



Region Conference UFARS Hot Topics

Deb Meier and Molly Koppes | Education Finance Specialists

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Ten Minnesota Commitments to Equity

1. Prioritize equity.
2. Start from within.
3. Measure what matters.
4. Go local.
5. Follow the money.
6. Start early.
7. Monitor implementation of standards.
8. Value people.
9. Improve conditions for learning.
10. Give students options.

Agenda

- FY 24 UFARS Updates
- FY 24 Lease Levy and LTFM Updates
- UFARS Coding Guidance
- Food and Nutrition Guidance
- UFARS Data Submissions
- Other Information
- SOD
- UFARS COVID-19 Coding Guidance
- GASB Statements No. 87 and 96 (for reference)

FY 24 UFARS Updates

FY 23 MN State Legislation

Unemployment Compensation – Hourly Workers Over the Summer Term

New for FY 23 – legislation is effective as of May 28, 2023

Object Code 281 Unemployment Compensation – Hourly Workers Over the Summer Term

Include expenditures incurred for unemployment compensation for hourly workers over the summer term. Please use Fund 01, Finance Code 000 with all expenditures related to this object code.

***For FY 23 and FY 24 must use Finance Code 000, since the expenditures will be reimbursed through the additional funds created by legislation.**

Updated the following program code, because it is no longer allowed with Basic Skills beginning in FY 24.

217 Assurance of Mastery

Record expenditures for activities conducted under the Assurance of Mastery Program ([Minn. Stat. 124D.66 \[2022\]](#)).

Updated the following program code:

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.**

FY 24 UFARS Finance Codes

Deleted the following Finance Codes for FY 24:

- 151-153, 165-166, 168, 171, 173 – Federal COVID funds
- 518 ARRA Targeted Funds – Head Start Funds

FY 24 UFARS Finance Codes

Deleted the following Finance Codes for FY 24:

309 Basic Skills for Extended Time

An unintended consequence of the MN legislation language changes in Compensatory revenue uses was the elimination of funding for extended school day or school year expenses. (#11 in the 2022 statutes now removed in the 2023 version). **In 2017, there was statute language passed that required LEA's to set aside a percentage of their compensatory funding to use for extended day/year activities; this was directly correlated to the authority in #11 in statute and our UFARS grid. In the 2020 legislative session, this statute language was repealed, but there were districts that had fund balances from the funds required to be set aside from FY18-FY20.**

Up until now some districts have plugged away at the their balances **(in Fund Balance 459)** using the authority in compensatory under #11 and others were holding the balance. The 2023 legislation eliminated #11, tied to Finance code 309 that allowed districts to spend down the excess funds not yet spent.

MDE is working with legislation for a resolution to the above issue for those LEAs that still have a fund balance in 459.

FY 24 UFARS Finance Codes

Finance Code 317 Basic Skills was updated to reflect the May 2023 legislative changes to the allowable uses (UFARS Chapter 10 has also been updated):

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;
2. Additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;
3. a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

FY 24 UFARS Finance Codes

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;
5. Bilingual programs, bicultural programs, and programs for English learners – see also Finance Code 339 English Learner;
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;
7. Transition programs operated by school districts for special education students until the age of 22;

FY 24 UFARS Finance Codes

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.)

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.

FY 24 UFARS Finance Codes

Updated Finance Codes for FY 24:

Finance Code 303 Area Learning Center - The program folks at MDE added information to the description to state the following: **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 number 040 in school classification 41.**

An example for Fin 303 is if revenue is generated at Targeted Services, the money must be spent on Targeted Services.

FY 24 UFARS Finance Codes

Updated Finance Codes for FY 24:

- Finance Code 324 update title to: ~~GED Testing and~~ **Adult Basic Education (ABE) Supplemental Services**
- Finance Code 438/638: Federal ABE Revenue – updated the law reference
- Finance Code 801/901 updated title: Adult Basic Education (ABE) **Integrated English Literacy** and Civics Education (**IELCE**) Competitive Allocation

FY 24 UFARS Finance Codes

NEW Finance Codes due to May 2023 MN legislation:

- 312 Literacy Incentive Aid
- 314 Paraprofessional Training
- 339 English Learner
- 343 School Library Aid
- 373 Student Support Personnel
- 374 Student Support Personnel – Cooperative or Intermediate
- 722 Area Learning Center (ALC) Transportation Aid
- 742 Special Education Separate Sites and Programs

FY 24 UFARS Finance Codes

There are May 2023 legislative updates on this [webpage](#):

The screenshot shows the Minnesota Department of Education (MDE) website. At the top left is the MDE logo. To the right are social media icons for Instagram, X, Facebook, YouTube, and Email, with the text "stay connected:". Below this is a navigation bar with links: Home, About, Students and Families, Licensing, Districts, Schools and Educators, Data Center, and COVID-19. A breadcrumb trail reads: MDE > About MDE > Legislation, Rulemaking and Reports > Legislation. A search bar is located on the right side of the page. The main content area is titled "Legislation" and features a sub-header "School Finance update on 2023 legislation – November 21, 2023". The text below explains that the School Finance team at MDE continues to review and create guidance related to the 2023 legislative session. It includes a link to "Student Support Personnel Aid" and a link to "School Board Approved Operating Referendum Renewal". The "School Board Approved Operating Referendum Renewal" section states that by June 15, in the fiscal year prior to last fiscal year a referendum is generating revenue, a school board may vote to extend the referendum authority one-time in the same amount (including inflation-based referendums) and same length of time. A school board may not vote to renew an operating more than two fiscal years before the referendum expires. It also notes that due to the levy timing, school districts may renew FY26 and FY27 expiring referendums after July 1, 2023 and before June 15, 2024 for FY26 expiring referendums, and June 15, 2025 for FY27 expiring referendums. The link in the header will be a memo regarding timing for renewals. Below this are links for "School Library Aid" and "School Unemployment Aid".

FY 24 UFARS Finance Code 312

Finance Code 312 Literacy Incentive Aid

Effective July 1, 2023, Minnesota Statutes 2022, section 124D.98 Literacy Incentive Aid, was amended by adding a subdivision to read:

Subd. 5 Literacy incentive aid uses.

A school district must use its literacy incentive aid to support implementation of evidence-based reading instruction. **The following are eligible uses of literacy incentive aid:**

- training for kindergarten through grade 3 teachers, early childhood educators, special education teachers, reading intervention teachers working with students in kindergarten through grade 12, curriculum directors, and instructional support staff that provide reading instruction, on using evidence-based screening and progress monitoring tools;
- evidence-based training using a training program approved by the Department of Education;
- employing or contracting with a literacy lead, as defined in section 120B.1118;
- materials, training, and ongoing coaching to ensure reading interventions under section 125A.56, subdivision 1, are evidence-based; and
- costs of substitute teachers to allow teachers to complete required training during the teachers' contract day.

Therefore, we have added UFARS Finance Code 312 Literacy Incentive Aid and updated UFARS Chapter 10 to appropriately code the expenditures beginning July 1, 2023. Also, the fund balance must be reserved in 412 Restricted/Reserved for Literacy Incentive Aid.

Finance Code 339 English Learner

- The FY 25 expenditures in this finance code will be used to calculate the 25% subsidy for FY 27. However, we have asked LEAs to use this code for the amount overspent for FY 24.
- We are waiting for more information from legislation for how this will work with Finance Code 317 Basic Skills allowable uses.

FY 24 UFARS Finance Code 343

Finance Code 343 School Library Aid

- School districts and charter schools are eligible to received School Library Aid. There is no application process as this is an automatic distribution of state aid.
- Aid is the greater of \$16.11 per Adjusted Pupil Unit (APU) for the current year, or \$40,000 for school districts and \$20,000 for charter schools.
- Unspent School Library Aid must be reserved in Balance Sheet account 443 Restricted/Reserved for School Library Aid.
- School Library Aid must be reserved and used for directly funding the costs of the following purposes **within a library**:
 - Salaries and benefits of a school library media specialist
 - Electronic, computer and audiovisual equipment
 - Information technology infrastructure and digital tools
 - Electronic and material resources
 - Furniture, equipment, or supplies

Finance Code 343 School Library Aid

- School districts and charter schools can use the aid to pay for existing school library media specialists currently paid through other funding.
- For the purposes of spending School Library Aid, a district or charter must identify space within their sites or buildings that is accessible to all enrolled students for use of equipment and checkout of materials. This space could be a part of an educational classroom or other common space, but there must be times set aside that the area deemed 'library' can be accessed by all students. Districts and charters may also purchase online library resources, but those resources must be accessible to all students, and devices should be available in the designated library space if programming or software is purchased.

Finance Code 343 School Library Aid

- There is an [FAQ](#) posted on MDE's webpage.
- For questions contact:

Kateri Little at Kateri.little@state.mn.us

FY 24 UFARS Finance Codes 373 & 374

Finance Code 373 Student Support Personnel Aid and Finance Code 374 Student Support Personnel Aid Cooperative or Intermediate

- There is an [FAQ](#) posted on MDE's webpage.

- For questions contact:

Kateri Little at Kateri.little@state.mn.us

- For revenues, use source code **300: State Aids Received from MDE for which a Finance Code Is Specified**". The code string will look like this:

01-XXX-XXX-373-300-000

01-XXX-XXX-374-300-000

FY 24 UFARS Object Codes

Delete Object Code 380 Short-Term Leases for Computer or Technology Related Hardware (Object Codes 465 /466 Non-Instructional/Instructional Technology Devices already existed and this code was a duplicate.)

Updated the following Object Code:

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.

FY 24 UFARS Object Codes

Updated the following Object Code:

899 Miscellaneous Expenditures

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

The miscellaneous code expenditures have been increasing in alarming amounts the past few years. When we report to the federal government, we have to explain the increases. We have to contact LEAs with large amounts in order to provide an explanation.

Please review the UFARS turnaround edit report for Object Code 899 warnings.

Please contact us if you need assistance with expenditures coding in this area.



FY 24 UFARS Course Codes

Course code changes:

- 640 Professional Development (Current Year Federal Award)**
- 641 Professional Development (Prior Year Federal Award)**
- 642 Professional Development (Second Prior Year Federal Award)**

FY 24 UFARS Course Codes

Course code deletions related to Title programs:

634/627/621	Highly Qualified
639/632/626	School Choice and Supplemental Education Services
667/668/669	School Improvement

FY 24 UFARS Balance Sheet Codes

New Balance Sheet Codes due to Minnesota legislation in May 2023:

412 Restricted/Reserved for Literacy Incentive Aid

439 Restricted/Reserved for English Learner

443 Restricted/Reserved for School Library Aid

FY 24 UFARS Balance Sheet Codes

Updated Balance Sheet Code 431 Restricted/Reserved for Community Ed to remove ABE from the description.

Updated Balance Sheet Code 447 Restricted/Reserved for ABE to enhance the description.

School Business Bulletins

- School Business Bulletin #72 was published in July 2023 and outlines new legislation passed during the 2023 session.
- A follow up Bulletin #73 was published in September with additional information.
- Both Bulletins can be found on the [Financial Management Webpage](#) by selecting “Districts, School and Educators”, “Business and Finance”, “School Finance”, “Financial Management”.

FY 24 UFARS Chapter 10 Updates



FY 24 Chapter 10 Updates

- All finance codes to **remove Object Code 380**
- Finance Code 302 Operating Capital for May 2023 legislative **additional uses**
- Finance Codes 313 Achievement and Integration and Finance Code 318 Incentive Revenue **remove Object Codes 378 and 899 from Funds 01 & 18**
- Finance Code 317 Basic Skills for May 2023 legislative **updated uses**
- Finance Code 342 Safe Schools Revenue for May 2023 legislative **additional uses**
- Finance Code 372 Medical Assistance with Program Code 400 – **ADD Object Code 392**
- LTFM reminder that **Program Code 865 will not be allowed with Fund 06 for FY 24 and future years.**

FY 24 Chapter 10 Updates

- Finance Codes 322 - State Adult Basic Education (ABE) and 324 - Adult Basic Education Supplemental Services

Remove Object Codes: 161-162, 171-172, 361, 380, 535, 561, 571 & 581

- Finance Codes 438/638 - Federal Adult Basic Education Formula Revenue, 801/901 – ABE IELCE Competitive Allocation and 803/903 – ABE Statewide Supplemental Services – Regular Federal Competitive

Remove Object Codes: 161-162, 171-172, 361, 380, 535, 561, 571, 581 and 589.

Lease Levy and LTFM Updates for FY 24



FY 24 UFARS Finance Code 348 and Lease Levy

Minnesota Department of Education (MDE) **will be delaying the implementation of using Finance Code 348 Charter School Building Lease Aid and School District Lease Levy Authority as a validation tool for school district's lease levy in FY 24.** Currently, an LEA ,may code leases to Finance Code 348.

Please focus on the type of lease the district has and use the correct object codes for the specific leases. Districts can continue to use Finance Code 000 and Finance Code 302 Operating Capital to record the building leases and/or leases submitted through the lease levy system.



FY 24 UFARS Finance Code 348 and Lease Levy

MDE Division of School Finance staff will be reviewing the following object codes for validation and staff will reach out if there are specific questions.

- Object Code 570 Principal on Long-Term Building and/or Land Leases
- Object Code 571 Interest on Long-Term Building and/or Land Lease
- Object Code 580 Principal on Long-Term Lease or Financed Purchases
- Object Code 581 Interest on Long-Term Lease or Financed Purchases

MDE Division of School Finance will continue to review our validation systems for lease levy.

FY 24 UFARS Finance Code 348 and Lease Levy

348 Charter School Building Lease Aid and **School District Lease Levy Authority** (Fund 01)

Charter Schools should 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 2021, section 126C.10](#), subdivision 13, is insufficient for this purpose, it may apply to the commissioner for Building Lease Aid per [Minnesota Statutes 2021, section 124E.22](#).

School district types 01, 02 or 03 can record revenue and expenditures for lease levy authority in this code for expenditures to lease a building or parcel of land for instructional purposes only. Instructional purposes means that it relates to the current academic curriculum. Curriculum may include but is not limited to sports fields/venues utilized during physical education, additional classroom space for increased student population, facilities that meet academic curriculum requirements not found in their current facilities (i.e. computer or science and technology labs). School district building lease aid should not be used for facilities or land that is outside of the current academic curriculum. Facilities that fall under this classification are lighted sports fields or facilities used solely outside of normal operating hours, graduation venues, student and/or employee parking, etc. should be coded to any other appropriate finance codes.

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

Payment Description – 01F348 BLDGLEASE AID FY

FY 24 UFARS Finance Code 348 Accounting Treatment

Updated Accounting treatment for when a school district levies for a building lease on behalf of another LEA.

1. The district should code the revenue to 01-005-850-**348**-001-000 or 01-005-850-**302**-001-000 or 01-005-850-**000-001**-000.
2. The Cooperative, intermediate or education district should invoice the District for the portion owed the cooperative, intermediate or education district.
3. The District should code the cooperative, intermediate or education district invoice to the same finance code as the revenue was reported in step one above: 01-005-850-**348**-570/571-000 or 01-005-850-**302**-570/571-000 or 01-005-850-**000**-570/571-000.
4. The cooperative, intermediate or education district should code the revenue to Finance Code **000** with Source Code 021. If the cooperative, intermediate or education districts have expenditures for the building lease, they should use Finance Code **000** with the appropriate object codes.

The following paragraph has been added in the FY 23 UFARS Program Code chapter above Program Code 865:

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

Note: Finance Codes 347, 349, 352, 355, 358, 363, 366-370 and 379-384 are used for LTFM expenditures and revenues. 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 and State Aid and Source Code 001 Property Tax Levy – General Fund 01 for revenue recording. A revenue transfer, equal to the total expenditures, is required for all expenditure activity in the Construction Fund (06).

Program Code 865 Long-Term Facilities Maintenance (LTFM) Projects per Site, Per Year – Excluding Costs in Program Codes 866, 867 and 868 (Fund 01 and 06)

Record costs for LTFM projects not included in Program Codes 866, 867 or 868, which includes projects less than \$100,000 in all LTFM Finance Codes and 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 or more per site, per year that are financed on a pay-as-you-go basis, but not included in Program Code 866. For more information regarding Long-Term Facilities Maintenance please see Minnesota Statutes 2021, section 123B.595.

Note: This change is effective for FY 24, but the rest of the LTFM changes were effective FY 23.

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

Record costs for LTFM pay-as-you go 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.

Program Code 867 Long-Term Facilities Maintenance (LTFM) Projects per Site, per Year 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 LTFM projects that are \$2,000,000 or more per site, per year and financed on a 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 and financed on a pay-as-you-go basis. Use Program Code 867 for LTFM projects that are bond financed.

UFARS Coding Guidance

State Grants that do not have a specific finance code should be coded to Finance Code 000.

LEAs may choose to use crosswalks for the expenditures.

Please use Source Code 369 Other Revenue from Other State Agencies or Source Code 370 Other Revenue from Minnesota Dept. of Education for the revenue.

Nonpublic Expenditures

To calculate nonpublic revenues accurately, the districts need to code the expenditures in the following manner:

- to the appropriate MDE ORG site code; and
- the appropriate program code, i.e. 203 Education – Elementary General versus 211 Education – Secondary General.

Fund 20 Internal Service Expenditures

Due to the warnings for Object Code 899 on the UFARS Turnaround Reports, we discovered there was an issue with self insurance object codes.

For Fund 20 Internal Service Fund insurance claims use Object Code 220 Health Insurance or Object Code 235 Dental Insurance.

We have reviewed and updated Object Codes 220 and 235 to include claims paid.

ECSE Expenditures

For ECSE expenditures, Paul Ferrin recommends the following for paying the slot fee for school readiness programs. When an LEA's IEP places students into these programs, the LEA is able to report the educational time in MARSS under grade level EC to generate ADM/Gen Ed revenue.

LEAs should use Finance Code 000, since this is a Gen Ed cost. The LEAs can use Program Code 400 General Special Education or 412 Developmentally Delayed Education since the Finance Code is 000 and the cost is not eligible for Special Education reimbursement. As for the object code LEAs can use Object Code 305, 390 or 393.

Early Learning Scholarship Funds

- Finance Code 337 Early Learning Scholarships Program- Pathway II and/or Finance Code 338 Early Learning Scholarships Program- Pathway I are reimbursement grants. Please ensure that there are expenditures before requesting revenue.
- There should **not** be a fund balance for either of these finance codes, as the revenues should be **less than or equal to** the expenditures.
- For Early Learning questions, please contact MDE.ELS@state.mn.us
- For UFARS questions, please contact mde.ufars-accounting@state.mn.us

UFARS Early Childhood Screening

- The Education Bill that was signed on May 24, 2023 by Governor Walz and included increased funding for Early Childhood Screening. If there is a shortfall in funding, please code the transfer from General Fund as follows:

01-005-950-XXX-910-000 \$10,000

04-005-583-354-649-000 \$10,000

- For questions please contact: Margaret Chresand
(margaret.chresand@state.mn.us)

The Distinct Purposes of ESEA Funds

Federal ESEA Title awards come with the requirement that funds be spent on allowable costs. An allowable cost must “be necessary and reasonable for the performance of the Federal award.” [2 CFR 200.403]

To help understand what is “necessary,” a new [Distinct Purposes of ESEA Title Funds](#) document has been posted on the [MDE ESEA/Federal Programs](#) webpage with short summaries of the purpose of each ESEA Title program managed by the MDE Student Access and Opportunity Division. More information about each fund, its purpose, and what is allowable can be found on the [MDE ESEA/Federal Programs](#) or by contacting the program specialist.

Title Funds – SERVS and MEGS

Timeline for ESEA Title Program Applications SY24

The SFY24 timeline for actions in MEGS and SERVS Financial related to ESEA Title program funds under finance codes 401, 406, 414, 417, and 433 is now available on [MDE ESEA Grant Application Tools webpage](#).

Local educational agencies (LEAs) are encouraged to complete the actions prior to the due dates listed. Unless otherwise noted, extensions can be requested by emailing mde.esea@state.mn.us prior to the given due date. Extensions are not needed for “priority dates.”

Contact mde.esea@state.mn.us with questions.

Food and Nutrition Guidance

Food Service Additional State Funding

[MDE](#) > [Districts, Schools and Educators](#) > [Food and Nutrition](#) > [School Nutrition Programs](#) > [Free School Meals for Kids Program](#)

Free School Meals for Kids Program

On Friday, March 17, 2023, Governor Walz signed the Free School Meals bill into law. This will take effect with the July 1, 2023 - June 30, 2024 school year. This legislation provides the reimbursement for a free breakfast and lunch to students who receive meals through their school's participation in the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). Schools that participate in the United States Department of Agriculture's (USDA) National School Lunch Program (NSLP) must now participate in the state funded Free School Meals Program.

[Free School Meals FAQ - 4/19/23](#)

Regularly Updated Frequently Asked Questions (FAQ) for the Free School Meals Program.

In summary, there will not be additional UFARS codes, since UFARS codes already exist for state funded breakfast and lunch.

For questions regarding food and nutrition, please email: mde.fns@state.mn.us

Minnesota Free School Meals Program

What happens to existing school meal debt with the passing of the Free School Meals bill?

- The passing of this bill does not affect the financial management of money owed to the school nutrition program. The household is still responsible for money owed to the school nutrition program until the unpaid meal charges are considered uncollectable by the district. When that determination is made, the amount then becomes classified as bad debt. [2 CFR § 200.426](#) Bad debts
- For more information and accounting treatment for handling delinquent or uncollectable debt, please see the [May 2019 School Business Bulletin #64](#).
- The process is the same for nonpublic schools using the entity's own financial structure.

Minnesota Free School Meals Program (2)

Do we need to refund the money on meal accounts?

- If your school/school district will sell a la carte items or second meals next school year, funds can remain on students' prepaid accounts to pay for these a la carte items.
- Refunds should be made if an a la carte program will not be available for students to purchase and/or if a parent requests a refund of funds on the account.
- If the owner of the funds cannot be located, the funds cannot accrue to the district and must be reported as unclaimed property to MN Department of Commerce – Unclaimed Property Division

Farm to School Grants

- The Farm to School Grants are being administered by MDE food service.
- The AGRI Equipment Grant is funded by *State* funds (for equipment). Use revenue code 02-XXX-770-701-369-000 and code expenditures to 02-XXX-770-701-5XX-000.
- The Farm to School First Bite Grant is *federal* revenue (for food). The revenue code is 02-XXX-770-699-405-000.
- For the *federal* expenditures please use codes 02-XXX-770-699-XXX-000.

For questions regarding these grants, please email: mde.fns@state.mn.us

Supply Chain Assistance Funds (Fund 02)

Supply Chain Assistance Funds - ALN# 10.555 (formerly known as CFDA#)

- Disbursed over multiple years

1 st Allocation	4/11/2022	Payment of Supply Chain Assistance Funds
2 nd Allocation	11/04/2022	Payment of 2nd Allocation Supply Chain Assistance Funds
3 rd Allocation	2/24/2023	Payment of 3rd Allocation Supply Chain Assistance Funds
4 th Allocation	Oct-Nov 2023	Payment of 4 th Allocation Supply Chain Assistance Funds

- **NEW** Revenue
 - R02-XXX-770-710-471-000 Required
 - Use Course Code 000 for all fiscal years of the Finance Code 710
- Expense
 - E02-XXX-770-710-490-000 Food
 - E02-XXX-770-710-495-000 Milk
- Unspent funds considered Unearned Revenue at year-end (reversing entry) – update as of 10/25/23- the unspent funds are considered part of the Restricted Fund Balance
- Considered fully expended when Total Revenue FIN710 = Total Expense FIN710 (No Deadline)

Temporary Flexibility for Net Cash Resource Limitation

- The United States Department of Agriculture (USDA) has provided guidance that State Agencies (SAs) have the discretion to approve a net cash resource more than three months average expenditures per 7 CFR 210.14(b) and 210.19(a)(1)
- USDA understands that many external factors are leading SFAs to have additional funds and therefore an approval of more than three months may be necessary.
- MDE assesses compliance with the net cash resource limitation in January for the previous school year. For SY2022, the limitation will be reviewed on a case by case basis.
- Effective SY 22-23, **Minnesota Department of Education (MDE) is increasing the net cash resource limitation to six months average operating expenditures. **Remains in effect for SY 23-24****
- The allowed limitation will be reviewed annually and an eventual return to standard regulation will take place.

Fund 02 Unallowable Costs

Advance Payment to Contractors - Meal Service Contracts

- Food Service Management Company (FSMC)
- Vended Meal Provider

Issue:

School is providing funds to private for-profit business prior to receiving service

Perception:

School is loaning private for-profit business an interest free loan using restricted funds

Fact:

Violates Minnesota Public Purpose Doctrine (derived from Minnesota State Constitution, Art. X § 1)

UFARS Data Submissions



FY 2023 UFARS Data Submission Deadlines

FY 2024 **Preliminary** Unaudited UFARS (September 15, 2024)

FY 2024 **Final** Audited UFARS (November 30, 2024)

FY 2024 Fiscal Compliance Table (November 30, 2024)

FY 2024 Audit Report (December 31, 2024)

Please note if the deadline falls on a weekend or legal holiday, submissions are timely if they are submitted on the next succeeding day which is not a Saturday, Sunday or legal holiday (Minn. Stat. §474A.025).

FY 2023 UFARS Data Submission Deadlines

School Finance Award is based upon the following – related to the UFARS Turnaround Reports:

1. MDE receiving the unaudited UFARS submission by September 15.
2. MDE receiving the audited UFARS submission by November 30 – the final submission must have NO ERRORS.

There are many other determining factors for the School Finance Award, the criteria is listed at the beginning of the award recipients for FY 2023 (based on 2022 reporting), go to:

<https://education.mn.gov/MDE/dse/schfin/fin/guide/>

*The FY 2024 Finance Award (based on 2023 reporting) will be issued later this spring.

FY 23 UFARS Turnaround Reports

ECSU 11 ESV REGION 0

DATA YEAR 22-23

UNAUDITED DATA AS OF 09/21/23

FUND	GNL CODE	ENDING BALANCE	BALANCE SHEET ERROR DESCRIPTION
01	448	35,700.97-	**ERROR**GL ACCOUNT 448-RESTRICTED/RESERVED FOR ACHIEVEMENT AND INTEGRATION MAY NOT BE <0

FINANCE-PROGRAM-OBJECT	EXPENDITURE AMOUNT	EXPENDITURE ERROR DESCRIPTION
	5,702.00	*Warning*EXPENDITURES IN 01-XXX-770-000-899-000 USE ONLY WITH FUND 02'S BAD DEBT
899	5,702.00	*Warning*Use Object Code 899 when no other object code is available
899	11,881.15	*Warning*Use Object Code 899 when no other object code is available
899	225,746.96	*Warning*Use Object Code 899 when no other object code is available
899	8,847.44	*Warning*Use Object Code 899 when no other object code is available
899	9,102.36	*Warning*Use Object Code 899 when no other object code is available
899	235.57	*Warning*Use Object Code 899 when no other object code is available
899	12,408.55	*Warning*Use Object Code 899 when no other object code is available
899	379.99	*Warning*Use Object Code 899 when no other object code is available
899	968.91	*Warning*Use Object Code 899 when no other object code is available
899	205.95	*Warning*Use Object Code 899 when no other object code is available
899	89.94	*Warning*Use Object Code 899 when no other object code is available
899	89.99	*Warning*Use Object Code 899 when no other object code is available
899	956.11	*Warning*Use Object Code 899 when no other object code is available
899	50.47	*Warning*Use Object Code 899 when no other object code is available
899	276,305.53	*Warning*Use Object Code 899 when no other object code is available

ALL ERRORS MUST BE CORRECTED BEFORE THE SUBMISSION OF FINAL AUDITED UFARS DATA. UNRESOLVED ERRORS MAY RESULT IN FUNDING ADJUSTMENTS. PLEASE REVIEW ALL WARNING MESSAGES TO VERIFY THE VALIDITY OF YOUR DATA.

FY 23 UFARS Turnaround Reports

- We contacted many school districts and charter schools to determine large amounts in Object Code 899 due to the new warning.
 - Food Service bad debt should still be expended in 01-XXX-770-000-899-000. We are removing this warning for FY 24.
 - ECSE slot fees – [see slide #48](#) – use Object Codes 305, 390 or 393.
 - MDE has met to determine appropriate object codes for the following:
 1. Self-insured medical and dental insurance claims should be coded to Object Code 220 or 235.
 2. Student activity closures or transfers to another student activity and donations to valid 501(c)(3) organizations. Use Object Code 899 and Source Code 099.
 3. Hotels or motel expenditures for homeless families should use Object Code 335 beginning in FY 25.
 4. Ticket sales expenditures for MSHSL events. Use the appropriate Object codes for staff salaries (Object Code 185 or 186) with Object codes 2xx. Use other appropriate Object Code 3xx for non-staff and code the revenue to gate receipts.
 5. Ticket sales revenue and reimbursement for MSHSL events should be coded to Fund 18 with Source Code 099 Misc. Revenue from Local Sources.

Other Information

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MDE > [Districts, Schools and Educators](#) > [School Finance](#) > [Financial Management](#)

Search

Financial Management

Financial Management assists school districts, charter schools, and cooperatives with business office management, budgeting, accounting, and reporting; advises policymakers on financial management issues; administers the Uniform Financial Accounting and Reporting Standards (UFARS); and analyzes school district data.

Minnesota Department of Education Finance staff consult, approve and monitor plans to eliminate statutory operating debt for school districts, charter schools, and cooperatives. This section also collects and reviews all financial audit data from districts, charters, and cooperatives and administers the Minnesota Credit Enhancement Program.

Visit the Data Center: School Finance Spreadsheets for [Financial Profiles](#) and [Indirect Cost Rates](#).

[Membership Search Advisory Committee on Financial Management, Accounting and Reporting](#) - 11/24/20

[Transfer of Funds FAQs for Early Childhood Family Education and School Readiness Programs](#) - 9/17/20

[District Revenues and Expenditures Budget for FY2020 and FY2021](#) - 7/10/20


[Guidance for Transfer of Funds](#) - 6/9/20

[Request for Fund Transfer](#) - 6/9/20

[Summary of Audit Requirements FY 2020 Audits](#) - 4/28/20

[2020 Senior Class Fund Guidance](#) - 4/24/20

[GASB No. 84 Fiduciary Activities - Q&A](#) - 5/31/19



Consulting, Approving and Monitoring Plans to Eliminate Statutory Operating Debt for School Districts

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Future UFARS 101 Trainings

- UFARS 101 training will introduce Uniform Financial Accounting and Reporting Standards (UFARS) and review: A) Chart of Accounts; B) UFARS System Uses; C) Code Descriptions; D) Legislative Requirements, and review basic accounting concepts and financial reporting for Minnesota schools. The training will also include expenditures/revenues exercises and website navigation.
- Registration information for future UFARS 101 workshops are posted on the MDE [calendar](#) webpage or by following [About MDE > Calendar](#).
- MDE Financial Management Staff is currently planning virtual training options.

Business Manager Listserv

Business Managers Listserv Subscriptions

This service is provided to business managers by MDE as an ongoing communication informing them of current MDE news. If you are a new subscriber or updating current information, please contact [Nicki Cha](mailto:nicki.cha@state.mn.us) (nicki.cha@state.mn.us) and provide the following information in your email:

- First Name
- Last Name
- District Name
- District Number
- Email
- Phone Number
- Phone Extension
- Staff Position

Statutory Operating Debt (SOD) and Fiscal Responsibility

- Most of the COVID-19 additional funds are expiring at the end of FY 24 (June 30, 2024).
- As your schools work on the FY 25 budgets, it is important that the decrease in funding be recognized during the budget planning for FY 25 and future years.
- School districts and charters schools are required to comply with Minnesota Statutes, section 123B.83 – Expenditure Limitations, which requires that a district must limit its expenditures so that the calculated net unreserved general fund balance or “operating debt” as of June 30 does not constitute Statutory Operating Debt (SOD). According to Minnesota Statutes, section 123B.81, Subdivision 2, **SOD exists if the school’s operating debt is more than 2 ½ percent of the most recent Fiscal Year’s (FY) expenditure amount.** This includes General Fund Balance Sheet Accounts: 418 Committed for Separation/Retirement Benefits; 460 Nonspendable; 461 Committed; 462 Assigned; 464 Restricted; 475 Title VII-Impact Aid; 476 PILT and 422 Unassigned.

SOD Calculation

- The SOD calculation excludes **expenditures** that flow through the following Restricted/Reserved accounts:

Balance Sheet Accounts 401, 402-403, 407-408, 412-414, 416-417, 424, 426-428, 434-436, 438-441, 443, 448-449, 451-453, 459, 467 and 472-474

- The SOD calculation also excludes Object Codes:

891 TRA and PERA Special Funding Situations Pension Expense

910 Permanent Transfers to Other Funds

SOD Calculation

01 GENERAL FUND	
TOTAL REVENUE	9,407,837
TOTAL EXPENDITURES	10,077,120
460 NON SPENDABLE FUND BALANCE RESTRICTED/RESERVE:	39,155
401 STUDENT ACTIVITIES	23,330
402 SCHOLARSHIPS	47,852
403 STAFF DEVELOPMENT	
407 CAPITAL PROJECTS LEVY	
408 COOPERATIVE REVENUE	
413 PROJECT FUNDED BY COP	
414 OPERATING DEBT	
416 LEVY REDUCTION	
417 TACONITE BUILDING MAINT	
424 OPERATING CAPITAL	
426 \$25 TACONITE	
427 DISABLED ACCESSIBILITY	
428 LEARNING & DEVELOPMENT	
434 AREA LEARNING CENTER	
435 CONTRACTED ALT. PROGRAMS	
436 ST. APPROVED ALT. PROGRAM	
438 GIFTED & TALENT	
440 TEACHER DEVELOPMENT & EVAL	
441 BASIC SKILLS PROGRAMS	
448 ACHIEVEMENT & INTEGRATION	
449 SAFE SCHOOLS LEVY	
451 QZAB PAYMENTS	
452 OPEB LIAB NOT IN TRUST	
453 UNFNDED SEV & RETIREMT LEVY	
459 BASIC SKILLS EXT TIME	
467 LTFM	213,738-
472 MEDICAL ASSISTANCE	
473 PPP LOANS	
474 EIDL LOANS	
RESTRICTED:	
464 RESTRICTED FUND BALANCE	
475 TITLE VII - IMPACT AID	
476 PILT	
COMMITTED:	
418 COMMITTED FOR SEPARATION	
461 COMMITTED FUND BALANCE	
ASSIGNED:	
462 ASSIGNED FUND BALANCE	
UNASSIGNED:	
422 UNASSIGNED FUND BALANCE	847,198-

Fund Balance: \$ (808,043)

Expenditures: \$9,154,508

SOD calculation: -8.83%

In this example, the fund balance equals 460 Non-Spendable and 422 Unassigned (\$847,198 less 39,155) = \$(808,043)

Note: Fund balance includes the Non-Spendable, Restricted, Committed and Assigned and Unassigned Fund Balances.

SOD Special Operating Plan

By January 31 of the following fiscal year of SOD, the school and the school board of education are required to create and implement a Special Operating Plan which is formally approved through a board resolution and submitted to the commissioner of the Minnesota Department of Education for approval.

The Special Operating Plan consists of the following sections:

- Introduction and Explanation of Current SOD Position (Narrative)
- Budget Development and Financial Management Process (Narrative)
- Ongoing Financial Monitoring Processes and Procedures (Narrative)
- Action Plan to remove SOD Status (Narrative)
- Special Financial Operating Plan (Excel Spreadsheet Model)
- Board Resolution

UFARS COVID-19 Coding Guidance



Federal Funds Due Dates and Contacts

- MDE webpage>COVID-19>Federal Relief Funds

Go about ½ way down page to Funding Relief Funding Resources and click on the document: COVID-19 Funding Due Dates published 3/2023

COVID-19 Funding Due Dates Updated: March 2023								
Funding Source	Program	Overview of Program	Contact(s)	Contact Email Address	Where to find more information	New Application Needed?	Due Dates	End date of Program spending
ARP	ESSER III 90% FIN160 (80% of the 90%)	ESSER III formula funds were authorized by the American Rescue Plan (ARP) Act in spring of 2021. ESSER III pandemic response funds (FIN 160) are available to LEAs that were eligible for Title I, Part A in 2020-21 and can be used very flexibly for most COVID-19-related needs.	John Ford	John.Ford@state.mn.us	ESSER III: FIN 160 and 161 Program Details	ARP ESSER III Spending Plan Amendment Process	Budgets due at least two weeks before LEA wants to make a draw. See due dates referenced in the "ESSER III: FIN160 and 161 Program Details" document in column F. Annual reporting in spring.	9/30/2024
SFRF	Strengthen Adult Basic Ed (FIN 166)	Funding for all 39 existing ABE grantees to enhance service for an estimated 60,000 adult learners. Local ABE programs would use this funding to: <ul style="list-style-type: none"> • Increase ABE programming statewide, including English language learning, standard adult high school diploma, high school equivalency preparation, adult career pathway programming, etc. • Help purchase devices and internet access hotspots for adult learners. • Provide more high school equivalency testing. • Launch additional or more robust programming that is currently too expensive (i.e., adult career pathway programming). • Collaborate with workforce development partners, postsecondary institutions and employers to expand 	Brad Hasskamp	brad.hasskamp@state.mn.us	Competitive Grant Opportunities	No	Applications were due: June 29, 2021. Funding available July 1, 2021-June 30, 2022 (may be extended). Narrative report due October 31, 2022. First financial reporting form due January 31, 2022 (for expenses July 1, 2021-December 31, 2021). Second/final financial reporting form due July 15, 2022 (for expenses January 1, 2022-June 30, 2022).	8/31/2022

Federal Funds UFARS Course Codes

Fiscal Year	Fin 140/640 Fin 141/641 Fin 142 Fin 143/643 Fin 144/644 Fin 170	Fin 150 Fin 162 Fin 163 Fin 165	Fin 155 Fin 156 Fin 157 Fin 164	Fin 158 Fin 159 Fin 160 Fin 161	Fin 167 Fin 169 Fin 171	Fin 168
2022	Course 000	Course 011	Course 011	Course 011	Course 000	Course 011
2023	Course 011	Course 012	Course 012	Course 012	Course 011	Course 012
2024	Course 012	Possibly Course 013	Course 013	Course 013	Possibly Course 012	N/A
2025	N/A	N/A	N/A	Course 014	Possibly Course 013	N/A

COVID-19 UFARS Coding

For Finance Codes 140/640, 141/641, 143/643 and 144/644, **please follow UFARS Finance Code 699 Miscellaneous Federal funds Received From Other Districts/Agencies** instructions in Chapter 4 (paraphrased below).

Record the revenues and expenditures for federal aid received as a sub-award from an entity other than MDE or U.S. Dept of Education. The use of any 600 series finance code is for tracking a federal sub-award grant from another district or agency (i.e., cooperative or education district) where the receiving district has continual responsibility for the federal revenue. Corresponding numbers must be used.

COVID-19 UFARS Coding

Due to the pandemic, there are additional funds flowing to LEAs from Department of Human Services (DHS).

- **Unemployment** reimbursement from DHS, should be coded to the original expenditure in Object Code 280.
- Additional Medical Assistance Revenue from DHS should be coded to Finance Code 372 with Source Code 071 – Medical Assistance Revenue Received from Minnesota Department of Human Services.
- Please use **Finance Code 699 Miscellaneous Federal funds Received From Other Districts/Agencies** for additional funding streams from state/federal

Federal Connectivity Funds

For the Federal Connectivity Funds, there is not a specific finance code for this funding. The finance code that fits best is below.

Finance Code 699: Miscellaneous Federal Revenue Received from Other Districts/Agencies

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.

**GASB Statement No. 87 Leases Effective FY 2022
and**

GASB Statement No. 96 SBITAs Effective FY 2023



(for reference)

GASB 87 - Certificates of Participation

Finance Code 791 Projects Funded by Certificates of Participation/Financed Purchase (COP/FP) Agreement with Related Lease Levy Authority is used for the issuance of certificates of participation (COP). COP issuance is a mechanism for 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 sales agreement.

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

GASB 87 Certificates of Participation

- The accounting for Finance Code 791 Projects Funded by Certificates of Participation/Financed Purchase (COP/FP) Agreement with Related Lease Levy Authority has been updated for **FY 23**.
- We collaborated with the GASB Subcommittee and the Advisory Committee for Financial Management on updating the accounting treatment effective for FY 23.
- We want to thank the participants on these two committees for their valuable time!
- Please see **SBB # 70** and/or **FY 23** UFARS Chapter 13 the GASB 87 section for the appropriate accounting for COP/FP.

GASB 87 Short Term Lease

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	Lease Rental		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.

See School Business Bulletin #68 and UFARS Chapter 13 for additional GASB 87 information and accounting treatment.

FY 23 UFARS Finance Code 348 and Lease Levy

348 Charter School Building Lease Aid and **School District Lease Levy Authority** (Fund 01)

Charter Schools should 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 2021, section 126C.10](#), subdivision 13, is insufficient for this purpose, it may apply to the commissioner for Building Lease Aid per [Minnesota Statutes 2021, section 124E.22](#).

School district types 01, 02 or 03 can record revenue and expenditures for lease levy authority in this code for expenditures to lease a building or parcel of land for instructional purposes only. Instructional purposes means that it relates to the current academic curriculum. Curriculum may include but is not limited to sports fields/venues utilized during physical education, additional classroom space for increased student population, facilities that meet academic curriculum requirements not found in their current facilities (i.e. computer or science and technology labs). School district building lease aid should not be used for facilities or land that is outside of the current academic curriculum. Facilities that fall under this classification are lighted sports fields or facilities used solely outside of normal operating hours, graduation venues, student and/or employee parking, etc. should be coded to any other appropriate finance codes.

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

Payment Description – 01F348 BLDGLEASE AID FY

GASB 96 - Subscription-Based Information Technology Arrangements (SBITAs)

Definition of a SBITA:

- A SBITA is 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.

Definition of the subscription term:

- The subscription term includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will NOT exercise that option).

- **GASB 96 Subscription-Based Technology Agreements (SBITAs) are for the right to use intangible assets – such as software and must be implemented for FY 2023.**
- GASB 96 is similar to GASB 87. Short-term SBITAs with a term of less than 12 months will have different expenditure codes than SBITAs that have a term of more than 12 months. There also will be implied interest with SBITAs that have a term of more than 12 months. Schools must determine the interest expenditures if it is not explicitly stated.
- It will be helpful to begin making a list of all the software agreements and **subscriptions** with the length of term for each agreement for your entity.
- Subscribe to the **School Business Bulletin** to receive the UFARS updates for this new GASB statement. This information is included in SBB **#71**.

GASB 87 and 96 Object Codes

Object Codes						Object Codes 3xx = Purchased Services
Progression from FY 21 to FY 22 (for GASB 87) and FY 23 (for GASB 96)						Object Codes 4xx = Supplies
			Blue is new, Green was updated in FY 22 and needs update for FY 23			Object Codes 5xx = Capital
Code	Object Code Title – Prior to FY 22	Code	GASB 87 Object Codes – FY 22	Code	GASB 96 Object Codes – FY 23	Notes
315	Repairs and Maintenance for Computer and Technology	315	Updated for GASB 87 in FY 22	315	Repairs, Maintenance and Service Agreements for Computers, Tech and Software	Update description for GASB 96
		335	Short-Term Lease Payments or Short-Term Rentals (used for bldgs/ice rental, etc.)	335	No change to title	Update description for GASB 96
370	Operating Leases or Rentals—Deleted for FY2022—replaced by Object Codes: 570/571		Object 370 was deleted in FY 22			
380	Computer and Technology Related Hardware Rental	380	Short-Term Leases for Computer or Technology Related Hardware Rental	380	Short-Term Leases for Computer or Technology Related Hardware Rental	This Code will be phased out for FY 24 – Use Objects 465/466
405	Non-Instructional Software Licensing Agreements			405	Non-Instructional Software Licensing Agreement Purchases or Short-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs)	Update description for GASB 96
406	Instructional Software License Agreements			406	Instructional Software Licensing Agreement Purchases or Short-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs)	Update description for GASB 96

GASB 87 and 96 Object Codes

Object Codes						Object Codes 3xx = Purchased Services
Progression from FY 21 to FY 22 (for GASB 87) and FY 23 (for GASB 96)		Blue is new, Green was updated in FY 22 and needs update for FY 23				Object Codes 4xx = Supplies
						Object Codes 5xx = Capital
Code	Object Code Title – Prior to FY 22	Code	GASB 87 Object Codes – FY 22	Code	GASB 96 Object Codes – FY 23	Notes
455	Non-Instructional Technology Supplies			455	Non-Instructional Technology Supplies	Update description for GASB 96
456	Instructional Technology Supplies			456	Instructional Technology Supplies	Update description for GASB 96
460	Textbooks and Workbooks					No Changes at this time.
465	Non- Instructional Technology Devices			465	Non- Instructional Technology Devices	Update description for GASB 96
466	Instructional Technology Devices			466	Instructional Technology Devices	Update description for GASB 96
505	Capitalized Non-Instructional Technology Software			562	Principal on Long-Term Non-Instructional Subscription-Based Information Technology Arrangements (SBITAs)	Obj 505 is for purchases that meet capitalization threshold - update object code references
506	Capitalized Instructional Technology Software			563	Interest on Long-Term Subscription-Based Information Technology Arrangements (SBITAs)	Obj 506 is for purchases that meet capitalization threshold, update object code references
				564	Principal on Long-Term Instructional Subscription-Based Information Technology Arrangements (SBITAs)	
535	535 Long-Term Leases or Financed Purchases			535	535 Long-Term Leases or Financed Purchases	Add software in the description

GASB 87 and 96 Object Codes

Object Codes						Object Codes 3xx = Purchased Services
Progression from FY 21 to FY 22 (for GASB 87) and FY 23 (for GASB 96)		Blue is new, Green was updated in FY 22 and needs update for FY 23				Object Codes 4xx = Supplies
						Object Codes 5xx = Capital
Code	Object Code Title – Prior to FY 22	Code	GASB 87 Object Codes – FY 22	Code	GASB 96 Object Codes – FY 23	Notes
555	Capitalized Non-Instructional Technology Hardware	560	Principal on Long-Term Computer or Technology Related Hardware Leases or Financed Purchases			Obj 555-is for purchases that meet capitalization threshold
556	Capitalized Instructional Technology Hardware	561	Interest on Long-Term Computer or Technology Related Hardware Leases or Financed Purchases			Obj 556-is for purchases that meet capitalization threshold
		570	Principal on Long-Term Building or Land Leases			
		571	Interest on Long-Term Building or Land Leases			
580	Principal on Capital Lease/Installment Sales Contracts	580	Principal on Long-Term Lease or Financed Purchases			
581	Interest on Capital Lease/Installment Sales Contracts	581	Interest on Long-Term Lease or Financed Purchases			
582	Principal on Capital Lease/Installment Sales Contracts Used for Direct Instruction of Special Education Students	582	Principal on Long-Term Lease or Financed Purchases Used for Direct Instruction of Special Education Students			
583	Principal on Capital Lease/Installment Sales Contracts Used for Vehicles Used for Special Education Students	583	Principal on Long-Term Lease or Financed Purchases Used for Vehicles Used for Special Education Students			
589	Lease Transactions/Installment Sales (Fund 01 – Other Financing Source)	589	Long-Term Lease Transactions or Financed Purchases (Fund 01-Other Financing Source)			No changes

UFARS Overview Summary



Questions?

MDE Financial Management Contacts

For UFARS Accounting, Manual and Chapter 10 Grid questions, contact the [UFARS Helpdesk](mailto:MDE.ufars-accounting@state.mn.us) (MDE.ufars-accounting@state.mn.us).

Contact the [MDE IT-Helpdesk](mailto:MDE.helpdesk@state.mn.us) for technical questions or problems with the MDE website (MDE.helpdesk@state.mn.us).

MDE Financial Management Contacts

Tami Hermanson

Charter School Lease Aid, Federal Reporting &
Financial Mgmt Training,
Education Finance Specialist
Division of School Finance
Tami.Hermanson@state.mn.us or 651-582-8771

Pam Sanders

Consolidated Financial and Profile Reports,
CPA Financial Audits, MDE Single Audit,
Indirect Cost Reporting
Education Finance Specialist
Division of School Finance
Pam.Sanders@state.mn.us or 651-582-8489

Mary Weigel

Financial Management/Reporting Supervisor
Division of School Finance
Mary.Weigel@state.mn.us or 651-582-8770

Deb Meier

UFARS Accounting, Manual & Training,
Financial Data Requests
Education Finance Specialist
Division of School Finance
Debra.A.Meier@state.mn.us or 651-582-8656

Molly Koppes

Financial Mgmt Training, Credit
Enhancement, Statutory Operating
Debt (SOD)
Education Finance Specialist
Division of School Finance
Molly.Koppes@state.mn.us or 651-582-8249

mde.ufars-accounting@state.mn.us

MDE Special Education Contacts

Paul Ferrin

Special Education, Data & Analysis
Supervisor

Angela Sepp

Electronic Data & Reporting Systems (EDRS)
Federal Allocation/Application Approval/MOE

Mary Acosta

Tuition Billing Adjustment Calculations

Michelle Carey

ListServ Distribution/Non-Public Fall Report

Denise Berger

State Aid Calculations/MOE/SERVS

Jill Bemis

State Aid/Vehicle Purchases/Special Pupils

Dave Lobejko

Data Analytics Specialist

Send all email inquiries to mde.spedfunding@state.mn.us

Data Management Contacts

Michelle Carey

MDE-ORG

mde.school-verify@state.mn.us

651-582-8287

Sylvie Djatsa

Student ID Validation

mde.student_id@state.mn.us

651-582-8720

Jeanne Krile

PSEO, ADM WE

Jeanne.Krile@state.mn.us

651-582-8637

Tara Chapa

Student Accounting

Tara.Chapa@state.mn.us

651-582-8439

Kari Johnson

Ed-Fi

ed-fi.mde@state.mn.us

651-582-8340

Kelly Garvey

Student Transportation

Pupiltransportation.mde@state.mn.us

651-582-8524

Marilynn Loehr

MARSS Coordinator

marss@state.mn.us

651-582-8456

Gayra Ostgaard

Supervisor

Gayra.Ostgaard@state.mn.us

651-582-8339

Other Contacts...

SERVS Financial

How to gain access and utilize SERVS Financial –

mde.servsfinancial@state.mn.us

Error messages and malfunctions when using SERVS –

mde.helpdesk@state.mn.us

MARSS Student Reporting

Minnesota Automated Student Reporting System
(MARSS)

contact: Marss@state.mn.us

Title Programs

Title Programs – mde.esea@state.mn.us.

Special Education

Special Education Funds – mde.spedfunding@state.mn.us.

Data Submissions (EDIAM)

MDE User Access- useraccess.mde@state.mn.us

COVID-19 Questions

COVID-19.Questions.MDE@state.mn.us

CARES Act Webpage

<https://education.mn.gov/MDE/dse/health/covid19/cares/>

Thank you!

Deb Meier and Molly Koppes

Debra.A.Meier@state.mn.us and Molly.Koppes@state.mn.us

651-582-8656 and 651-582-8249