800
DR:	Fund 01, Cash or Investment Account	1,800
CR:	Fund 01, Payroll Liability Account (Liability 215)	1,800

Record payment by district to provider:

DR:	Fund 01, Payroll Liability Account (Liability 215)	1,500
CR:	Fund 01, Cash or Investment Account	1,500
DR:	Fund 01, Payroll Liability Account (Liability 215)	300
CR:	Operating Fund, Program, Object Code 220	300

Bonding for OPEB Liabilities

The Omnibus Tax Bill (2008 Minnesota Laws, chapter 154, article 10) contained a provision that provided authority for school district boards to issue bonds without voter approval for funding actuarial liabilities to pay other postemployment benefits (OPEB), as defined by the Governmental Accounting Standards Board (GASB) Statement No. 45. A district may annually make a debt service levy in the newly created OPEB Debt Service Fund (Fund 47) to service the payment of principal and interest on those bonds.

The Minnesota Department of Education has worked with the Office of the State Auditor (OSA), the Advisory Committee on Financial Management, Accounting and Reporting, the GASB 45 Committee, and other individuals to determine the extent of the authority provided by the law and to develop accounting procedures for districts whose school boards choose to issue these taxable bonds.

Based on the legislation and consultation, it has been determined that districts issuing bonds should record the bond proceeds into the Operating Funds (Funds 01, 02, and/or 04) and transfer the funds to the appropriate account, if necessary. The bond proceeds may be held in a separate account within the Operating Funds if no trust account is established (Balance Sheet Account 452), a Revocable Trust Internal Service Fund (Fund 25), or an Irrevocable Trust Fund (Fund 45). A summary of accounting entries are identified as follows:

Accounting for Other Post-Employment Benefits	Operating Funds Unassigned – 422	Operating Funds Unassigned – 422	Operating Funds Restricted/Reserved – 452	Internal Service (20) Unassigned – 422	Internal Service (25) Revocable Trust	Fund 45 Irrevocable Trust
	Pay-As You-Go	**No Bonds or Trust**	**Bond Proceeds - No Trust**	**No Bonds or Trust**	**May Have Bond Proceeds**	**May Have Bond Proceeds**
Bond Proceeds						
Debit – Net Proceeds	n/a	n/a	FD 1-2-4, GL 101	n/a	FD 1-2-4, GL 101	FD 1-2-4, GL 101
Debit – Advisors/Counsels/Agencies	n/a	n/a	FD 1-2-4, ORG 005, PRO 910, FIN 000, OBJ 305	n/a	FD 1-2-4, ORG 005, PRO 910, FIN 000, OBJ 305	FD 1-2-4, ORG 005, PRO 910, FIN 000, OBJ 305
Credit – PAR, Underwriters Discount	n/a	n/a	FD 1-2-4, ORG 005, PRO 910, FIN 793, SRC 631	n/a	FD 1-2-4, ORG 005, PRO 910, FIN 000, SRC 631	FD 1-2-4, ORG 005, PRO 910, FIN 000, SRC 631
Debit – Unused Discount	n/a	n/a	FD 1-2-4, ORG 005, PRO 910, FIN 000, OBJ 910	n/a	FD 1-2-4, ORG 005, PRO 910, FIN 000, OBJ 910	FD 1-2-4, ORG 005, PRO 910, FIN 000, OBJ 910
Debit – Unused Discount	n/a	n/a	FD 47, GL 101	n/a	FD 47, GL 101	FD 47, GL 101
Credit – Unused Discount	n/a	n/a	FD 47, ORG 005, PRO 910, FIN 000, SRC 649	n/a	FD 47, ORG 005, PRG 910, FIN 000, SRC 649	FD 47, ORG 005, PRG 910, FIN 000, SRC 649
Credit – Unused Discount	n/a	n/a	FD 1-2-4, GL 101	n/a	FD 1-2-4, GL 101	FD 1-2-4, GL 101
Debit – Amt of Bond Issue	n/a	n/a	FD 99, GL 151	n/a	FD 99, GL 151	FD 99, GL 151
Credit – Amt of Bond Issue	n/a	n/a	FD 99, GL 250	n/a	FD 99, GL 250	FD 99, GL 250
Transfer to Trust Fund (25 or 45)						
Debit – Net Proceeds	n/a	n/a	n/a	n/a	FD 1-2-4, ORG 005, PRO[9], **not** FIN 793, OBJ 252/290	FD 1-2-4, ORG 005, PRO[9], **not** FIN 793, OBJ 252/290
Credit – Net Proceeds	n/a	n/a	n/a	n/a	FD 1-2-4, GL 101	FD 1-2-4, GL 101
Debit – Net Proceeds	n/a	n/a	n/a	n/a	FD 25, GL 101	FD 45, GL 101
Credit – Net Proceeds	n/a	n/a	n/a	n/a	FD 25, ORG 005, PRO 935, FIN 000, SRC 614	FD45, ORG 005, PRO 935, FIN 000, SRC 614
Transfer to Internal Service Fund -No Trust (20)						
Debit-Transfer Amt	n/a	n/a	n/a	FD 1-2-4, ORG 005, PRO[9], **not** FIN 793, OBJ 289	n/a	n/a
Credit-Transfer Amt	n/a	n/a	n/a	FD 1-2-4, GL 101	n/a	n/a
Debit-Transfer Amt	n/a	n/a	n/a	FD 20, GL 101	n/a	n/a
Credit-Transfer Amt	n/a	n/a	n/a	FD 20, ORG 005, PRO 935, FIN 000, SRC 615	n/a	n/a

Accounting for Other Post-Employment Benefits	Operating Funds Unassigned – 422	Operating Funds Unassigned – 422	Operating Funds Restricted/Reserved – 452	Internal Service (20) Unassigned – 422	Internal Service (25) Revocable Trust	Fund 45 Irrevocable Trust
District Payments for OPEB						
Debit – Amt Paid	FD 1-2-4, ORG 005, PRO[9], FIN 797, OBJ 291	FD 1-2-4, ORG 005, PRO[9], **not** FIN 793, OBJ 291	FD 1-2-4, ORG 005, PRO[9], FIN 793, OBJ 291	FD 20, ORG 005, PRG 935, FIN 000, OBJ 220/230/235/251	FD 25, ORG 005, PRG 935, FIN 000, OBJ 220/230/235/251	FD 45, ORG 005, PRG 935, FIN 000, OBJ 220/230/235/251
Credit – Amt Paid	FD 1-2-4, GL 101	FD 1-2-4, GL 101	FD 1-2-4, GL 101	FD 20, GL 101	FD 25, GL 101	FD 45, GL 101
Retiree Contributions for OPEB						
Debit – Amt Received	FD 1-2-4, GL 101	FD 1-2-4, GL 101	FD 1-2-4, GL 101	FD 20, GL 101	FD 25, GL 101	FD 45, GL 101
Credit – Amt Received	FD 1-2-4, ORG 005, PRO[9], FIN 797, OBJ 291	FD 1-2-4, ORG 005, PRO[9], **not** FIN 793, OBJ 291	FD 1-2-4, ORG 005, PRO[9], FIN 793, OBJ 291	FD 20, ORG 005, PRO 935, FIN 000, SRC 616	FD 25, ORG 005, PRO 935, FIN 000, SRC 616	FD 45, ORG 005, PRO 935, FIN 000, SRC 616
Levy Proceeds						
Debit – Amt Received	FD 1 and 4, GL 101	n/a	FD 47, GL 101	n/a	FD 47, GL 101	FD 47, GL 101
Credit – Amt Received	FD 1-2-4, ORG 005, PRO[9], FIN 797, SRC 001 (Fund 1 and 4)	n/a	FD 47, ORG 005, PRO 910, FIN 000, SRC 001	n/a	FD 47, ORG 005, PRO 910, FIN 000, SRC 001	FD 47, ORG 005, PRO 910, FIN 000, SRC 001
Bond Payments						
Debit – Principal	n/a	n/a	FD 47, ORG 005, PRO 910, FIN 000, OBJ 710	n/a	FD 47, ORG 005, PRO 910, FIN 000, OBJ 710	FD 47, ORG 005, PRO 910, FIN 000, OBJ 710
Debit – Interest	n/a	n/a	FD 47, ORG 005, PRO 910, FIN 000, OBJ 720	n/a	FD 47, ORG 005, PRO 910, FIN 000, OBJ 720	FD 47, ORG 005, PRO 910, FIN 000, OBJ 720
Credit – Payment	n/a	n/a	FD 47, GL 101	n/a	FD 47, GL 101	FD 47, GL 101
Debit – Amt of Bond Paid	n/a	n/a	FD 99, GL 250	n/a	FD 99, GL 250	FD 99, GL 250
Credit – Amt of Bond Paid	n/a	n/a	FD 99, GL 151	n/a	FD 99, GL 151	FD 99, GL 151

PRO[9]=Should be broken down into the program level detail as follows: 020-Superintendent, 030-Instructional Administration, 050-School Administration, 105-General Administration, 107-Other Administrative Support, 110-Business Support Services, 203-Elementary Instruction, 211-Secondary Instruction, 399-Vocational Instruction, 400-Special Education Instruction, 500 Series-Community Education, 600 Series-Instructional Support, 710/712-Counseling/Guidance Services, 720-Health Services, 730-Psychological and Mental Health Services, 740-Social Work Services, 760-Pupil Transportation, 770-Food Service, 790-Other Pupil Support, 810-Operations and Maintenance.

Note 1: Receipting to expenditure accounts requires a lot of detail work. It is simpler to use B-0X-215-XXX (Payroll Deductions) for the retiree receipt and payment activity.

FD = Fund; GL = General Ledger; FIN = Finance Code; OBJ = Object Code; SRC = Source Code

Questions regarding this information should be directed to mde.ufars-accounting@state.mn.us.

Special Thanks to the GASB 45 Committee

Members of the Minnesota Department of Education Division of School Finance extend their appreciation to each member of the GASB 45 Committee for their work on this project.

Committee Members:	Affiliation:
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Stella Johnson	Rosemount-Apple Valley-Eagan School District
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Section 5 – GASB Statement 54

Introduction

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB Statement 54 did not affect the calculation of fund balance but improved financial reporting by enhancing the usefulness of fund balance information and provided fund balance categories and classifications for more understandability. Until 2009, categories used to present fund balance focused on whether resources were available for appropriation (i.e., budgeting). Fund balance described the difference between the assets and liabilities reported in a governmental fund (i.e., general fund). The traditional approach to classify fund balance was the following:

Reserved Fund Balance (not available for appropriation)

1. Portion of net resources that cannot ever be spent because of their form.
2. Portion of net resources that cannot yet be spent.
3. Portion of net resources that cannot be spent for any and all fund-related purposes because of external limitations.

Unreserved Fund Balance (available for appropriation)

- Designated Unreserved Fund Balance (available for appropriation, with a limitation on use imposed by the government itself).
    1. Portion of net resources subject to limitations imposed by the governing body.
    2. Portion of net resources set aside by management/administration in connection with its tentative plans.
- Undesignated Unreserved Fund Balance (available for appropriation, with no external or internal limitation).

GASB Statement No. 54 established accounting and financial reporting standards for all governments that report governmental funds. It established criteria for classifying fund balances into specifically defined classifications and clarified definitions for governmental fund types. With the introduction of GASB Statement 54, the fund balance focus changed from the availability of fund resources for budgeting to the extent to which the government (school districts) are bound to honor constraints on the specific purpose for which amounts in the fund can be spent.

GASB Statement No. 54 created a hierarchy of fund balance classifications revolving around government's constraints on resources reported in funds. GASB Statement 54 approved five classifications for fund balance reporting:

1. **Nonspendable Fund Balance**
2. **Restricted Fund Balance**
3. **Committed Fund Balance**
4. **Assigned Fund Balance**
5. **Unassigned Fund Balance**

The following Statement of Position from the State of Minnesota Office of the State Auditor outlines **"Fund Balances for Local Governments Based on GASB Statement No. 54"**:

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Statement of Position
Fund Balances for Local Governments
Based on GASB Statement No. 54

Background

Governmental Accounting Standards Board's (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* defines the classifications of fund balance based on the focus of the constraints placed on the use of current fund balance. The Statement also identifies the governmental fund type definitions. This Statement of Position addresses only the fund balance classifications and reporting.

The requirements of GASB 54 are applicable to all local governments. Implementation was required for the first fiscal year ended June 30, 2011. However, most Minnesota local governments report on a calendar year. For those reporting on a calendar year, the first required year for implementation was the year ended December 31, 2011.

In governmental funds[1*] local government should identify fund balance separately based on a hierarchy of the constraints placed on the use of the financial resources within governmental funds. A local government will classify its fund balances into one of up to 5 classifications: nonspendable, restricted, committed, assigned, and unassigned. While some of the GASB 54 classifications are similar in nature to the classifications under pre-GASB Statement No. 54, the focus is different, and thus, what is classified into these classifications may be different.

Fund Balance Classifications/Definitions for Governmental Funds

The fund balances of a local government's governmental funds should be reported in the new classifications based on the definitions in the following table:

[1*]Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category includes the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. Codification of Governmental Accounting and Financial Reporting Standards 1300.102.

Fund Balance Reporting

Classification	Definition	Examples
Nonspendable	"Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact."[10]	Inventories, Prepaid Items, Long-term receivables in the general fund, and Permanent principal of endowment funds.
Restricted	"Fund balance should be reported as restricted when constraints placed on the use of resources are either: Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or Imposed by law through constitutional provisions or enabling legislations."[11]	Restricted by state statute, Unspent bond proceeds, Grants earned but not spent, Debt covenants, Taxes dedicated to a specific purpose, and Revenues restricted by enabling legislation
Unrestricted Committed	"Used for specific purposed pursuant to constraints imposed by formal action of the government's highest level of decision-making authority."[12]	The governing board has decided to set aside $1M for a new city hall. Property tax levies set for a specific purpose by resolution.
Unrestricted Assigned	"Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed."[13]	Governing board has set aside $2 million for a county hospital and the county manager may amend this up to $100,000. Governing body delegates the authority to assign fund balance to the finance officer. Governing board has appropriated fund balance often to balance next year's budget.[14] Positive residual balances in governmental funds other than the general fund.
Unassigned	Unassigned fund balance is the residual classification for the General Fund. This is fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.[15]	

[10] GASB Statement No. 54, ¶ 6.
[11] GASB Statement No. 54, ¶ 8.
[12] GASB Statement No. 54, ¶ 10.
[13] GASB Statement No. 54, ¶ 13.
[14] See appropriated fund balance section of this document.
[15] GASB Statement No. 54, ¶ 17

Classifying Fund Balance

A local government should classify its fund balances based on the nature of the particular net resources reported in a governmental fund. The government would first start by identifying nonspendable net resources, followed by restricted, committed, assigned and lastly unassigned. This will classify a fund’s net resources from those that have the most constraints placed on their use to the least. A fund’s net resources also are affected by the spending policy of that government. A local government should determine the order of use of resources when expenditures are incurred. Are restricted resources used first? Or, if available for use, are unrestricted net resources (committed, assigned, or unassigned) used first? If a local government does not have an accounting policy that identifies the order of use of resources, then the net resources with the most constraints are used first.

Unrestricted Fund Balance

Unrestricted fund balance is the amount of fund balance left after determining both nonspendable and restricted net resources. The unrestricted fund balance is the amount of fund balance that a local government, itself, has placed constraints on its use (committed and assigned) and fund balance that does not have any specific purpose identified for the use of those net resources (unassigned). Unrestricted fund balance, therefore, includes the committed, assigned, and unassigned classifications. Committed and assigned fund balance represent resources set aside by the government to fund specific purposes. The two classifications differ in the formality of the action required to set aside the net resources.

The government's highest level of decision-making authority is required to commit available fund balance to a specific purpose. Once the action has been taken, the committed funds cannot be used for any other purpose unless the commitment is rescinded by the same type of action that previously committed the funds. The action taken to commit the funds must be taken prior to the end of the fiscal year, but the specific amount may be determined in the subsequent period.

The authority to assign may be delegated to an official other than the governing body. Unlike committed fund balance, the action taken to assign fund balance may be made after year end. In governmental funds other than the General Fund, the assignment must follow the government’s intent for the specific purpose of the individual funds. Therefore, all remaining positive fund balances in the special revenue, debt service, and capital projects funds are classified as assigned.

Unassigned fund balance represents the remaining unrestricted fund balance in the General Fund after identifying fund balance that has been committed or assigned. Deficits in fund balances of other governmental funds are reported as unassigned. Assignments should never cause a deficit in unassigned fund balance to occur.

Stabilization Arrangements: Restricted/Committed vs. Unassigned

Many local governments currently set aside part of fund balance for emergencies, working capital, cash flows, revenue shortages or other contingencies. The authority to set aside these amounts usually comes from an ordinance or resolution. The GASB calls these types of funds “stabilization arrangements.” For a government to be able to set aside these types of funds as restricted or committed, they need to specifically define when these amounts may be used and specify a situation that cannot be expected to occur routinely. For example, identifying funds to be accessed “in an emergency” does not sufficiently detail the circumstance or condition that must be met for the funds to be considered committed. To commit these funds, the government needs to be more specific in defining an emergency. If the arrangement meets these requirements, it would be considered a specific purpose and reported as either restricted or committed, depending on the source of the constraint. Stabilization arrangements that do not meet the requirements should be reported as part of unassigned fund balance in the General Fund.

Appropriated Fund Balance

Usually a local government only classifies fund balances at year end for financial reporting purposes. Thus, only current, and not future, net resources are classified. Typically, the subsequent year’s budgeted expenditures are expected to be paid from the subsequent year’s revenues and not the current reporting year’s ending fund balances. On occasion, local governments will “deficit” budget, or in other words, budget more expenditures than anticipated revenues and drawdown the beginning fund balance for the subsequent year. An appropriation of existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

Recommendations

Adoption of Comprehensive Fund Balance Policy

The GASB’s Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, identifies fund balance accounting policies that a local government may have or should consider. The Office of the State Auditor recommends that each local government establish/approve a formal comprehensive fund balance policy relating to accounting and financial reporting of governmental fund balances. A local government’s fund balance policy could address the following areas:

- Minimum fund balance
- Order of resource use
- Stabilization arrangements
- Committing fund balance
- Assigning fund balance

Minimum Fund Balance

The Office of the State Auditor recommends that local governments determine and establish in their fund balance policy a desired minimum level of unrestricted fund balance to maintain in their General Fund and other significant governmental funds. The local government’s governing body should keep revenue streams in mind when determining a minimum level of fund balance for their policy. Often a local government’s revenue stream is not evenly distributed throughout the year. A local government will need sufficient beginning fund balances to pay expenditures until these revenues are received. For example, funds that rely heavily on property taxes must maintain sufficient financial resources until the next tax revenue collection cycle. Funds that rely on state appropriations and grants should consider the timing of those payments. Also, local governments need to maintain a prudent level of financial resources to protect against a forced service level reduction or having to raise taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Other considerations include the predictability of revenues and the volatility of expenditures. A local government may need higher levels of unrestricted fund balance if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile, such as greater expenditures in the early part of the year. The availability of resources in other funds and the potential drain on the General Fund resources from other funds could affect the necessary level of minimum unrestricted fund balance. The availability of resources in other funds may reduce the amount of unrestricted fund balance needed in the general fund, just as deficits in other funds may require that a higher level of unrestricted fund balance be maintained in the General Fund.

After establishing a minimum level of unrestricted fund balance, the policy should provide for both a timeframe and a specific plan for increasing or decreasing the level of unrestricted fund balance. If the actual unrestricted fund balance is not consistent with the policy, a plan should be developed by the governing body that will allow for compliance with the desired minimum level. The fund balance policy should include a provision for a regular review of the sufficiency of the minimum fund balance level.

8 GASB Statement No. 54, ¶ 16.

Order of Resource Use

The Office of the State Auditor recommends that local governments include in their comprehensive fund balance policy the normal order of resource use. The policy should identify which fund balance resources (restricted or unrestricted) are normally used first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Also, for unrestricted fund balance, the local government should identify the order in which committed, assigned or unassigned amounts are spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Stabilization Arrangements

The Office of the State Auditor also recommends that local governments consider establishing a stabilization arrangement for emergency situations in their comprehensive fund balance policy. The policy should establish the amount to be set aside, identify the types of non-routine emergencies/situations that would meet the need for use of stabilization funds, and clearly state that the amount set aside may only be used for the identified emergency situations.

Committing Fund Balance

The Office of the State Auditor also recommends that a local government's governing body identify in its comprehensive fund balance policy its process for committing fund balance to a specific purpose. The policy could identify the local government's highest level of decision-making authority, what formal action is required to commit fund balance and what specific purposes normally will require committing resources.

Assigning Fund Balance

Furthermore, the Office of the State Auditor recommends each local government that decides to delegate the authority to assign fund balance for a specific purpose include in their comprehensive fund balance policy the body or official authorized to assign amounts to a specific purpose and the types of specific purposes that may be assigned by that delegated body or official. The policy should also specify how the amounts for such assignments are arrived at and whether the governing body will set the assignments annually or will set up a process to make the assignment based on the guidelines established by the governing body.

Appropriate Fund Balance Levels

The Office of the State Auditor recommends that, at year-end and/or at other key times of the year, local governments that rely significantly on property taxes maintain an unrestricted fund balance of approximately 35 to 50% of fund operating revenues or no less than five months of operating expenditures in their General Fund and special revenue funds. This amount of unrestricted fund balance should provide the local government with adequate funds until the next property tax revenue collection cycle. The adequacy of unrestricted fund balance should be assessed based on an individual local government's own circumstances. If the local government's unrestricted fund balance is less than or greater than the recommended level, the local government should be able to explain the reason for the difference.

> According to MDE, Minnesota school districts, unlike most local governmental units, experience timing of receipts from local property tax levies, state aids, and federal aids that provide a more reliable flow of cash to fund operations. Therefore, a recommended unrestricted fund balance for school districts may be less than the amounts recommended above for other local governmental units. Each school district should determine the appropriate level of unrestricted fund balance based on the school district's circumstances.

Local governments should also consider taking a position on the level of unrestricted fund balance in other funds that have unrestricted revenues. In setting an appropriate level, the local government should consider any long-term forecasting/planning issues to avoid the risk of placing too much emphasis on the level of unrestricted fund balance at any one time.

Special Thanks to the GASB 54 Committee

Members of the Minnesota Department of Education Division of School Finance extend their appreciation to each member of the GASB 54 Committee for their work on this project.

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Section 6 – GASB Statement 84

The Governmental Accounting Standards Board (GASB) states the objective of GASB Statement Number 84 (GASB No. 84) is to "improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported." **The requirements of this Statement go into effect for Fiscal Year (FY) 2020, effective July 1, 2019.**

GASB published the *GASB Implementation Guide of GASB 84 for Fiduciary Activities* in June 2019. Given the short time frame for implementation, the GASB subcommittee decided it was important to distribute a question and answer (Q&A) document for Minnesota school districts as quickly as possible (see UFARS Chapter 14 Appendix E). The GASB subcommittee, a subcommittee of the Advisory Committee on Financial Management (Advisory Committee), is comprised of Minnesota Department of Education (MDE) Financial Management staff, several certified public accountants (CPAs) from Minnesota school district audit firms, business managers, region representatives and accountants.

Minnesota Statutes 2024, section 123B.49, *Extracurricular Activities; Insurance* was updated to align with GASB 84 in 2021

GASB has provided the following summary to GASB Statement No. 84 to help readers understand the purpose of this statement:

> *The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.*
>
> *This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.*
>
> *An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position…*
>
> *…This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria…*
>
> *…This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.*

Special Thanks to the GASB No. 84 Subcommittee

Members of the Division of School Finance of the Minnesota Department of Education extend their appreciation to each member of the GASB Subcommittee for their work on GASB Statement No. 84 Fiduciary Activities.

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Section 8 – GASB Statement 87

What is GASB?

The Governmental Accounting Standards Board (GASB) was formed in 1984 to develop and improve financial reporting rules for state and local governments in the United States, including school organizations. GASB rules must be followed by any entity when an audit report of that entity states that it follows generally accepted accounting principles (GAAP).

Introduction

GASB Statement No. 87 was scheduled to become effective for the fiscal year ended June 30, 2021. However, GASB delayed the implementation date by 18 months due to COVID-19. The original implementation date was for Fiscal Years beginning after December 15, 2019, so the new implementation became June 15, 2021. **Therefore, we must comply beginning on July 1, 2021 for Fiscal Year (FY) 2022.**

The GASB subcommittee updated the following Uniform Financial Accounting and Reporting Standards (UFARS) codes effective for FY 2022 for compliance with GASB No. 87. Please be sure to check last page of each chapter in the UFARS manual for any additional changes, additions or deletions.

Coding Changes effective July 1, 2021:

The following object codes were added for FY 2022:

335 Short-Term Lease Payments or Short-Term Rentals

560 Principal on Long-Term Computer or Technology Related Hardware Leases or Financed Purchases

561 Interest on Long-Term Computer or Technology Related Hardware Leases or Financed Purchases

570 Principal on Long-Term Building or Land Leases

571 Interest on Long-Term Building or Land Leases

The following object codes were deleted for FY 2022:

370 Operating Leases or Rentals

380 Short-Term Leases for Computer or Technology Related Hardware (deleted FY 2023)

The following object codes were updated for FY 2022:

520 Building Acquisition or Construction

535 Long-Term Leases or Financed Purchases

580 Principal on Long-Term Lease or Financed Purchase

581 Interest on Long-Term Lease or Financed Purchase

582 Principal on Long-Term Lease or Financed Purchases Used for Direct Instruction of Special Education Students

583 Principal on Long-Term Lease or Financed Purchases Used for Vehicles Used for Special Education Students

589 Long-Term Lease Transactions or Financed Purchases (Fund 01 – Other Financing Source)

The following source codes were updated for FY 2022:

093 Revenue from Leases or Rentals

635 Certificates of Participation (Financed Purchases)

The following balance sheet codes were updated for FY 2022:

139 Long-Term Lease Receivable

140 Land (Fund 98)

142 Buildings (Fund 98)

143 Equipment (Fund 98)

148 Lease Asset (Fund 98)

152 Amount to be provided for Long-Term Leases (Fund 99)

174 Accumulated Amortization on Leased Assets (Contra Asset)

230 Unearned Revenue (Appropriate Fund)

254 Long-Term Lease Payable (Fund 99)

The following balance sheet code was added for FY 2022:

237 Deferred Inflow of Resources

GASB 87 Lease Accounting Example:

The following are examples of how to record various leases in compliance with GASB No. 87.

Short Term Lease

Example: lease vehicle for 11 months for $11,000 total

Lessee:	**Debit**	**Credit**

Each time the monthly lease payment is made:

01-XXX-XXX-XXX-335-000	Short–Term Lease Payments	1,000	
01-101-00	Cash		1,000
	Record Lease Payment		

Lessor:

01-101-00	Cash	1,000	
01-XXX-XXX-XXX-093-000	Revenue from Leases or Rentals		1,000
	Record Lease Revenue		

Note: To record short-term leases for computers or technology related hardware, use Object code 380 instead of Object Code 335.

Financed Purchase

ISD X enters into a financed purchase (FP) agreement on July 1, 2021. The term of the lease is 10 years, with an option to terminate the agreement. Payments consisting of principal and interest of $10,000 are due July 1 of each year, beginning on July 1, 2021. The fair market value of the equipment on July 1, 2021 was $87,000. The equipment has a life of 20 years with no salvage value. The district **OWNS** the equipment at the end of the 10th year. (The LEA should locate the amortization schedule in the long-term lease documents.)

Implicit interest rate is 2.832%

Note: Portions of the lease payment related to maintenance of equipment or office supplies should be coded to the appropriate object codes.

Lessee:		**Debit**	**Credit**
Year 1 – July 1, 2024			
XX-XXX-XXX-XXX-535-000	Long-term Leases or Financed Purchases	87,000	
XX-XXX-XXX-XXX-589-000	Long-term Lease Transactions (Other Financing Source)		87,000
	To record the value of financed purchase		
99-152-00	Amount to be provided for Long-Term Lease	87,000	
99-254-00	Long-Term Lease Payable		87,000

To record the financed purchase liability*

*This should be added to your fixed assets through your district's normal process.

XX-XXX-XXX-XXX-580-000	Principal on Long-Term Lease or FP	7,635	
XX-XXX-XXX-XXX-581-000	Interest on Long-Term Lease or FP	2,365	
XX-101-00	Cash		10,000
	To record payment of long-term financed purchase interest and principal		

99-254-00	Long-Term Lease Payable	7,635	
99-152-00	Amount to be provided for Long-Term Lease		7,635
	To record the effect of financed purchase		

Building Lease- Charter School

Year End	Principal	Interest	Total Payment
6/30/2022	20,947	3,053	24,000
6/30/2023	21,584	2,416	24,000
6/30/2024	22,241	1,759	24,000
6/30/2025	22,918	1,082	24,000
6/30/2026	23,615	385	24,000
Total	**111,305**	**8,695**	**120,000**

Lessee:

Year 1- Execution of Lease	**Debit**	**Credit**

01-005-850-348-535-000	Long-term Leases or Financed Purchases	111,305	
01-005-850-348-589-000	Long-term Lease Transactions or Financed Purchases		111,305
	(Other Financing Source)		
	To record long-term lease		
99-152-00	Amount to be provided for Long-Term Lease	111,305	
99-254-00	Long-Term Lease Payable		111,305
	To record the capital lease liability		
01-005-850-348-570-000	Principal on Long-Term Bldg and/or Land Leases	20,947	
01-005-850-348-571-000	Interest on Long-Term Bldg and/or Land Leases	3,053	
01-101-00	Cash		24,000
	To record payment of long-Term Lease		
99-254-00	Long-Term Lease Payable	20,947	
99-152-00	Amount to be provided for Long-Term Lease		20,947
	To record the effect of long-term lease payment		
Year 2- July 1, 2025		**Debit**	**Credit**
01-005-850-348-570-000	Principal on Long-Term Bldg and/or Land Lease	21,584	
01-005-850-348-571-000	Interest on Long-Term Bldg and/or Land Lease	2,416	
01-101-00	Cash		24,000
	To record payment of long-term Lease		
99-254-00	Long-Term Lease Payable	21,584	

99-152-00	Amount to be provided for Long-Term Lease		21,584
	To record the effect of long-term lease payment		
Lessor:		**Debit**	**Credit**
01-139-00	Long-Term Lease Receivable	111,305	
01-237-00	Deferred Inflow of Resources		111,305

Following year:

01-101-00	Cash	24,000	
01-XXX-XXX-XXX-093-000	Revenue from Leases or Rentals		24,000
01-237-00	Deferred Inflow of Resources	20,947	
01-139-00	Long-Term Lease Receivable		20,947

Building Lease

Year End	Principal	Interest	Total Payment
6/30/2022	20,947	3,053	24,000
6/30/2023	21,584	2,416	24,000
6/30/2024	22,241	1,759	24,000
6/30/2025	22,918	1,082	24,000
6/30/2026	23,615	385	24,000
Total	**111,305**	**8,695**	**120,000**

Lessee:

Year 1- Execution of Lease		**Debit**	**Credit**
01-XXX-XXX-XXX-535-000	Long-Term Leases or Financed Purchases	111,305	

01-XXX-XXX-XXX-589-000	Long-Term Lease Transactions or Financed Purchases		111,305
	(Other Financing Source)		
	To record long-term lease		
99-152-00	Amount to be provided for Long-Term Lease	111,305	
99-254-00	Long-Term Lease Payable		111,305
	To record the building lease		
01-XXX-XXX-XXX-570-000	Principal on Long-Term Bldg and/or Land Lease	20,947	
01-XXX-XXX-XXX-571-000	Interest on Long-Term Bldg and/or Land Lease	3,053	
01-101-00	Cash		24,000
	To record payment of long-term Lease		
99-254-00	Long-Term Lease Payable	20,947	
99-152-00	Amount to be provided for Long-Term Lease		20,947
	To record the effect of long-term lease payment		
Year 2- July 1, 2025		**Debit**	**Credit**
01-XXX-XXX-XXX-570-000	Principal on Long-Term Bldg and/or Land Lease	21,584	
01-XXX-XXX-XXX-571-000	Principal on Long-Term Bldg and/or Land Lease	2,416	
01-101-00	Cash		24,000
	To record payment of long-term Lease		
99-254-00	Long-Term Lease Payable	21,584	
99-152-00	Amount to be provided for Long-Term Lease		21,584
	To record the effect of long-term lease payment		

Lessor:		**Debit**	**Credit**
01-139-00	Long-Term Lease Receivable	111,305	
01-237-00	Deferred Inflow of Resources		111,305

Following year:

01-101-00	Cash	24,000	
01-XXX-XXX-XXX-093-000	Revenue from Leases or Rentals		24,000
01-237-00	Deferred Inflow of Resources	20,947	
01-139-00	Long-Term Lease Receivable		20,947

Lease Liability- Equipment

Year End	Principal	Interest	Total Payment
6/30/2022	20,947	3,053	24,000
6/30/2023	21,584	2,416	24,000
6/30/2024	22,241	1,759	24,000
6/30/2025	22,918	1,082	24,000
6/30/2026	23,615	385	24,000
Total	**111,305**	**8,695**	**120,000**

Lessee:

Year 1- Execution of Lease- July 1, 2024		**Debit**	**Credit**
01-XXX-XXX-XXX-535-000*	Long-Term Leases or Financed Purchases	111,305	
01-XXX-XXX-XXX-589-000*	Long-Term Lease Transactions or Financed Purchases		111,305
	(Other Financing Source)		
	To record long-term lease (present value)		
99-152-00	Amount to be provided for Long-Term Lease	111,305	
99-254-00	Long-Term Lease Payable		111,305
	To record the long-term lease liability		

*This should be added to your fixed assets through your district's normal process.

01-XXX-XXX-XXX-580-000	Principal on Long-Term Lease or FP	20,947	
01-XXX-XXX-XXX-581-000	Interest on Long-Term Lease or FP	3,053	

01-101-00	Cash		24,000
	To record payment of long-term Lease		
99-254-00	Long-Term Lease Payable	20,947	
99-152-00	Amount to be provided for Long-Term Lease		20,947
	To record the effect of long-term lease payment		

Year 2- July 1, 2025		**Debit**	**Credit**
01-XXX-XXX-XXX-580-000	Principal on Long-Term Lease or FP	21,584	
01-XXX-XXX-XXX-581-000	Interest on Long-Term Lease or FP	2,416	
01-101-00	Cash		24,000
	To record payment of long-term Lease		
99-254-00	Long-Term Lease Payable	21,584	
99-152-00	Amount to be provided for Long-Term Lease		21,584
	To record the effect of long-term lease payment		

Note: To record long-term leases for computers or technology related hardware, use Object Codes 560/561 to record the principal and interest, instead of Object Codes 580/581.

Lessor:		**Debit**	**Credit**
01-139-00	Long-Term Lease Receivable	111,305	
01-237-00	Deferred Inflow of Resources		111,305

Following year:

01-101-00	Cash	24,000	
01-XXX-XXX-XXX-093-000	Revenue from Leases or Rentals		24,000

01-237-00	Deferred Inflow of Resources	20,947	
01-139-00	Long-Term Lease Receivable		20,947

Certificate of Participation (COP)/Financed Purchase (FP)

The issuance of certificates of participation (COP) is a mechanism for providing capital to school districts to purchase equipment, finance constructions projects, or refinance existing leases. This financing technique provides long-term financing through a lease with an option to purchase or a conditional sales agreement. A typical lease would have the transactions noted below.

Note: For Fund 01 General Fund financial transactions, the activity must close to the 01-422-XX Unassigned Fund Balance. Fund 06 Building Construction Fund financial transactions, the activity must close to 06-413-XX Restricted/Reserved for Projects Funded by Certificates of Participation/Financed Purchase (COP/FP) Agreement with Related Lease Levy Authority.

Example A: The original amount of the Certificates of Participation is $1,000,000.

1.) To record the Certificates of Participation/Financed Purchase (COP/FP) Agreement transactions when the district receives the cash.

06-101-XX	Cash	$1,000,000	
06-XXX-XXX-791-635-000	Proceeds of Certificates of Participation		$1,000,000

To record the COP when the district receives the cash.

2.) The project expenditures should be reported in Fund 06 Building Construction Fund and the lease levy and lease payments should be reported in Fund 01 General Fund.

06-XXX-870-791-510-000	Site or Grounds Acquisition	$250,000	
06-XXX-870-791-520-000	Building Acquisition or Construction	$400,000	
06-XXX-870-791-530-000	Other Equipment Purchased	$ 20,000	
06-101-XX	Cash		$670,000

To record the project expenditures. The remaining fund balance must be recorded in 06-413-XX.

3.) To record the lease levy revenue.

01-101-XX	Cash	$100,000	
01-005-000-791-001-000	Property Tax Levy-General		$100,000

To record the lease levy revenue if your entity is utilizing lease levy.

4.) To record the COP/FP lease payments.

01-XXX-920-791-580-000	Principal on Long-Term Lease or FP	$90,000	
01-XXX-920-791-581-000	Interest on Long-Term Lease or FP	$10,000	
01-101-XX	Cash		$100,000

To record the COP/FP lease payments. The remaining fund balance should be recorded in 01-422-XX.

Example B: The original amount of the Certificates of Participation is $1,000,000.

1.) To record the Certificates of Participation/Financed Purchase (COP/FP) Agreement transactions when the district **does not** receive the cash.

01-XXX-XXX-791-535-000	Long-Term Lease	$1,000,000	
01-XXX-XXX-791-589-000	Long-Term Lease Transactions or FP		$1,000,000

To record the Certificates of Participation.

2.) The project expenditures should be reported in Fund 06 Building Construction Fund and the lease levy and lease payments should be reported in Fund 01 General Fund.

06-XXX-870-791-510-000	Site or Grounds Acquisition	$250,000	
06-XXX-870-791-520-000	Building Acquisition or Construction	$400,000	
06-XXX-870-791-530-000	Other Equipment Purchased	$ 20,000	
06-101-XX	Cash		$670,000

To record the project expenditures. The remaining fund balance must be recorded in 06-413-XX.

3.) To record the reimbursement from the Cash with Fiscal Agent account.

06-101-XX	Cash	$670,000	
06-103-XX	Cash with Fiscal Agent		$670,000

To record reimbursement from the Cash with Fiscal Agent account.

4.) To record the lease levy revenue.

01-101-XX	Cash	$100,000	
01-005-000-791-001-000	Property Tax Levy-General		$100,000

To record the lease levy revenue if your entity is utilizing lease levy.

5.) To record the COP/FP lease payments.

01-XXX-920-791-580-000	Principal on Long-Term Lease or FP	$90,000	
01-XXX-920-791-581-000	Interest on Long-Term Lease or FP	$10,000	
01-101-XX	Cash		$100,000

To record the COP/FP lease payments. The remaining fund balance should be recorded in 01-422-XX.

Example C: To record payments for principal and interest WHEN all project construction costs are fully paid and there is a remaining fund balance in 06-413-XX.

06-XXX-920-791-580-000	Principal on Long-Term Lease or FP	$00,000	
06-XXX-920-791-581-000	Interest on Long-Term Lease or FP	$00,000	
06-101-XX or 06-103-XX	Cash or Cash with Fiscal Agent		$00,000

Pay down the principal and interest from the COP issuance.

Example D: To record COP Defeasance, assumption is $200,000 of principal was already paid down of the $1,000,000 original issuance.

01-101-XX or 01-103-XX	Cash or Cash with Fiscal Agent	$800, 000	
01-XXX-XXX-791-635-000	Proceeds of Certificates of Participation		$800,000

To record the pay-off of the retired Certificates of Participation.

If you have questions about *COP Accounting*, contact the UFARS Accounting Helpdesk (MDE.UFARS-Accounting@state.mn.us).

Special Thanks to the GASB No. 87 Subcommittee

Members of the Division of School Finance of the Minnesota Department of Education extend their appreciation to each member of the GASB Subcommittee for their work on GASB Statement No. 87 Leases.

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Section 9 – GASB Statement 96 Subscription-Based Information Technology Arrangements (SBITAs)

What is GASB?

The Governmental Accounting Standards Board (GASB) was formed in 1984 to develop and improve financial reporting rules for state and local governments in the United States, including school organizations. GASB rules must be followed by any entity when an audit report of that entity states that it follows generally accepted accounting principles (GAAP).

Introduction

GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITAs) is effective for the fiscal year ended June 30, 2023. To the extent relevant, the standards for SBITAs were based on the standards established in Statement No. 87, Leases, as amended. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Please see the GASB Statement No. 87 section (above) for accounting treatment examples.

The GASB subcommittee updated the following Uniform Financial Accounting and Reporting Standards (UFARS) codes effective for FY 2023 for compliance with GASB No. 96. Please be sure to check last page of each chapter in the UFARS manual for any additional changes, additions or deletions.

Coding Changes effective July 1, 2023 and beyond:

The following object codes were added for FY 2023:

562 Principal on Long-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs)

563 Interest on Long-Term Subscription-Based Information Technology Arrangements (SBITAs)

564 Principal on Long-Term for Instructional Subscription-Based Information Technology Arrangements (SBITAs)

The following object codes were updated for FY 2023:

315 Repairs, Maintenance and Service Agreements for Computers, Technology and Software

335 Short-Term Lease Payments or Short-Term Rentals

380 Short-Term Leases for Computer or Technology Related Hardware Rental
Record expenditures for the principal cost of short-term leases or rental of computers or technology related hardware that is not required to be recorded as a long-term liability under GASB 87. Short-term

leases and rental for computers and copiers should be coded to the program series where the equipment is used. The lease cannot have the possibility of an extension beyond 12 months. Examples of computer or technology related hardware may include the following: interactive boards, copiers, servers, network equipment, phone systems and security systems.

Object Code 380 will no longer be available after FY 23 (June 30, 2023).

Please refer to Object Code 335 for short-term lease payments or short-term rentals not related to computer or technology related hardware. Also, refer to Object Code 465 Non-Instructional Technology Devices or Object Code 466 Instructional Technology Devices for purchases or short-term leases. Refer to Object Code 405 Non-Instructional Licensing Agreements Purchases or Short-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs) or Object Code 406 Instructional Licensing Agreements Purchases or Short-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs).

Note: Due to GASB 87 and 96 implementation, please consult with your auditor to determine if the expenditures are short-term or long-term lease or rentals and how to properly record the transactions.

405 Non-Instructional Software Licensing Agreement Purchases or Short-Term Non-Instructional Subscription-Based Information Technology Agreements (SBITAs)

406 Instructional Software License Agreement Purchases or Short-Term Instructional Subscription-Based Information Technology Agreements (SBITAs)

455 Non-Instructional Technology Supplies

456 Instructional Technology Supplies

465 Non-Instructional Technology Devices

466 Instructional Technology Devices

505 Capitalized Non-Instructional Software

506 Capitalized Instructional Software

The following balance sheet account codes were updated for FY 2023:

148 Lease Asset and Subscription-Based Information Technology Arrangements (SBITAs) (Fund 98)

152 Amount to be provided for Long-Term Leases and Subscription-Based Information Technology Arrangements (SBITAs) (Fund 99)

254 Long-Term Leases Payable and Subscription-Based Technology Arrangements (SBITAs) (Fund 98)

Special Thanks to the GASB No. 96 Subcommittee

Members of the Division of School Finance of the Minnesota Department of Education extend their appreciation to each member of the GASB Subcommittee for their work on GASB Statement No. 96 SBITAs.

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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 2023, 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 2020 (July 1, 2019)** 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. Provide guidance and identify “best practices”;
3. Provide suggested documents and forms to maintain internal control over the management of student activity accounts; and
4. Provide Minnesota Statutes, Minnesota Rules and other authoritative guidance, which relate to the authority of this manual.

Table of Contents

Introduction

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. Student activity accounts are for extracurricular activities where funds are raised **by** students and **for** students that are currently enrolled and participate in the activity. 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. Student activity funds may not be used for general district operations, except as described elsewhere in this manual.

The board, by authority of Minnesota Statutes 2024, section 123B.49, subdivision 4, must 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 revenues and expenditures of the district as directed by the Uniform Financial Accounting and Reporting Standards (UFARS) manual. Statutes and other required practices govern financial accounting and reporting requirements for Minnesota public schools. The UFARS Manual for Minnesota schools contains the legal authority and the financial accounting system for all educational programs and the MAFA Manual is a chapter in the UFARS Manual.

This chapter of the UFARS Manual governs student activity accounting. The following statutes and rules govern student activity accounting:

- Minnesota Statutes 2024, section 123B.49
- Minnesota Statutes 2024, section 127A.17
- Minnesota Statutes 2024, section 123B.77
- Minnesota Rules, part 3545.0800, subparts 4 and 5

Minnesota Statutes 2024, section 123B.77, subdivision 1, Uniform financial accounting and reporting standards states:

> *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.*

Minnesota Rules, part 3545.0800, subpart 4, School district accounting principles states:

> *The "Manual for the Uniform Financial Accounting and Reporting Standards for Minnesota Schools," issued by the Department of Education, must contain the standards for budgeting, accounting, and reporting. Amendments to the principles contained in this manual must be approved by the commissioner of education.*

Minnesota Rules, part 3545.0800, subpart 5, Student activities accounting principles states:

> *The "Manual of Instructions for Uniform Student Activities Accounting for Minnesota School Districts," issued by the Department of Education, must contain the accounting and reporting standards for extracurricular student activities. Amendments to the generally accepted accounting principles contained in this manual must be approved by the commissioner of education.*

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 strongly recommended.

Chapter I – Student Activity Determination

Student activities are authorized under Minnesota Statutes 2024, section 123B.49. The board should determine if the student activity is co-curricular or extracurricular prior to the granting authority for the activity.

Co-Curricular Activities (Non-Athletics) (UFARS Program Code 291)

Minnesota Statutes 2024, section 123B.49, subdivision 3

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. Co-curricular activities are accounted for in the General Fund as reported in UFARS.

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 follow district policies using either a centralized or decentralized system of accounting. The money must be deposited 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.

Extracurricular Activities (UFARS Program Code 298)

Minnesota Statutes 2024, section 123B.49, subdivision 4

a) The board must 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) 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.

d) 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.

e) A school district must reserve revenue raised for extracurricular activities and spend the revenue only for extracurricular activities.

Outside Organizations

All financial activity of outside organizations, including banking, accounting and reporting must not be managed, accounted or reported by the district, nor are they part of the school district's General Fund 01. However, the district business office may provide guidance to the groups listed below regarding the processing of transactions between the district and these groups. These groups **cannot** 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 (Sunshine Funds)
- School Foundations

Due to potential conflicts of interest, school employees must not direct or influence the activities of the groups listed above or similar groups. For example, employees cannot be a controlling member on a board of these organizations.

Summary of Board Responsibilities

Characteristics of Student Activities	Student Activities Under Board Control (UFARS)
General Responsibility for Financial Accounting	The board may delegate authority to the district administration.
Budgeting	Both anticipated revenues and expenditures must be budgeted and approved by the board consistent with the procedures used for any other district funds.
Accounting	District must use the same accounting and control system as approved by the district for other district funds in compliance with UFARS. Funds must be accounted for and reported in Finance Code 301, Extracurricular Activities, and Fund Balance Account 401, Restricted/Reserved for Student Activities.
Receipts/Deposits	Include any donations, membership fees, admissions, or proceeds of any activity sponsored by the Board. Gifts and donations must 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 2024, section 123B.49.
Payroll and Benefits	A student activity account must not pay district personnel, students, or other non-staff individuals.
Fund Balance	Individual student activity account balances are not required to be reported separately under UFARS. Student activities as a whole must use Fund Balance Account 401, Restricted/Reserved for Student Activities.
Reporting	Included with regular reports to the Board.
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 to use the activity purpose summary or equivalent to determine the disposition of funds or board policy if the form or equivalent is not available.
Auditing	Included with the district's annual audit, as part of the General Fund 01.

Chapter II – Student Activity Accounting

The public expectation is that the board policy dictates best practices to ensure that the student activity funds are being accounted for appropriately. The board is responsible for developing and implementing internal controls to ensure appropriate management and accounting of receipts, expenditures and other assets related to student activities.

Student activities must be under board control and are required to follow the general accounting requirements in the UFARS Manual as noted by Minnesota statute.

Minnesota Statutes 2024, section 123B.77, subdivision 1, Uniform financial accounting and reporting standards, states:

> *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.*

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 are included in the district's annual external financial audit.

Activity Purpose

A statement of purpose must exist for each student activity account within Finance Code 301, Extracurricular Activities. An *Activity Purpose Summary* or equivalent 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 summary must 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. The board will annually review and approve the list of student activities.

This Summary or equivalent must include the following elements:

- Date
- Name of activity
- Purpose of activity
- Grade of students who will benefit from the activity
- Acknowledgement that the advisor has received a copy of the Manual for Activity Fund Accounting (or District equivalent) and responsibilities related to the activity
- Instructions for disposal of the balance of the activity's funds upon termination
- Name of Advisor – printed, signature and date
- Name of Building Principal or designee – printed, signature or similar acknowledgement and date

Note: An email confirmation is acceptable in lieu of signatures if it contains an acknowledgment that the summary has been reviewed by the responsible parties (i.e., advisor, building principal or designee).

For an example of an Activity Purpose Summary see Appendix B.

Auditing

An annual audit is required to be completed by either a Certified Public Accountant (CPA) or the Office of the State Auditor. The audit must include student activity accounts as part of the regular district audit process. The school board must review and accept the district audit report. A copy of the audit report is required to be filed with the Minnesota Department of Education (MDE) and Office of State Auditor. The audit report must be made available to the public upon request per Minnesota Statutes 2024, section 13.03, Access to Government Data.

MDE requires 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 is required to be in compliance with the Office of State Auditor's Minnesota Legal Compliance Audit Guide for School Districts or Minnesota Legal Compliance Audit Guide for Charter Schools.

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.
- A plan to monitor completion of corrective actions.
- The official responsible for monitoring the completion of the corrective action plan.

Reporting to Office of the State Auditor

If school district officials or external CPA auditors become aware of unlawful use of public funds or property, they are required to notify the Office of the State Auditor (OSA). Here is the link to report a concern (http://www.osa.state.mn.us/default.aspx?page=reportingfinancialconcern). Below is a summary of the reporting requirement from the OSA.

Mandatory Reporting Requirement for Local Government Officials and Employees: Minnesota Statutes 2024, section 609.456, subdivision 1, states:

> *Whenever a public employee or public officer of a political subdivision, charter commission, or local pension plan, governed by sections 424A.091 to 424A.96 or Chapter 354A, discovers evidence of theft, embezzlement, unlawful use of public funds or property, or misuse of public funds by a charter commission or any person authorized to expend public funds, the employee or officer shall promptly report to law enforcement and shall promptly report in writing to the state auditor a detailed description of the alleged incident or incidents. Notwithstanding chapter 13 or any other statute related to the classification of government data, the public employee or public officer shall provide data or information related to the alleged incident or incidents to the state auditor and law enforcement, including data classified as not public.*

Mandatory Reporting Requirement for Public Accountants: Minnesota Statutes 2024, section 6.67, states:

> *Whenever a public accountant in the course of auditing the books and affairs of a political subdivision or a local public pension plan governed by chapter 354A or 422A or Laws 2-13, chapter 111, article 5, sections 31 to 42, discovers evidence pointing to nonfeasance, misfeasance, or malfeasance, on the part of an officer or employee in the conduct of duties and affairs, the public accountant shall promptly make a report of such discovery to the state auditor and the county attorney of the county in which the governmental unit is situated and the public accountant shall also furnish a copy of the report of audit upon completion to said officers. The county attorney shall act on such report in the same manner as required by law for reports made to the county attorney by the state auditor*

Banking

If a separate checking account for student activity accounts is maintained, it must be at a board–approved depository and should 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 Federal Deposit Insurance Corporation (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.

Borrowing

Student activity accounts must not borrow money from any individual or other outside organizations (i.e., a booster club). Student activity accounts must not loan money to school employees, activity members or any other individual or organization. Transfer of funds between student activity accounts should be agreed upon by the students and advisors.

Fund Balance Account 401 cannot be transferred to Fund Balance Account 422 to support non student activity operations.

Centralized versus Decentralized

A student activity account 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 in compliance with UFARS. Under either system, the software vendor must be on the Approved Finance Systems Certified for UFARS Reporting found in the UFARS manual Overview Chapter.

Under a centralized system, the district business office maintains the accounting system, which includes: maintaining the bank account(s) (either as a separate account or pooled with other district funds), recording receipts, and issuing checks, recording checks and reconciling bank accounts.

Under a decentralized system, the district business office establishes the accounting procedures and the administrators maintain the student activity accounts. 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 2024, 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…*

Required payments under the contract must be made by the district following normal district processes.

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 should follow district policies and procedures.

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 must follow district policies and procedures, which should include approval by a student representative, the advisor and the building principal (or his/her designee). See Appendix B for a sample *Check Request Form*. For elementary student activity accounts, the student representative approval is not required. Approval is evidenced by signatures or email approval.

All checks should have two signatures to ensure internal control over the disbursement of funds. 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 2024, 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

Minnesota Statutes 2024, section 456.03, requires the board to approve all donations. Student activity accounts may accept donations (cash and non-cash), pending the final approval by the board.

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 may be made directly from Finance Code 301, Extracurricular Activity.

Fundraising

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.

Student activity fundraising must have the approval of the board, either directly or through policy and procedures. Contracts associated with fundraising must be board approved prior to that activity occurring.

In best practices for fundraisers, a review document with the information listed below assists the board to make a comprehensive decision about district fundraising.

- 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

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 activities, including, but not limited to: sale of food items, sponsorship of dances and entertainment, out-of-school sales of advertisement, gift items, magazines 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;
- 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?

See Appendix E, a memo from Department of Revenue (DOR) dated August 10, 2021, regarding Fundraising Sales for Schools – Law Change. There are special sales tax exemptions for some types of fundraising by schools. For specifics, please refer to Minnesota Sales Tax Fact Sheet 111 (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 *Activity Purpose Summary* or equivalent, 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 board (or designee) indicating why the activity has been inactive and why it should not be terminated.

For student activity accounts related to a graduated class, any funds remaining in the account after graduation must be disposed of as indicated on the A*ctivity Purpose Summary* or equivalent, in a timely manner. 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 as long as the remaining account balance is being disposed of in accordance with the termination instructions on the *Activity Purpose Summary* or equivalent (see Appendix B for an example).

Inventory

For student activity accounts maintaining inventories, use of an inventory system is required. A physical inventory must be made at fiscal year-end. Please work with your external CPA auditor to determine the appropriate inventory system.

Negative Balances

No individual student activity account can have a negative balance at the end of the fiscal year.

Payroll Costs

A student activity account must not pay district personnel, students, or other non-staff individuals. Student activity funds must not subsidize the cost of a specific staff person's salary or benefits, either directly or indirectly.

Fundraising cannot be developed with the intent to pay for salaries and benefits; nor can student activity accounts transfer funds to the unassigned general fund to pay for salaries and benefits.

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 Deposit/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 signatures fields (i.e., secretary/bookkeeper).

A list of the check number and the amount of each check included in each deposit should 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 in a locked safe or other secure, limited access location as designated by district administration. Making change, cashing checks or otherwise substituting legal tender within the deposit is unallowable. Also, student activity accounts cannot 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.

Student Activity Accounting Guidance

All expenditures must benefit the students participating in the student activity who are currently enrolled. Local school boards may be more restrictive than the lists below. In addition, the school board may decide to cover other allowable costs in General Fund 01, Finance Code 000.

Appropriate expenditures for student activity accounts include, but are not limited to, the following:

- admission and participation fees for the entire group, not specific individuals within the group
- entertainment for specific student activity events, including contracted services (i.e., disc jockey for prom)
- 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 not representative of the student activity purpose
- employee compensation, gifts or awards
- faculty meetings or events
- labor or service payments (staff salaries or independent contractors acting as staff)
- library books
- office supplies
- office or school furniture (for instructional use)
- textbooks
- gift cards
- gift certificates
- field trips which are curricular in nature
- scholarships
- personal items for coaches, advisors or other staff members

Donations

Appropriate donations should meet the mission and vision of the student activity as determined by the students and may include, but are not limited to the following:

- Donations that the student activity determines after the students have realized a surplus fund balance should be recorded in the General Fund 01 with Finance Code 301; and
- Donations that the students have pre-determined to raise funds for a non-profit organization (i.e., culinary club does a Second Harvest food drive or the Spanish club does a fundraiser for Puerto Rico Hurricane Relief) should be recorded in the Custodial Fund 18.

Inappropriate donations from the student activity accounts include, but are not limited to the following:

- donations to individuals
- donations to religious activities
- donations to booster clubs
- donations to parent teachers organizations
- donations to school foundations
- donations to scholarship funds

Student activity accounts cannot donate or make payments to faculty, staff, individual students, or any individual person.

Appendix A – Best Practices

District policies and procedures must be followed. In addition, the following are recommended best practices; districts are encouraged to use these guidelines and procedures.

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 activities, 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.
- 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

- 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.
- 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.
- All checks should have two signatures to ensure internal control over the disbursement of funds.
- Checks are mailed the same day as they are signed.
- A purchase order system may be used.

Appendix B – Forms

Activity Purpose Summary

Student Activity Purpose Summary ***Exhibit 1***

District Name and Number

Date: _________________Name of Activity: ____

Purpose of Activity:

____

____

Grade of Students who will benefit from Activity: ____

Student Activity Guidance

Student activities are in nature by the students and for the students. The Advisor role is limited to advising only. The students should be making the decisions regarding the allocation of funds.

Student activities are not permitted to pay staff or contracted staff related costs. The student activity cannot donate funds to the district that will then be used to pay for staff-related costs.

All expenditures must benefit the students participating in the student activity who are currently enrolled. ***(Districts should customize this list based on local policies and procedures, if more restrictive)***

Appropriate expenditures for student activity accounts include, but are not limited to, the following:

- Admission and participation fees for the entire group, not specific individuals within the group
- Entertainment for specific student activity events, including contracted services (i.e., Disc Jockey for prom)
- 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 not representative of the student activity purpose
- Employee compensation, gifts or awards
- Faculty meetings or events
- Labor or service payments (staff salaries or independent contractors acting as staff)
- Library books
- Office supplies
- Office or school furniture (for instructional use)
- Textbooks
- Gift cards
- Gift certificates
- Field trips which are curricular in nature
- Personal items for coaches, advisors or other staff members
- Scholarships

Appropriate donations should meet the mission and vision of the student activity as determined by the students and may include, but are not limited to, the following:

- Donations that the student activity determines after the students have realized a surplus fund balance should be recorded in the General Fund 01 with Finance Code 301.
- Donations that the students have pre-determined to raise funds for a non-profit organization (i.e., culinary club does a Second Harvest food drive or the Spanish club does a fundraiser for Puerto Rico Hurricane Relief) should be recorded in the Custodial Fund 18.

Inappropriate donations from the student activity accounts include, but are not limited to, the following:

- 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 fund

I, ___________________________________ (advisor) have read and understand the attached rules and policies. I acknowledge my responsibilities for assuring proper procedures are followed.

____________________________	____________________________	___________________
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 transferred to:

____

____________________________	____________________________	___________________
Advisor's Name (printed)	Advisor's Signature	Date of Submission
____________________________	____________________________	___________________
Activity Student Representative Name (printed)	Principal's Signature	Date of Approval

Business Office Use Only

Restricted Fund Balance Code:____

Course Code Assigned (if used):____

Appendix B – Forms

List of Officers

{District Name and Number}

Exhibit 2

{School Name}
Student Activity Fund
List of Officers
School Year

Date: ______________________ Name of Activity: ______________________

	Print Name:	Signature:	Grade:
Advisor			
President			
Vice-President			
Treasurer			
Secretary			
Other			
Other			

Appendix B – Forms

Meeting Minutes

{District Name and Number}

Exhibit 3

{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}

Exhibit 4

{School Name}
Student Activity Fund
Funds Transfer Form

Date: ____________________ Name of Activity: ____________________

Transfer Amount: ____

Activity Name & Codes: From ____________________ To ____________________

____________________ ____________________

Reason for transfer of funds: ____

____

1st Advisor (from) signature ____________________ Date __________

Student signature ____________________ Date __________

2nd 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:

Disbursements				
Date of Check	Check Number	Amount	Vendor	Invoice Number
		$		
Total ❶		$		

Receipts		
Date of Receipt	Receipt Number	Amount
		$
Total ❷		$

Calculation of Net Profit	
Total Receipts ❷	$
Total Disbursements ❶	$
Net Profit (❷ minus ❶)	$

Reconciliation of Merchandised Purchased to Merchandise Sold:

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:	$	

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.

Appendix B – Forms

Change Order Request

{Bank Name}
CHANGE ORDER REQUEST

Exhibit 6

Cash (COD)	$
Check Payable to (Bank)	$

{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 $	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

- Orders can be placed by the day or for the entire week, the change order must be placed by XX:00 X.M.

Special Instructions:

-

Appendix B – Forms

Deposit/Receipt Summary Form

{District Name and Number}

Exhibit 7

{School Name}
Student Activity Fund
Deposit/Receipt Summary Form

____

Date: ________________ Name of Activity: ________________

Advisor: ________________ Student Representative ________________

Receipts from where/what: ________________________________

____

Coin total	$
Currency total	$
Check(s) total	$
Total Deposit	$

Student Activity Fund: ________________________________

Signature of Depositor: ________________________________

Counted By: ________________ and ________________

Date of Deposit: ________________________

Bookkeeper Signature: ________________________

Note: All currency is to be facing the same direction in bundles as follows:

20's on groups of $100
10's on groups of $100
5's on groups of $100
1's on groups of $ 50

(If bills do not add up to $100's or $50's, please keep like bills together)

Appendix B – Forms

Check Request Form

{District Name and Number}

Exhibit 8

{School Name}
Student Activity Fund

Check Request Form

Student Activity Fund: ____________________

Date: ____________________ Amount: ____________________

Date check needed: ____________________

Check Payable To: ____________________

Description of Disbursement: ____________________

Approval Signatures:

Student Treasurer: ____________________
Activity Advisor: ____________________
Principal: ____________________

••• **Appropriate Supporting Documentation Must Be Attached** •••

Processed by: ____________________
Check Number: ____________________
Date: ____________________

Appendix B – Forms

Bank Reconciliation

{District Name and Number}

Exhibit 9

{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}

Exhibit 10

{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 B – Forms

Schedule of Student Activity Funds

{District Name and Number}

Exhibit 11

{School Name}

Schedule of Student Activity Funds

July 1, 20XX through June 30, 20XX

Activity Account	Beginning Balance	Receipts	Disbursements	Transfers	Ending Balance	Comments
Student Council	-	-	-	-	-	
Yearbook	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Club	-	-	-	-	-	
Total Columns	-	-	-	-	-	

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 2024, section 123B.49

Accounting, Budgeting and Reporting Requirement

Minnesota Statutes 2024, section 123B.77

General Powers of Independent School Districts (bequests; donations; gifts)

Minnesota Statutes 2024, section 123B.02, subdivision 6

Expenditures; Reporting

Minnesota Statutes 2024, section 123B.76

Definitions for Pupil Fees

Minnesota Rules, part 3500.1050

General Policy – Free and Public Education

Minnesota Statutes 2024, section 123B.35

Authorized Fees

Minnesota Statutes 2024, section 123B.36

Prohibited Fees

Minnesota Statutes 2024, section 123B.37

Hearing

Minnesota Statutes 2024, section 123B.38

Collection of Sales Tax

Minnesota Department of Revenue

Uniform System of Records and of Accounting; Commissioner

Minnesota Statutes 2024, section 127A.17

Modified Accrual Accounting and Other Accounting Requirements

Minnesota Rules, part 3545.0800, subparts 4 and 5

Appendix D – Statement of Position Vending Machines

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)

REBECCA OTTO
STATE AUDITOR

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 2009-1005
Revised: February 2014

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.

Appendix E – Fundraising Sales for Schools

DEPARTMENT OF REVENUE

Date: August 10, 2021
To: Business Managers
From: Justin Nieman, Assistant Commissioner, Minnesota Department of Revenue

Fundraising Sales for Schools – Law Change

During the 2021 legislative session, there was a change made to Minnesota Statutes 2021, 297A.70, subdivision 13, restoring the fundraising exemption for school-associated student groups. This change may impact your sales tax obligations.

Minnesota Law

Starting July 1, 2021, fundraising sales made by school-associated student groups are exempt from sales tax, even when the money must be recorded as part of school district revenues, when the following apply:

- The sales are for fundraising purposes of a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports activities, educational activities, or other extracurricular activities.
- The school district reserves the revenue raised for extracurricular activities, as provided in Minnesota Statutes 2021, 123B.49, subdivision 4 (e), and spends the revenue raised by a particular extracurricular activity only for that extracurricular activity.

Any sales tax collected on taxable sales prior to July 1, 2021 should be reported on the sales and use tax return filed by the school or school district.

Exempt Sales

Under the exemption, school-associated student groups may sell items exempt from sales tax, when the conditions listed above are met.

Some examples of common sales that schools may use to raise funds for extracurricular activities include:

- Admission to recreational areas (see Admissions and Amusement Devices Industry Guide)
- Books
- Flowers
- Garage sales
- Gift wrap
- Greeting cards
- Mattresses

- Water bottles or coffee mugs
- Wreaths

The sales tax exemption to the student fundraising organization applies only to the first $20,000 of the gross annual receipts of the student group from fundraising.

Other Fundraising Exemptions

Schools may sell the following items exempt from sales tax:

- Candy – a separate exemption applies to sales of candy and gum when sold for fundraising purposes by school groups (Minnesota Statute 2024, 297A.70, subdivision 13(a)(4))
- Clothing – such as bandanas, hats, scarves, and t-shirts are not subject to sales tax
- Coupon books – sales of coupon books, discount cards, or punch cards are not taxable
- Food items – such as bread, nuts, popcorn are not subject to sales tax as long as the food items are pre-packaged and not made by the seller

There are also exemptions specific to schools. These exemptions are for:

- Prepared food, candy, and soft drinks served at public or private elementary, middle, or secondary school (Minnesota Statutes 2024, 297A.67, subdivision 5). Examples include: spaghetti feed or pancake breakfast as long as they are served on school premises.
- Tickets or admissions to regular season school games, events, and activities (Minnesota Statute 297A.70, subdivision 11)
- Tickets and admissions to games, events, and activities sponsored by the Minnesota State High School League (Minnesota Statutes 2024, 297A.70, subdivision 11a)

For more information on fundraising activities, go to our website at [Minnesota Department of Revenue] and type **fundraising sales** into the Search box.

If you have questions or need additional assistance with this matter, please contact the Sales and Use Tax Division at 800-657-3777 or salesuse.tech@state.mn.us.

Sincerely,

Justin Nieman
Assistant Commissioner
Minnesota Department of Revenue

CC: Gina Amacher, Director, Sales and Use Tax Division

Appendix F

GASB No. 84 Fiduciary Activities
Questions and Answers

The Governmental Accounting Standards Board (GASB) states the objective of GASB Statement Number 84 (GASB No. 84) is to "improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported." **The requirements of this Statement go into effect for Fiscal Year (FY) 2020, effective July 1, 2019.**

GASB published the *GASB Implementation Guide of GASB 84 for Fiduciary Activities* in June 2019. Given the short time frame for implementation, the GASB subcommittee decided it was important to distribute a question and answer (Q&A) document for Minnesota school districts as quickly as possible. The GASB subcommittee, a subcommittee of the Advisory Committee on Financial Management (Advisory Committee), is comprised of Minnesota Department of Education (MDE) Financial Management staff, several certified public accountants (CPAs) from Minnesota school district audit firms, business managers, region representatives and accountants.

Minnesota Statutes 2024, section 123B.49, *Extracurricular Activities; Insurance* has been updated to align with GASB 84.

These questions and answers were developed by the GASB subcommittee to assist with implementation of GASB 84 Fiduciary Activities. MDE will update this document as needed for general questions, which will be included in the Uniform Financial Accounting and Reporting Standards (UFARS) Manual Chapter 14. For student activities, the questions are sorted into two categories: student activities currently ***not*** under board control and student activities currently under board control.

Background

GASB has provided the following summary to GASB Statement No. 84 to help readers understand the purpose of this statement:

> *The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.*
>
> *This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.*
>
> *An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position…*
>
> *…This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria…*
>
> *…This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.*

Fiduciary Activities

Does GASB 84 affect other financial activities?

Yes. Local Educational Agencies (LEAs) should review and update all local policies to ensure they are not in conflict with GASB 84. This GASB statement may affect other financial activities at the LEAs in addition to student activities. The requirements of this Statement go into effect for FY 2020, effective July 1, 2019.

Will Agency Fund 09 remain in the UFARS manual?

No. Agency Fund 09 was inactivated on July 1, 2019. All LEAs will need to determine if the current activity in the Agency Fund 09 belongs in the General Fund 01, Trust Fund 08 or **Custodial Fund 18** (new fund for FY 2020 and beyond).

How does GASB define Custodial Funds?

Per GASB 84 paragraph 18, "*custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The external portion of investment pools that are not held in a trust that meets the criteria in paragraph 11c (1), should be reported in a separate external investment pool fund column, under the custodial funds classification."*

The UFARS manual currently includes the following Fiduciary Funds: Post-Employment Benefits Irrevocable Trust Fund 45 and Trust Fund 08. In addition, MDE will add Custodial Fund 18 for FY 2020.

What are some examples of activities that will be required to use Custodial Funds?

For UFARS Custodial Fund 18, GASB 84 section B28 states, "Fiduciary activities that are not required to be reported in pension (and other employee benefits) trust funds, investment trust funds, or private-purpose trust funds should be reported in custodial funds."

An LEA could use Custodial Funds for the following examples if the entity has no administrative or direct financial involvement, or the activity is not administered through a qualifying trust:

- The entity is a fiscal host of a grant or flow-through funds
- Scholarships without a legally binding trust agreement
- Assets of the employees (i.e., Deferred Compensation/457)

This list is not meant to be an all-inclusive list of Custodial Fund activities. Please consult with your auditor for questions regarding financial activities that may need to be recorded in the Custodial Fund.

How does an LEA know if they have administrative involvement?

A government has administrative involvement with the assets if, for example, it: (a) monitors compliance with the requirements of the activity that are established by the government that does not receive the direct benefits of the activity, (b) determines eligible expenditures that are established by the government that does not receive the direct benefit of the activity, or (c) has the ability to exercise discretion over how assets are allocated.

How does GASB 84 affect the way scholarships are recorded?

To account for scholarships, MDE added Finance Code (FIN) 340, Scholarships, and Balance Sheet Account Code 402, Restricted/Reserved for Scholarships. When there is administrative involvement and no formal trust agreement, use General Fund 01 with Finance Code 340 and Balance Sheet Account Code 402. When there is a legal trust agreement associated with the scholarship, use Trust Fund 08 with Finance Code 340 and Balance Sheet Account Code 402. When the requirements of a fiduciary activity are met, use Custodial Fund 18 with Finance Code 340 and Balance Sheet Account Code 402. These codes are effective July 1, 2019.

For further information, please review GASB 84 and consult with your auditor.

General Questions for Student Activities

How does GASB 84 apply to student activities?

Student activities are subject to administrative involvement, therefore, they are not considered to be fiduciary activities.

How does GASB 84 affect outside organizations (i.e., Booster Clubs, PTOs, PTAs, etc.) and their relationship with LEAs?

Outside organizations such as Booster Clubs, Parent Teacher Organizations (PTOs) and Parent Teacher Associations (PTAs) are separate entities that have their own tax identification (ID) number and are not allowed to use the LEA's tax ID number. GASB 84 does not affect the financial relationship between the LEA and the outside organizations because they are not part of the LEA.

Would a Special Revenue Fund be appropriate for student activities?

No. The requirements of UFARS necessitates the activity be recorded and reported in the General Fund 01.

Will there be a specific Finance Code to record student activity revenues and expenditures?

Yes. Finance Code 301, Extracurricular Activities, was added to the UFARS manual for FY 2020. Finance Code 301 should be used with the following Program Codes: 292, 294, 296 and 298. Note: salaries and benefits will not be allowed with Finance Code 301. Refer to FY 2020 UFARS Manual, Chapter 4 – Finance Dimension, and Chapter 10 – Permitted Code Combinations (UFARS Manual).

Are there other program codes available to use with Finance Code 301, Extracurricular Activities?

Please see the UFARS Manual, Chapter 10, restricted grid for Finance Code 301.

Will there be a specific Fund Balance Account for student activity fund balances?

Yes. Fund Balance Account 401, Restricted Reserved for Extracurricular Activities, was added for FY 2020. This Fund Balance Account should be used with Finance Code 301, Extracurricular Activities. Refer to the UFARS Manual Chapter 8 – Balance Sheet Accounts.

Will Chapter 14 – Student Activities Accounting, remain in the UFARS Manual?

Yes. UFARS Manual, Chapter 14, will provide guidance for student activities accounting. MDE has updated Chapter 14 in the UFARS Manual.

Is there a list of allowable and unallowable expenditures for student activities and donations?

Yes. See *Appendix G, Student Activity Accounting Guidance*.

Can student activities pay for staff salaries and benefits?

No. Salaries and benefits will be processed through General Fund 01, Finance Code 000. Student activity accounts are not responsible for salaries and benefits of staff providing services for that activity.

Can student activities pay for contracted services?

Yes. The school board or school board policies will determine who must approve all contracts. The student activity account would record the transaction in General Fund 01, Finance Code 301.

When recording fees or fundraising revenue, how do LEAs determine when to use Finance Code 000 or Finance Code 301, Extracurricular Activities?

The school board approves fees, such as: student activity participation fees, gate receipts, etc., in compliance with Minnesota Statutes 2024, sections 123B.34 to 123B.37. Fees that are approved by the school board are recorded as General Fund 01, Finance Code 000. Student activity revenues generated by fundraising, admissions, dues, etc., that are not established by the LEA's board would be recorded in General Fund 01 with Finance Code 301.

Does the sales tax exemption for fundraising still apply once the student activity funds are rolled into the General Fund?

Districts should reference the Minnesota Department of Revenue, Sales Tax Fact Sheet 111, *Sales Made by Schools*, section starting on Page 3 (https://www.revenue.state.mn.us/businesses/sut/factsheets/FS111.pdf). Districts should contact the Minnesota Department of Revenue with specific questions regarding fundraising activities for sales tax questions. For Department of Revenue sales tax memo see Appendix E.

How do LEAs account for the funds when individual students are conducting fundraising for a group activity (i.e., trip to Greece for any currently enrolled high school student)?

The LEA's policy would determine eligibility and the procedure to account for this fundraising activity. Minnesota Statutes 2024, section 123B.49, subdivision 4(a) states, "*Extracurricular activities means all direct and personal services for pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member.*"

How should LEAs handle student activity fundraising for charitable organizations?

The LEA must review the student activity and determine whether or not in compliance with Minnesota Statutes 2024, section 123B.49. The LEA's policy would determine the appropriateness of the fundraising activity.

Donations to charitable organizations that do not meet the requirements of a fiduciary fund or where the LEA has administrative involvement would be recorded in General Fund 01. Donations that meet the requirements of the Fiduciary Fund would be recorded in Custodial Fund 18.

UFARS Manual, Chapter 14, will provide guidance for student activities accounting. MDE updated Chapter 14 in the UFARS Manual.

Can districts use unapproved software to record the student activity accounting?

No. Student activities must be rolled into General Fund 01. Therefore, they must follow all statutory requirements of UFARS including Minnesota Statutes 2024, section 125B.05, State Information System. All financial transactions (including revenues, expenditures and journal entries) are required to flow through MDE-approved software. For a list of approved finance systems, please see the UFARS Overview Chapter.

If an audit opinion for student activities not under board control had been modified in the past, what will happen to the audit opinion for the district’s financial statement since student activity funds will be reported within the General Fund 01?

The effect to the audit opinion will depend on the auditor’s judgement of the materiality and financial impact of the student activities on the General Fund 01. Improved internal controls due to accounting for the activities within the General Fund 01 could also be a factor. It is important to communicate with your audit firm and begin discussions regarding the potential impact GASB 84 may have on the audit opinion in your district. Each district should review policies and procedures, including student activities, to make sure these align with GASB 84.

What steps can the district implement to obtain an unmodified opinion over revenue recognition of student activity funds?

Districts should work with their auditors to improve internal controls over cash receipts to reduce the risk of loss by implementing policies and procedures. Some examples include: inventory the items for sale; complete reconciliation of receipts of items sold and remaining inventory; use of numbered receipts; and balancing cash registers and cash drawers.

If the district is unable to develop sufficient internal controls to meet the requirements of revenue recognition, they may want to consider moving the fundraising activity to an outside organization, i.e., Booster Club or PTO to eliminate a modified opinion.

How may the ASBO Certificate of Excellence in Financial Reporting be affected by the change in student activity reporting?

An opinion modification would disqualify a district from receiving the certificate because an unmodified opinion within the independent auditor’s report is a requirement to receive the certificate.

Student Activities Currently Not Under Board Control

How does GASB 84 affect school districts with student activities not under board control?

The requirements of GASB 84 and the related implementation guide indicate that student activities should be reported in the district's General Fund 01. Based on this guidance, Minnesota school districts will no longer be allowed to report student activities "Not Under Board Control" separate from the General Fund. The LEA **should review** all student activities to ensure they belong in the LEA's financial records. If it is determined the student activity should be in the LEA's financial records, the activity should be reported in General Fund 01 with Finance Code 301, Extracurricular Activities, and Fund Balance Account 401, Restricted/Reserved for Extracurricular Activities.

Is board action required to move the student activities from not under board control to under board control within the General Fund 01?

MDE encourages the LEA's board to adopt and acknowledge the accounting responsibility for the student activities, effective July 1, 2019. If there are current district policies governing student activities not under board control, the board policies will need to be updated and adopted by the board to reflect changes in statute and accounting practices.

How does the LEA transfer the student activity funds not under board control on July 1, 2019?

LEAs will need to review each student activity account not under board control to determine whether the activity belongs within the General Fund 01, Custodial Fund 18 or should not be part of the district's financial system (i.e., outside organizations such as Booster Clubs). This analysis should include any accruals (accounts receivable, accounts payable, unearned revenue, prepaids, etc.) to properly account for prior year-ending balances. On July 1, 2019, the prior year-ending balance may require a restatement of June 30, 2019, ending balances in the district's financial statements. Consult with your auditor.

If the student activities not under board control does not represent a fiduciary activity, it should be recorded in General Fund 01, Fund Balance Account 401, Restricted/Reserved for Extracurricular Activities. If the student activities not under board control does represent a fiduciary activity, it should be recorded in Custodial Fund 18. Districts may, for local purposes, choose to have sub-accounts within the fund balance for each student activity (i.e., student council, chess club or band). Consult with your auditor if the activity does not represent a general fund activity or fiduciary fund activity.

What can be done with obsolete student activity accounts (i.e., senior class graduates)?

This is addressed through the *Activity Purpose Summary* or equivalent, which can be found in UFARS Manual Chapter 14.

How would LEAs handle student organized dances (i.e., prom)?

The answer will depend upon board policy and fundraising activity. There may be a blend between Program Code 298 with Finance Code 000 and/or Program Code 298 with Finance Code 301. For example, students may have fundraising activities that will pay for the prom as a whole and a portion of the fundraising activity would be used to pay for disc jockey (DJ) services. The DJ expenditures would be recorded in General Fund 01 using Program Code 298 with Finance Code 301 Extracurricular Activities. The additional prom expenditures could be recorded in Finance Code 000 or Finance Code 301.

Student Activities Currently Under Board Control

How does GASB 84 affect LEAs with student activities currently under board control?

Even student activities that were under board control prior to FY 2020 (July 1, 2019) will be impacted by GASB 84. All student activities must be reported in General Fund 01. The student activities will be required to use General Fund 01, Finance Code 301 and Fund Balance Account 401, which is a restricted/reserved fund balance account. Therefore, the districts will need to reclassify beginning fund balances into the restricted/reserved account if they were previously reported as committed or assigned fund balances in the General Fund 01, effective July 1, 2019.

An analysis of the effect on beginning fund balance/net position should be performed for those LEAs who previously reported the assets of student activity accounts that were offset by a liability indicating it was owed to the activity when there was no specific liability (not allowed under GASB 84).

How does the LEA reassign the student activity funds under board control on July 1, 2019?

The LEA should follow their policies and procedures on how to reassign from Committed Fund 461 or Assigned Fund 462 within the General Fund 01 to General Fund 01, Fund Balance Account 401, Restricted/Reserved for Extracurricular Activities. LEAs may, for local purposes, choose to have sub-accounts within the fund balance for each student activity (i.e., student council, chess club or band).

Contact

Please send your questions or comments regarding this document to the MDE UFARS Helpdesk (mde.ufars-accounting@state.mn.us).

Appendix G – Student Activity Accounting Guidance

All expenditures must benefit the students participating in the student activity who are currently enrolled. Local school boards may be more restrictive than the lists below. In addition, the school board may decide to cover other allowable costs in General Fund 01, Finance Code 000.

Appropriate expenditures for student activity accounts include, but are not limited to, the following:

- admission and participation fees for the entire group, not specific individuals within the group
- entertainment for specific student activity events, including contracted services (i.e., Disc Jockey for prom)
- 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 not representative of the student activity purpose
- employee compensation, gifts or awards
- faculty meetings or events
- labor or service payments (staff salaries or independent contractors acting as staff)
- library books
- office supplies
- office or school furniture (for instructional use)
- textbooks
- gift cards
- gift certificates
- field trips which are curricular in nature
- personal items for coaches, advisors or other staff members
- scholarships

Donations

Appropriate donations should meet the mission and vision of the student activity as determined by the students and may include, but are not limited to, the following:

- Donations that the student activity determines after the students have realized a surplus fund balance should be recorded in the General Fund 01 with Finance Code 301.
- Donations that the students have pre-determined to raise funds for a non-profit organization (i.e., culinary club does a Second Harvest food drive or the Spanish club does a fundraiser for Puerto Rico Hurricane Relief) should be recorded in the Custodial Fund 18.

Inappropriate donations from the student activity accounts include, but are not limited to, the following:

- 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

LEAs should work with their auditors to determine the appropriate accounting practice to record charitable donations from these student activities.

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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Special Thanks to the GASB Subcommittee

Members of the Division of School Finance of the Minnesota Department of Education extend their appreciation to each member of the GASB Subcommittee for their work on GASB Statement No. 84 Fiduciary Activities.

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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 the Minnesota Department of Education (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.

American Rescue Plan Act (ARP): Federal funding relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have on the nation.

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.

Assistance Listings Number (ALN): This number was formerly known as Catalog of Federal Domestic Assistance (CFDA). The ALN is a 5-digit number in the format XX.XXX**,** where: The first two digits before the decimal represent a two-digit federal agency number. The three digits after the decimal represent the specific award number. This 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 SAM.gov for more information.

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. CFDA number has been replaced by Assistance Listings Number (ALN). Please see above.

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.

Certificates of Participation (COP): The issuance of COP is a mechanism or providing capital to school districts to purchase equipment, finance construction projects, or refinance existing leases. This financing technique provides long-term financing through a lease with an option to purchase or a conditional sale agreement.

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) 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 2021, 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.

Coronavirus Aid, Relief, and Economic Security Act (CARES Act): Federal funding emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have on the nation.

Coronavirus Relief Fund (CRF): Section 5001 if the CARES Act, which provided payments to state, local and tribal governments to navigate the impact of the Novel Coronavirus Disease 2019 (COVID-19) outbreak.

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 take more frequently (e.g., by period), the school needs to determine the point at which a pupil is consider 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 Inflow: The amount of the initial measurement of the lease receivable.

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/).

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: DUNS – A unique nine-digit number previously used to track how a federal grant is allocated. Dun & Bradstreet (D&B) developed and regulated the system that assigned the unique numeric identifier, referred to as a “DUNS number” to a single business entity. As of April 4, 2022, the DUNS number is no longer authoritative and the federal government transitioned to the System for Award Management (SAM) Unique Entity Identifier (UEI). See SAM.gov for more information.

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 and Secondary School Education Relief (ESSER) Fund: The Federal government awarded grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation.

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.

Emergency Economic Injury Disaster Loans (EIDL): EIDL loans were provided as part of the CARES Act to provide economic relief for small businesses and non-profit organizations. The Small Business Administration was tasked with administering the loans.

Emergency Economic Injury Grants (EEIG): EEIG funds were provided as part of the CARES Act to provide economic relief for small businesses and non-profit organizations that took the EIDL loans. These grants do not need to be paid back.

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). 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/) and its associated numbers.

Financed Purchases: A contract that (a) transfers ownership of the underlying asset to the lessee by the end of the contract and (b) does not contain termination options, but that may contain a fiscal funding or cancellation clause that is not reasonably certain of being exercised.

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.

The Governor's Emergency Education Relief (GEER) Fund: The Federal government awarded grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds. Governors receiving GEER funds may award subgrants to LEAs within the State that have been most significantly impacted by coronavirus to support their ability to continue to provide educational services to students and to support the on-going functionality of the LEAs.

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.

I

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/) 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 2024, section 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/)}.

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.31)}.

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 2024, section 124E.13, 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)}.

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 2024, 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.

Paycheck Protection Program (PPP): Part of the CARES Act, this program provides cash-flow assistance through 100 percent federally guaranteed loans to employers who maintained their payroll during the Coronavirus emergency.

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). 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 for their LEA.

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, 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.

SAM UEI: A unique 12-character alphanumeric identifier used to track how a federal grant is allocated. System for Award Management (SAM) is a unified system for federal procurement data and the SAM UEI is assigned to SAM.gov registered entities. On April 4, 2022, the U.S. Department of Education joined other federal agencies and transitioned to utilizing the SAM UEI for grant recipient and applicant organizations, rather than the previously utilized DUNS number. All organizations applying for federal funding must have a SAM UEI and an account in SAM.gov.

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 2021, 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/) 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/) or email School Support (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/).

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/).

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 2024, 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)}. 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