



Long-Term Facilities Maintenance (LTFM) Uniform Financial Accounting and Reporting Standards (UFARS) Code Dimensions: Fund, Program, Finance, Course, Source, Other Financing Sources and Uses (Fund Transfers), and Balance Sheet Account

Note: The LTFM UFARS finance codes are currently based on 2023 Minnesota Statutes. Should legislation be passed in the next several weeks that affect this program, a revised version of the guide and other documentation will be published and communicated to districts.

Note: Recorded information in this guidance document may only include excerpts of UFARS dimension descriptions to include only LTFM information.

LTFM uses Finance Codes 347, 349, 352, 355, 358, 363, 366-370 and 379-384. All projects funded by the LTFM aid and levy must be restricted/reserved in Balance Sheet Code 467 and expensed in the General Fund (01).

See Source Code 317 Long-Term Facilities Maintenance Aid for revenue recording.

A revenue transfer from Fund 01 – 467 to Fund 06 – 467 of \$2 million or more per project/site/year is required for all expenditure activity in the Construction Fund (06).

LTFM Fund Dimensions – UFARS Chapter 1

Operating Funds

01 General Fund

Non-Operating Funds

06 Building Construction Fund

07 Debt Service Fund

Code Title and Description

01 General Fund LTFM Overview

Revenue for Long-Term Facilities Maintenance must be recorded in the Restricted/Reserved Account for these purposes in the General Fund.

To indicate that the expenditure is made from the Restricted/Reserved Account 467 for Long-Term Facilities Maintenance, use these Finance Codes: 347, Physical Hazards; 349, Other Hazardous Materials; 352, Environmental Health and Safety Management; 358, Asbestos Removal; 363, Fire Safety; 366, Indoor Air Quality; 368, Building Envelope; 369, Building Hardware and Equipment; 370, Electrical; 379, Interior Surfaces; 380, Mechanical Systems; 381, Plumbing; 382, Professional Services and Salary; 383, Roofing Systems; or 384, Site Projects.

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

Code Title and Description

06 Building Construction Fund

When the sale of bonds is consummated with the proceeds to be used for Long-Term Facilities projects, a Building Construction Fund must be established (see Building Construction Fund 06).

Long-Term Facilities Maintenance (LTFM) Program ([Minn. Stat. 123B.595 \[2023\]](#)) expenditures that are funded by bonds or major capital projects costing \$2,000,000 or more must be recorded in the Building Construction Fund.

Where a balance from a bond issue remains in the Building Construction Fund after the project has been completed and all claims against the Building Construction Fund have been paid, the balance must be permanently transferred (residual equity transfer) by official board resolution to the Debt Service Fund and used to pay the bonded indebtedness incurred in the project ([Minn. Stat. 475.65 \[2023\]](#)). There can be no borrowing from the Building Construction Fund. Any cash balance or investment in a Building Construction Fund is held in trust for authorized building projects for which the bonds were sold and must not be used to support cash deficits in other funds ([Minn. Stat. 123B.78, subd. 4 \[2023\]](#)).

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

When a bond issue is sold, the school board must levy a direct general tax upon the property of the district for the payment of principal and interest on such bonds as due. The revenue from such a tax and related state aid must be separately accounted for in the Debt Service Fund ([Minn. Stat. 475.61 \[2023\]](#)).

LTFM Program Codes 865, 866, 867 and 868 - UFARS Chapter 3

Note: LTFM uses Finance Codes 347, 349, 352, 355, 358, 363, 366-370 and 379-384. All projects funded by the LTFM aid and levy must be restricted/reserved in Balance Sheet Code 467 and expensed in the General Fund (01). See Source Code 317 Long-Term Facilities Maintenance State Aid and Source Code 001 Property Tax Levy - General Fund 01 to record the revenue. A revenue transfer of \$2,000,000 or more, equal to the total expenditure, is required for all expenditure activity in the Construction Fund (06). For UFARS accounting treatment, please reference the LTFM guidance found on the LTFM webpage.

Code Title and Description

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

Record costs for LTFM projects not included in Program Codes 866 or 867 or 868, which includes projects less than \$100,000 in all LTFM Finance Codes. This Program Code includes Health and Safety and Deferred Maintenance projects costing less than \$2,000,000 per site, per year. See the note above Program Code 865 for the LTFM Finance Code list and accounting treatment instructions.

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

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

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

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

867 Long-Term Facilities Maintenance (LTFM) Projects 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 projects that are \$2,000,000 or more per site, per year and financed by pay-as-you-go basis.

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

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

LTFM Finance Codes 347, 349, 352, 355, 358, 363, 366-370 and 379-384. – UFARS Chapter 4

Code Title and Description

347 Physical Hazards (Funds 01 and 06)

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

Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

349 Other Hazardous Materials (Funds 01 and 06)

Record expenditures according to an approved health and safety plan to clean up and dispose of polychlorinated biphenyl found in school buildings or property; wood boiler hazards, fuel tank removal/replacement, and cleanup, hazardous/infectious waste management and disposal, lead in water; testing and mitigation, local exhaust ventilation systems, radon; detection and mitigation, well capping and boiler-main supply back flow preventer, and transportation fuel. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

352 Environmental Health and Safety Management (Funds 01 and 06)

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

These activities include hazards assessment, required training, recordkeeping, right-to-know, and program management. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#))

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

Payment Description – XXS317 LTFM AID FY

355 Voluntary Prekindergarten Remodeling Costs (Funds 01 and 06)

For districts with an approved prekindergarten remodeling costs program per Minnesota Statutes 2023, section 123B.595, subd. 1(a), record expenditures approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

358 Asbestos Removal and Encapsulation (Funds 01 and 06)

Record expenditures necessary for the removal or encapsulation of asbestos from school buildings or property, related repairs, staff training, and asbestos worker required health physicals in accordance with an approved health and safety plan. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

363 Fire Safety (Funds 01 and 06)

Record expenditures to correct fire code violations in school buildings, in accordance with an approved health and safety plan. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

366 Indoor Air Quality (Funds 01 and 06)

Record health/safety expenditures to correct indoor air quality code violations in school buildings, in accordance with an approved Indoor Air Quality Management Plan. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

367 Accessibility (Funds 01 and 06)

Record expenditures for increasing accessibility of school facilities owned by the school district by removing architectural barriers to meet the needs of pupils and employees with a disability. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

368 Building Envelope (excluding roof) (Funds 01 and 06)

Record expenditures for replacement and deferred maintenance of portions of the building that separate the indoor environment from the outdoor environment. The building envelope restricts the transfer of air, water, heat, light, and noise. Some examples include window replacement, caulking, tuck point, insulation, water barrier, air barrier, noise barrier, building walls, subfloor and exterior doors. Roof projects are coded to Finance Code 383. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

369 Building Hardware and Equipment (Funds 01 and 06)

Record expenditures for the replacement and deferred maintenance of hardware and equipment that are integral to the building (usually attached). Included are parts of the building that are not included under specific finance codes. For example, doors and door hardware, lockers, bleachers, basketball hoops, roll down doors, public address (PA) systems, elevators, bus hoist, and permanently installed kitchen equipment. Furniture and equipment not attached to the building are excluded. Technology and phone systems are excluded. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

370 Electrical (Funds 01 and 06)

Record expenditures related to the replacement and deferred maintenance of the building electrical power supply and distribution. Lighting systems are included. Technology and phone systems are excluded. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

379 Interior Surfaces (Funds 01 and 06)

Record expenditures for the replacement and deferred maintenance of portions of the interior of the building that are not hardware, equipment, or systems included under a specific finance code. Some examples are flooring, wall coverings and painting, ceilings, counter tops, installed cabinetry, and attached surfaces. Furniture and equipment not attached to the building are excluded. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

380 Mechanical Systems (Funds 01 and 06)

Record expenditures related to replacement and deferred maintenance of building mechanical systems including heating, ventilation and air-conditioning (HVAC) and control system, fire suppression and alarm system, electronic door controls and control software, fuel systems and distribution, and ventilation systems not related to HVAC. For upgrades to HVAC systems to meet ASHRAE standards, use Finance Code 366; for upgrades to fire systems to comply with state fire marshal orders, use Finance Code 363; and for upgrades to ventilation to remove hazardous fumes, use Finance Code 349. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

381 Plumbing (Funds 01 and 06)

Record expenditures for replacement and deferred maintenance of plumbing fixtures, piping and water supply to the building. Include wash stands, toilets, showers, sinks, drains, tanks, pressure regulation, meters, and other plumbing components. For HVAC plumbing and fire suppression plumbing use Finance Code 380 – Mechanical Systems. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

382 Professional Services and Salary (Funds 01 and 06)

Record expenditures for professional services and in-house salary for work performed on deferred capital and maintenance projects to prevent further erosion of facilities. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXS317 LTFM AID FY

383 Roofing Systems (Funds 01 and 06)

Record expenditures for replacement and deferred maintenance of roofing systems. Include all costs for a roofing project such as roof removal and replacement, insulation, flashing, materials storage and safeguarding, and temporary measures to prevent unauthorized access to the area. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Payment Description – XXF317 LTFM AID FY

384 Site Projects (Funds 01 and 06) (Gender-Neutral Single-User Restroom Remodeling Effective FY 2025 for LTFM Projects)

Record expenditures related to replacement and deferred maintenance for the building site. Deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities per Minnesota Statutes 123B.595, section 10, subdivision 10(a)(1). Examples include parking lots, lighting, tennis courts, fencing, playground, stadium bleachers, and field turf replacement. Expenditures in this code apply to Balance Sheet Code 467, Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)).

Also, record expenditures related to the gender-neutral single-user restroom remodeling and/or construction project at each school site. Must use Course Code 684 Gender Neutral Single User Restroom. See [Minnesota Statutes 2023, 123B.595, section 10, subdivision 10\(a\)\(4\)](#).

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

Payment Description – XXF317 LTFM AID FY

Course Code – UFARS Chapter 7 (Effective FY 2025 – LTFM Projects)

Code Title and Description

684 Gender-Neutral Single-User Restroom

Record expenditures for remodeling and/or constructing a gender-neutral single-user restroom [per Minnesota Statutes 2023, 123B.595, section 10, subdivision 10\(a\)\(4\)](#). Must use this course code with Finance Codes 000, 302 Operating Capital or 384 Site Projects.

Other Financing Uses – UFARS Chapter 5

910 Permanent Transfers to Other Funds

Transfers from one fund to another, usually from the General Fund to another fund. These transfers between funds are recorded as expenditures. These expenditures are recorded as an “Other Financing Use” in the financial statements (Minn. Stat. 123B.79 [2023])

LTFM Revenue

Source Dimensions – UFARS Chapter 6

Code Title and Definition

001 Property Tax Levy (Funds 01, 07)

Record the LTFM revenue from the property tax levies. The levy breakdown by fund may be obtained by review of the Levy Certification Report.

General Fund Levy (Fund 01) Record revenue from the General Fund Levy. Include the Mobile Home Tax Revenue applicable to the General Fund. Note that capital expenditure levies are now a component of the General Fund Levy.

Debt Service Levy (Fund 07) Record revenue from the Debt Service Fund Levy. Include the Mobile Home Tax applicable to the Debt Service Fund (Minn. Stat.475.61 [2023]).

317 State Aid (Funds 01 and 07)

Enter revenue for LTFM Aid in the General Fund. These funds are for restricted purposes and expenditures must be coded to one of the following Finance Codes: 347 Physical Hazards, 349 Other Hazardous Materials, 352 Environmental Health and Safety Management, 358 Asbestos Removal and Encapsulation, 363 Fire Safety, 366 Indoor Air Quality, 367 Accessibility, 368 Building Envelope (excluding roof), 369 Building Hardware and Equipment, 370 Electrical, 379 Interior Surfaces, 380 Mechanical Systems, 381 Plumbing, 382 Professional Services and Salary, 383 Roofing Systems, and 384 Site Projects

629 Health and Safety Other Revenue

Record other revenue sources for health and safety projects beyond state aid or levy. This includes, but is not limited to: insurance and legal settlements, Petrofund reimbursements and utility rebates. This code includes FEMA proceeds related to Health and Safety projects.

Note: Please reference the Levy Certification Process webpage and locate the Levy Information System Instructions, page 16 for guidance on other Health and Safety Revenue (Minn. Stat. § 123B.57) reporting for insurance lawsuits recoveries, federal and state grants and utilities rebates relating to Health and

Safety projects. These revenues should be reported on Line 10 of the levy system under the General Fund – Other Health and Safety Revenue section. Please send an email to MDE.Facilities@state.mn.us with the dollar amounts so the levy can be reduced. Assign the same finance code as the related project. Do not include Health and Safety Levy and Aid revenue, or Petrofund reimbursements.

Incoming Transfers – UFARS Chapter 6

649 Permanent Transfers from Other Funds

Record board-approved operating transfers pursuant to Minnesota Statutes 2023, section 123B.79. For amounts received by one fund from another fund. This amount is recorded as Other Financing Source in the financial statements

LTFM Balance Sheet Accounts – UFARS Chapter 8

Code Title and Description

467 Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) (Funds 01 and 06)

Represents available resources to be used for LTFM projects in accordance with the Ten-Year Plan. ([Minn. Stat. 123B.595, subd. 12 \[2023\]](#)). *This restricted/reserved account may go into deficit to the extent of future revenue authority*

Arbitrage Fees – UFARS Coding Review

Arbitrage can occur when there is a delay in a construction project and the district does not spend the Construction Fund 06 revenue in a timely manner. In this case, the construction fund earns too much interest and an arbitrage penalty is due to the federal government. If you are paying a consultant for arbitrage and there is a balance remaining in Fund 06, you may use Fund 06 dollars to pay the advisor and/or the arbitrage penalty to the Internal Revenue Service (IRS). If Fund 06 does not have adequate dollars to pay for these fees, the General Fund 01 must be used for this purpose. A school district may not use the Debt Service Fund (Fund 07) to pay these costs. Object Code 896 – Taxes, Special Assessments, and Interest Penalties, should be used to record the arbitrage penalty.

If you have questions about Arbitrage Fees – UFARS Coding Review, please contact the Accounting Helpdesk at MDE.UFARS-Accounting@state.mn.us.