

**Minnesota State Department of Human Services (DHS)****LOCAL COLLABORATIVE TIME STUDY (LCTS)  
PUBLIC SCHOOL COST SCHEDULE 3220.1  
INSTRUCTIONS****A. OVERVIEW**

1. The primary purpose of the quarterly school district cost schedule is to report the costs incurred by the school district in support of the participants in the LCTS. These costs coupled with staff time study results determine the amount of reimbursement the collaborative will receive from the LCTS project.
2. Each school district, public health, and corrections agency participating in the LCTS must complete a quarterly cost schedule. In addition each county LCTS Fiscal Reporting and Payment Agent must complete a quarterly cost report summary.
3. As school district LCTS fiscal site contacts, you must complete an LCTS Cost Schedule after each calendar quarter. The calendar quarters are January thru March, April thru June, July thru September, and October thru December. The quarterly cost schedule should include all expenses for the three months of the quarter. Cash basis reporting must be used when completing the public school quarterly cost schedule. This means that only expenses which have been paid in the current reporting quarter can be included on the cost schedule.
4. You must sign, date, and submit the quarterly public school cost schedule to the county's LCTS Fiscal Reporting and Payment Agent on or before the date determined by the LCTS Fiscal Reporting and Payment Agent.
5. Your county's LCTS Fiscal Reporting & Payment Agent will collect all cost schedules from participating school districts, public health agencies, and correction agencies, review them, complete the LCTS Cost Report Summary form, and forward all schedules and forms to DHS on or before the 20th calendar day following the end of each quarter.
6. The LCTS Fiscal Reporting and Payment Agent must establish, announce and enforce quarterly cost schedule due dates for all school district, public health agency, and correction agency partners in order to meet DHS cost report submission deadlines.

## B. TRAINING REQUIREMENT

1. DHS requires that all LCTS fiscal site contacts (those that complete the LCTS Cost Schedule) receive mandatory LCTS cost report training **BEFORE** completing and submitting *LCTS Public School Cost Schedule 3220.1*. If DHS has not received a Training Verification Form for the individual completing the schedule, the schedule will not be accepted.
2. There are three types of training which will meet the training requirement. If you have not received training in one of these three forms you are not qualified to complete this report and you should contact the LCTS Fiscal Reporting and Payment Agent for the LCTS project in your county immediately. The three approved types of training are:
  - a. The LCTS fiscal site contact has attended the interactive, videoconference “LCTS Fiscal & Cost Report” training in person - and they have the documented date of their participation on file with DHS.
  - b. The LCTS fiscal site contact has reviewed a previously-recorded “LCTS Fiscal & Cost Report” training videotape – AND – their county’s LCTS Fiscal Reporting & Payment Agent has followed up with them in person (e.g. reviewed the report methodology with them, quizzed them, made certain they understand what it is they are supposed to report, etc.) and as a result of this process – the county’s LCTS Fiscal Reporting & Payment Agent is confident that they know how to capture only the applicable costs.
  - c. The county’s LCTS Fiscal Reporting & Payment Agent provided individual line by line training to the LCTS fiscal site contact in person.

## C. COMPLETING THE PUBLIC SCHOOL COST SCHEDULE

### GENERAL:

1. Only expenses that have been **paid** by the reporting school district in the current reporting quarter can be included on this schedule.
2. Expenses included on this report must be directly related to the LCTS staff participants.
3. Do not include any types of costs that are ineligible for federal reimbursement according to federal OMB Circular A-21. You are responsible for review and compliance with this federal circular. Some examples of ineligible costs include:
  - Instructional and educational supplies.
  - Entertainment relating to amusement, staff picnics, etc.

- Fines and penalties
  - Expenditures resulting from violations of, or failure to, comply with federal, state or local laws and regulations such as traffic tickets or parking fines.
3. Round all amounts to the nearest dollar.
  4. Review the cost report for math accuracy before signing and submitting to your county's LCTS Fiscal Reporting and Payment Agent.

## **SECTION 1 - EXPENDITURES:**

### **Line 1: Direct Labor and Benefits of the LCTS Participants**

Report on this line the salary amounts paid to LCTS participants through the school district payroll system during the current reporting quarter and the amounts paid by the school for payroll related benefits on behalf of these participants during the current reporting quarter.

In order to ensure that you accurately capture the correct costs to report on this line, you must first be certain that you have an accurate listing of staff who participated in the time study in the current reporting quarter. Your school district's LCTS Designated Site Contact is responsible for maintaining an accurate listing of LCTS participants at all times and reporting any changes to DHS. You must verify with them who was participating in the LCTS during the current reporting quarter. Once you determine participating staff, you should report 100% of the salaries and related benefits of those individuals on Line 1.

Payroll related benefits are the employer contributions for items such as life insurance, disability insurance, medical and dental insurance, and employer paid FICA, Medicare, and workers compensation that are paid during the quarter for the LCTS participants.

Again since this report must be on a CASH basis—the check or warrant dates for the amount listed on line 1 must be in the current reporting quarter.

Individuals who are not a school district salaried employee, paid through the school district payroll system **cannot** be included here. This includes contracted staff, self-employed individuals, and independent contractors.

If you find that someone included in the list of LCTS participants you received from the school district's LCTS Designated Site Contact is not an employee of the school district, contact your county's LCTS Fiscal Reporting & Payment Agent and notify them immediately.

### **Line 2: Direct Labor and Benefits of Administrative, Supervisory and Clerical**

## Support

1. Report on this line the portion of the salaries and wages paid to support staff through the school district payroll system during the current reporting quarter that can be directly attributable to support of the LCTS participants. Include the same proportion of payroll related benefits paid for these support staff during the current reporting quarter.

**Note: Do not report 100% of these individuals' salaries and benefits on Line 2.**

2. Determine the portion of salaries and benefits directly attributable to support of the LCTS participants using the following allocation method.
  - ◆ Identify the immediate supervisor of each LCTS participant and any clerical or administrative staff that directly support LCTS participants.
  - ◆ Determine the percentage of total time their supervisor spends in actual supervision of the LCTS participant and apply that percentage to the supervisor's salary and benefits.
  - ◆ If 10% of their total time is spent directly supervising the LCTS participant – report only 10% of the supervisor's salary and benefits on Line 2.
  - ◆ Next – identify which clerical and administrative staff provides direct support to the LCTS participants.
  - ◆ Determine the percentage of their total time that is spent providing direct support to LCTS participants and apply that percentage to their total salaries and benefits.
  - ◆ If 30% of their total time is spent providing direct administrative or clerical support to LCTS participants - report only 30% of their salary and benefits on Line 2.
3. Once you have determined the allocation method for how you arrived at the costs reported on Line 2, be sure to document and retain the methodology.
4. Again since this report must be on a CASH basis—the check or warrant dates for the amount listed on line 2 must be in the current reporting quarter.

## Line 3: Federal Revenue Offset



See section titled, **SECTION 2 - FEDERAL REVENUE OFFSET** below.

Enter the sum of *Section 2 – Total Federal Revenue Offset* on Line 3.

**Line 4: Net Direct Labor and Benefits (Enter in both columns A and B)**

Enter the sum of Lines 1 and 2 less Line 3. This amount will be used in the calculation on Lines 5 and 6.

#### **Line 5: Indirect Allocation for Column A**

Multiply the net direct labor and benefits on Line 4 by the federally approved **Unrestricted Indirect Cost Rate** assigned to your school district by the Minnesota Department of Education for the current school year. Enter the result in column A on Line 5.

Remember to round to the nearest dollar.

*\* Note: To find your school district-specific rates, go to the Minnesota Department of Education's website. You will need your school district ID to locate your rates.*

#### **Line 6: Indirect Allocation for Column B**

Calculate the Special rate by adding one percent to the federally approved **Restricted Indirect Cost Rate** assigned to your school district by the Minnesota Department of Education for the current school year.

Multiply the net direct labor and benefits on Line 4 by the Special rate. Enter the result in column B on Line 6.

Remember to round to the nearest dollar.

*\* Note: To find your school district-specific rates, go to the Minnesota Department of Education's website. You will need your school district ID to locate your rates.*

#### **Line 7: Occupancy (Enter in both columns A and B)**

**Do not report** any amount on this line unless you have submitted a written cost allocation plan for occupancy expenses and have received approval from DHS on your methodology.

#### **Line 8: Depreciation (Enter in both columns A and B)**

**Do not report** any amount on this line unless you have submitted a written cost allocation plan for depreciation expenses and have received approval from DHS on your methodology.

**Line 9: Direct Expenses (Enter in both columns A and B)**

Report all supplies, equipment and other direct expenses *except* instructional or medical supplies that are used by LCTS staff to perform their day-to-day jobs.

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|-------------------------|---|
| Allowable expenses:     | - Most 300 object codes e.g. mileage, postage, telephones, office supplies ( <i>not</i> instructional aids) |
| Non-Allowable expenses: | - First-aid supplies<br>- instructional supplies (object 430)<br>- contract services (object 305)           |

*\* Note: Object codes here refer to Minnesota UFARS classifications. These can be downloaded from the Minnesota Department of Education's website.*

Again since this report must be on a CASH basis—the check or warrant dates for the amount listed on line 8 must be in the current reporting quarter.

**Line 10: NET School District Cost Pool (Enter in both columns A and B)**

For column A: enter the total of Lines 4, 5, 7, 8 and 9.

For column B: enter the total of Lines 4, 6, 7, 8 and 9.

The amounts on Line 10 are the LCTS cost pool amounts that DHS submits to each respective federal agency on behalf of your county/collaborative. You are responsible for the review, compliance and accuracy of these figures.

**SECTION 2 - FEDERAL REVENUE OFFSET:**

Per federal requirements – you must determine if any of the amounts reported in Section 1 are federally funded. We cannot submit federally-funded amounts to the federal government for reimbursement – this is considered “double dipping”.

If your school district received federal grants that were used to fund any portion of the expenditures in Section 1 – you must report the name of the federal grant, and only that portion of the federal grant which was used to fund any of the expenses reported in Section 1.

Use a separate line for each grant. Add an additional sheet if necessary.

Do not include LCTS reimbursement earnings in this section. Federal grants are generally identified in UFARS with revenue source codes greater than 400. For a list of the most frequently reported federal grants for Public Schools, please contact your county's LCTS Fiscal Reporting & Payment Agent.

Note – Section 2 should not be left blank. It would be rare for a school district not to receive federal Special Ed dollars or other federal funding to fund expenses attributable to LCTS participants. However, if you are certain your school district has no federal revenue to report, please indicate the word “zero” or “none” in this section.

Cash basis rules still apply to this section —**with one exception:**

If you receive a federal grant as an annual lump sum (or any frequency other than quarterly), it is your responsibility to match the expenses reported with the associated federal revenue in the same period that the expenses are reported (even if the federal revenue was received in a different period).

In other words, you do not want one quarter's worth of expenditures in Section 1 – and an entire year's worth of the federal revenue offset in Section 2. The expenses and any associated federal revenue offset must be matched quarter for quarter – in the period that the expense is reported.

To our knowledge, this only occurs with federal Special Education funding for school districts who have requested that they receive their federal Special Education dollars annually rather than quarterly. In this case, you know the funding amount at the time you report the related expenses (even though you have not yet received the funding).

If you are uncertain as to whether this exception applies to a particular federal grant or if you have questions on how to treat a grant you have identified as an exception– contact your county's LCTS Fiscal Reporting & Payment Agent for further guidance.

## **D. FREQUENTLY ASKED QUESTIONS**

Please see, “*LCTS Cost Reports – Most Frequently Asked Questions & Answers*” - for more information on questions that have often been asked on this report.

## **E. WHO TO CONTACT**

If you have questions, concerns or comments regarding this schedule and instructions – please contact your county's LCTS Fiscal Reporting & Payment Agent.