

Commissioner Guidance for the Transfer of Funds for Emergency Executive Order 20-19, Items 21-22.

...“Minnesotans rely on the care and services provided to children and families of Critical Sector workers as we navigate the COVID-19 pandemic and take care of one another. Educators, school employees providing care, and child care providers are themselves Critical Sector workers. Child care services will continue to be necessary for the essential functions of health care services, law enforcement, emergency response services, and other Critical Sectors”...

Fund Transfer for Fiscal Year (FY) 2020 Only

Paragraphs 21 and 22 of the Executive Order 20-19 state the following:

21. Upon approval by the Executive Council, school districts and schools are authorized to transfer operating funds from certain programs that are not already assigned to or encumbered by staff salary and benefits, or otherwise encumbered by federal law, for the following purposes:

- a. To provide care to Eligible Children during the school day.
- b. To pay additional transportation costs incurred between March 30, 2020 and April 30, 2020 needed to implement this Executive Order in providing distance learning instruction.
- c. A fund transfer is allowed if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. A transfer is limited to the operating funds of a district. A school board must approve a fund transfer by the fiscal year reporting deadline. A district or school must maintain accounting records for the purpose of this Executive Order that are sufficient to document both the specific funds transferred and use of those funds. Such accounting records are subject to auditor review. Any execution of this flexibility must not interfere with or jeopardize funding per federal requirements. Any transfer must not interfere with the equitable delivery of distance learning or social distancing models. The Commissioner of Education must provide guidance on the fund balance transfers that are allowable for the purposes outlined above.

22. Upon approval by the Executive Council, districts and schools may use fiscal year 2020 (“FY 2020”) revenues from programs that are not already assigned to staff salary and benefits for the following purposes: to provide care to Eligible Children during the school day; and to pay additional transportation costs incurred between March 30, 2020 and April 30, 2020 needed to implement this Executive Order. The expanded revenue use in a program is allowed if it does not increase state aid obligations to the district and schools or result in additional property tax authority for the district other than what would be received under the statutory uses of the

revenue in FY 2020. A school board must approve the use of FY 2020 revenue from operating funds of a district by the fiscal year reporting deadline. A district must maintain accounting records for the purpose of this Executive Order which may be reviewed by auditors and that are sufficient to document the specific use of those funds. The Commissioner of Education must provide guidance on the state revenue programs that may be used for the purposes outlined in this Executive Order.

Implementation Summary

Under Governor Walz's [Executive Order 20-19](#), there are two allowable uses for funds transfer and revenue flexibility provision. These allowable uses include: school-age care provided to children of critical workers ("Eligible Children") during the school day; and to pay additional transportation costs incurred.

[Executive Order 20-02](#) directed districts and charter schools to provide school-age care to children of certain workers in critical sectors during the distance learning planning period from **March 18, 2020 to March 27, 2020**. Executive Order 20-19 extended the provision to provide onsite care to school-aged children of certain workers in critical sectors during the distance learning period from **March 30, 2020 through April 30, 2020**. For more information on a definition of eligible children see the [School-Age Care for Children of Critical Workers document](#) posted on the Minnesota Department of Education (MDE) [COVID-19 Updates website](#).

Executive Order 20-19 authorizes districts and charter schools to pay additional transportation costs during the distance learning period from **March 30, 2020 through April 30, 2020**. The additional transportation costs include costs over and above what would be incurred during a regular instruction day needed to provide distance learning instruction. For example: buses providing hot spots in neighborhoods that have limited internet access; extended bus routes and/or times to provide meals and instructional material delivery; wages of hourly employees that may have been laid off.

A fund transfer is allowed if the transfer meets the following criteria from Executive Order 20-19 paragraph 21(c):

1. The transfer does not increase state aid obligations to the district or result in additional property tax authority for the district or charter school.
2. A transfer is limited to the operating funds of a district or charter school.
3. A school board must approve a fund transfer by the fiscal year reporting deadline.
4. A district or charter school must maintain accounting records for the purpose of this Executive Order that are sufficient to document both the specific funds transferred and use of those funds. Such accounting records are subject to auditor review.
5. Any execution of this flexibility must not interfere with or jeopardize funding per federal requirements.
6. Any transfer must not interfere with the equitable delivery of distance learning or social distancing models.

The allocation of revenue is allowed if the transfer meets the following criteria from Executive Order 20-19, paragraph 22.

1. May reallocate revenues from programs that are not already assigned to staff salary and benefits for the following purposes:
 - a. Provide care to Eligible Children during the school day;
 - b. To pay additional transportation costs incurred between March 30, 2020 and April 30, 2020.
2. The expanded revenue use in a program is allowed if it does not increase state aid obligations to the district and schools or result in additional property tax authority.
3. A school board must approve the use of FY 2020 revenue from operating funds of a district or charter school by the fiscal year reporting deadline.
4. A district or charter school must maintain accounting records for the purpose of this Executive Order which may be reviewed by auditors and that are sufficient to document the specific use of those funds.

Request for Fund Transfer

A request may be made by submitting a required *Request for Fund Transfer* form with a copy of the documentation noted below:

- a. Documenting adoption of a board resolution stating that the fund transfer requested meets Executive Order 20-19 paragraph 21(c); and
- b. Official school board minutes documenting board approval of the funds transfer.

Fund 01 – General Education

The table below summarizes transfer authority as permitted under Executive Order 20-19 and approved by the commissioner for restricted/reserved accounts in Fund 01 – General Fund.

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute (Minnesota Statutes, section: Minn. Stat. §)	Transfer Allowed in FY 2020 by Executive Order 20-19
301	Extracurricular Activities	1	401	Extracurricular Activities	Minn. Stat. § 123B.49	No
340	Scholarships	1	402	Scholarships	Minn. Stat. § 123B.02, subdivision (subd.). 6	No
316	General Education Revenue for Staff Development	1	403	Staff Development	Minn. Stat. § 122A.61	Yes ¹
795	Capital Projects Levy	1	407	Capital Projects	Minn. Stat. § 123B.63, subd. 4	No
310	Interdistrict Cooperative Activities	1	408	Cooperative	Minn. Stat. § 123A.27	Yes
791	Projects Funded by Certificates of Participation	1	413	Building Projects with Lease Levy	Minn. Stat. § 126C.40	No
		1	414	Operating Debt	Need specific legislative authority	No
		1	416	Levy Reduction	Minn. Stat. § 475.61, subd. 4	No
390	Taconite Revenue for Building Maintenance and Repair	1	417	Taconite Building Maintenance	Minn. Stat. § 298.28, subd. 4 (b)(ii)	Yes
302	Operating Capital	1	424	Operating Capital	Minn. Stat. § 126C.10, subd. 14	Yes
371	Taconite \$25 Reserve	1	426	\$25 Taconite	Minn. Stat. § 298.28, subd. 4 (d)	Yes
794	Disabled Accessibility	1	427	Disabled Access	Minn. Stat. § 123B.58	No
330	Learning and Development	1	428	Learning and Development	Minn. Stat. § 126C.12, subd. 4-5	Yes
333	Maximum Effort Loan Aid	1	433	Maximum Effort Loan Aid	Minn. Stat., § 477A.09	No
303	Area Learning Center	1	434	Area Learning Center (ALC)	Minn. Stat. § 123A.05, subd. 2	Yes
304	Contracted Alternative Programs	1	435	Contracted Alternative Programs	Minn. Stat. § 124D.69, subd. 2	Yes
305	State-Approved Public Alternative Programs	1	436	State Approved Alternative Programs	Minn. Stat. § 126C.05, subd. 15	Yes
388	Gifted and Talented	1	438	Gifted and Talented	Minn. Stat. § 126C.10, subd. 2b	Yes
319	Teacher Development and Evaluation	1	440	Teacher Development and Evaluation	Minn. Stat. §§ 122A.414-415	Yes ¹

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute (Minnesota Statutes, section: Minn. Stat. §)	Transfer Allowed in FY 2020 by Executive Order 20-19
317	Basic Skills	1	441	Basic Skills	Minn. Stat. § 126C.15	Yes
830	Collaboration-Expansion of Early Intervention and Prevention Services	1	445	Career Tech	Minn. Stat. § 124D.4531	No
313	Achievement and Integration Aid and Levy	1	448	Achievement and Integration	Minn. Stat., § 124D.862	No
318	Incentive Revenue	1	448	Achievement and Integration	Minn. Stat., § 124D.862, subd. 2	No
342	Safe Schools – Levy	1	449	Safe Schools Levy	Minn. Stat. § 126C.44	Yes
		1	451	Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bonds (QSCB) Future Payback	Restricted by debt covenants	No
793	Funded Other Post-Employment Benefits (OPEB) Liabilities Not Held in a Trust	1	452	OPEB Liabilities not held in a trust	Minn. Stat. § 475.52, subd. 6	No
309	Basic Skills for Extended Time	1	459	Basic Skills for Extended Time	Minn. Stat. § 126C.15	Yes
Various	Long-Term Facilities	1	467	Long-Term Facilities Maintenance	Minn. Stat. § 123B.595, subd. 12	Yes ²
372	Medical Assistance/Third Party Revenue	1	472	Medical Assistance	Minn. Stat., § 125A.21, subd. 3	No
792	Unfunded Severance and Retirement Levy	1	422 or 453	Unfunded Severance and Retirement Levy	Minn. Stat. § 126C.41, subd. 6	No

Notes:

1: Yes, unless funding was already planned for salaries and benefits.

2: Yes, for districts funded under the new law Long-Term Facilities Maintenance (LTFM) per pupil funding formula. For districts funded under the alternative facilities hold harmless, fund balance transfer authorization allowed only to the extent that it doesn't increase state aids or levy authority. Separate guidance will be forthcoming.

Revenue Allocation for Fund 01 Unrestricted 422 Fund Balances

The revenues and expenditures are recorded as per usual accounting procedures. For the additional expenditures incurred to provide care to Eligible Children and to pay additional transportation costs providing distance learning, fund balance revenues may be transferred to cover the additional expenditures. See accounting example below.

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute	Transfer Allowed in FY 2020 by Executive Order 20-19
311	Telecommunications Access Costs	1	422	Unassigned Fund Balance	Minn. Stat. § 122A.414-415	No
320	American Indian Education	1	422	Unassigned Fund Balance	Minn. Stat. §§ 124D.81 and 124D.74	No
332	After School Enrichment Program	1, 4	422	Unassigned Fund Balance	Minn. Stat. § 124D.19	Yes
335	Q Comp	1	422	Unassigned Fund Balance	Minn. Stat. § 122A.414-415	No
336	Raised Academic Achievement-Advanced Placement	1	422	Unassigned Fund Balance	Minn. Stat. § 120B.132	No
343	Systemic Science, Technology, Engineering and Mathematics (STEM)	1	422	Unassigned Fund Balance	National Governors Association Grant	No
796	Health Benefits	1	422	Unassigned Fund Balance	Minn. Stat. § 126C.41	No
797	OPEB Pay-As-You-Go	1	422	Unassigned Fund Balance	Minn. Stat. § 126C.41	No
799	Collaboration	1, 4	422	Unassigned Fund Balance	Federal dollars	No

Fund 02 – Food Service

The table below summarizes transfer authority as permitted under Executive Order 20-19 for reserved/restricted accounts in Fund 02 – Food Service. Food service is an operating fund; however, the funding has specific requirements that prohibits fund transfers.

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute	Transfer Allowed in FY 2020 by Executive Order 20-19
701	National School Lunch Program – NSLP	2	464	Restricted Fund Balance	Public Law (P.L.) 105-336, Catalog of Federal Domestic Assistance Number (CFDA No.) 10.555	No
702	After-School Snack Program	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.555	No
703	Special Milk Program or Minnesota Kindergarten Milk Program	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.556 and Minnesota Laws of 1988, chapter 688, article 16, section 1	No
705	School breakfast Program	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.553	No
706	Fresh fruit and Vegetable Grant Program	2	464	Restricted Fund Balance	CFDA No. 10.582	No
707	A La Carte and Other Nonprogram Revenue and Expenditure	2	464	Restricted Fund Balance		No
709	Summer Food Service Program for Children	2	464	Restricted Fund Balance	P.L. 105-336, CFDA No. 10.559	No

Fund 04 – Community Service

The table below summarizes transfer authority as permitted under Executive Order 20-19 and approved by the commissioner for reserved/restricted accounts in Fund 04 – Community Service:

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute	Transfer Allowed in FY 2020 by Executive Order 20-19
371	Taconite \$25 Reserve	4	426	\$25 Taconite	Minn. Stat. § 298.28	Yes
321	Community Education	4	431	Community Education	Minn. Stat. § 124D.20	Yes
326	Adults with Disabilities	4	431	Community Education	Minn. Stat. § 124D.56	No
362	Youth Development Service	4	431	Community Education	(Minn. Stat. § 124D.20, subd. 4	Yes
798	Children with Disabilities in School Age Care	4	431	Community Education	Minn. Stat. § 124D.22	No
325	Early Childhood and Family Education	4	432	Early Childhood and Family Education	Minn. Stat. § 124D.135	Yes
328	Home Visiting	4	432	Home Visiting	Minn. Stat. § 124D.135	Yes
337	Early Learning Scholarships Program – Pathway II	4	444	School Readiness	Minn. Stat. § 124D.165	No
338	Early Learning Scholarships Program – Pathway I	4	444	School Readiness	Minn. Stat. § 124D.165	No
344	School (Learning) Readiness	4	444	School Readiness	Minn. Stat. § 124D.16	Yes
322	State Adult Basic Education (ABE)	4	447	Adult Basic Education	Minn. Stat. § 124D.531	No
324	General Educational Development (GED) Testing and Adult Basic Education Supplemental Services	4	447	Adult Basic Education	Minn. Stat. § 124D.522	No
793	Funded OPEB Liabilities Not Held in a Trust	4	452	Funded OPEB Liabilities not Held in Trust	Minn. Stat. § 475.52	No
350	Aid to Nonpublic Pupils – Health Services	4	464	Community Services	Minn. Stat. §§ 123B.40 to 123B.42	No
351	Aid to Nonpublic Pupils – Textbooks and Tests	4	464	Community Services	Minn. Stat. §§ 123B.40 to 123B.42	No
353	Aid to Nonpublic Pupils – Guidance and Counseling	4	464	Community Services	Minn. Stat. §§ 123B.40 to 123B.445	No
354	Early Childhood Screening Program	4	464	Community Services	Minn. Stat. §§ 121A.16 to 121A.19	No
792	Unfunded Severance and Retirement Levy	4	464	Unfunded Severance and Retirement Levy	Minn. Stat. § 126C.41, subd. 6	No

Proposed Entries in Fund 01 (General Fund) – Transaction Example

Transfers must use designated object/source codes along with the related program and finance code.

Object Code 911- Commissioner Approved Transfers – Out

Source Code 651- Commissioner Approved Transfers – In

Transfer must use designated object / source along with the related program and finance codes:		
Object Code		911- Commissioner Approved Transfers - Out
Source Code		651- Commissioner Approved Transfers - In
Transaction example:		
Example entry within Fund 01		DR
FD - ORG - PRO - FIN - OBJ		
01 - 005 – 2xx - 317 - 911		XXX
Example entry within Fund 04		
FD - ORG - PRO - FIN - OBJ		
04 - 005 – 790 – 000 - 651		XXX
FD: Fund; ORG: Organization; PRO: Program; FIN: Finance; OBJ: Object		

Note: Transfers using these codes may only occur between funds and reserve accounts as indicated in the tables above.

FD	ORG	PRG	FIN	OBJ/SRC	CRS	Debit	Credit
01	005	2xx	317	911	XXX	XXX.XX	
04	005	790	000	651	XXX		XXX.XX

Please submit via email the *Request for Fund Transfer* form, the board resolution stating that the fund transfer requested meets Executive Order 20-19 paragraph 21(c); and official school board minutes.

For questions about this *Guidance for Transfer of Funds*, contact the [UFARS Accounting Helpdesk](mailto:MDE.UFARS-Accounting@state.mn.us) (MDE.UFARS-Accounting@state.mn.us).