



Commissioner Guidance for the Transfer of Funds for Emergency Minnesota Laws 2020, Chapter 116/House File 4415, Article 3 Section 8

*...“Sec. 8. FUND TRANSFERS; FISCAL YEARS 2020 AND 2021 ONLY. Subdivision 1.
Fund and account transfers allowed. Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for
fiscal years 2020 and 2021 only, a school district, charter school, or cooperative unit may transfer any funds not
already assigned to or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from
any accounts or operating fund to the undesignated balance in any other operating fund...”*

For fiscal years 2020 and 2021 only, a school district, charter school, or cooperative unit may transfer any funds not already assigned or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from any accounts or operating fund to the undesignated balance in any other operating fund. A fund transfer is allowed if the transfer meets the following criteria from Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8:

1. The transfer does not increase state aid obligations to the district or school or result in additional property tax authority for the district.
2. A transfer is limited to the operating funds of a school district, charter school or cooperative unit.
3. A school board must approve any fund or account transfer before the reporting deadline for the respective fiscal year.
4. A school district, charter school, or cooperative unit must maintain accounting records for the purposes of this section that are sufficient to document both the specific funds transferred and use of those funds. The 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.

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 Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8
- b. Official school board minutes documenting board approval of the funds transfer and stating the fund transfer must not interfere with the equitable delivery of distance learning or social distancing models.

Fund 01 – General Education

The table below summarizes transfer authority as permitted under Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8 as 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 Fiscal years 2020 and 2021
301	Extracurricular Activities	1	401	Extracurricular Activities	Minn. Stat. § 123B.49	No
340	Scholarships	1	402	Scholarships	Minn. Stat. § 123B.02, 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
317	Basic Skills	1	441	Basic Skills	Minn. Stat. § 126C.15	Yes

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute (Minnesota Statutes, section: Minn. Stat. §)	Transfer Allowed Fiscal years 2020 and 2021
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. See accounting example below.

Finance Code	Finance Code Description	Fund	Restricted/ Reserved Account #	Reserve Name	Funding Statute	Transfer Allowed Fiscal years 2020 and 2021
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, 431	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, 464	Unassigned Fund Balance	Federal dollars	No

Fund 02 – Food Service

The table below summarizes transfer authority as permitted under Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8 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 Fiscal years 2020 and 2021
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 Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section as 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 Fiscal years 2020 and 2021
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 - COVID-19 Transfers – Out

Source Code 650 COVID-19 Transfers – In

Transfer must use designated object / source along with the related program and finance codes:			
Object Code		911 - COVID-19 Transfers - Out	
Source Code		650 - COVID-19 Transfers - In	
Transaction example:			
Example entry within Fund 01		DR	CR
	FD - ORG - PRO - FIN - OBJ		
	01 - 005 – 2xx - 317 - 911	XXX	
	n/a		
Example entry within Fund 04			
	FD - ORG - PRO - FIN - OBJ		
	04 - 005 – 790 – 000 - 650 651		XXX
	n/a		
	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	650	XXX		XXX.XX

Please submit via email the “Request for Fund Transfer” form, the board resolution stating that the fund transfer requested meets Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8 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).