

Special Revenue Fund Procedures

For Policy on Special Revenue Funds (#FM015)



March 12, 2021

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Introduction

This document is the technical companion to the Minnesota Department of Transportation's (MnDOT's) Special Revenue Fund Policy.

The Minnesota Department of Transportation (MnDOT) must create a Special Revenue Fund appropriation for all contracts under which MnDOT receives non-federal funds. Special revenue funded contracts must be created pursuant to the [Contract Management Policy](#) and [Contract Management Manual](#). Employees must follow the Special Revenue Fund Procedures to establish budgets, collect and spend funds, and disperse remaining funds per contract terms at the time the appropriation is closed. Expenditures must be for the work specified in the contract and must be moved from the related fund to the Special Revenue Fund in the year the expenditures occurred.

Financial Requirements

- Special revenue funded contracts must describe what each party will provide, the agreed-upon scope of work, and the financial responsibility of each party.
- Special revenue funded contracts must establish a beginning and ending date. If the contract will continue past the anticipated ending date, an amendment to the contract must be written and signed before the contract expires.
- Costs must be tracked for goods and services rendered.
- If a lump sum special revenue funded contract is written and fully executed, the financial terms can only be amended with approval of the Director of Financial Management. Offices and Districts cannot change how much is owed or when the payments are to be made without the approval of the Director of Financial Management.
- Excess funds for non-lump sum special revenue funded contracts shall be refunded or returned to the related fund according to contract language.
- Excess funds for lump sum special revenue funded contracts shall be cancelled to the Trunk Highway Fund when the contract is completed.
- The Office of Financial Management may deduct a pre-determined percentage to cover the costs of managing billing and collections for Damage Restitution that may be adjusted annually.
- For encumbrances, refer to the Contract Management Procedures.
- In rare instances, the legislature designates a Special Revenue Fund appropriation for a specific activity, and a contract is no longer necessary as the statute creates the legal authority for the spending. Funds are collected through fees and spent as statutorily mandated. Offices and districts encumber funds for products and services used for this activity either in the Special Revenue Fund appropriation or in an operating budget appropriation. Expenditures are either directly applied or moved from operating budgets to the corresponding Special Revenue Fund appropriation as applicable per the legislatively mandated activity. Examples of this type of Special Revenue Fund are Forest Hauler Fees, Training appropriations and Damage Restitution.

Definitions

Allotment

Breakdown of appropriations into smaller management control units. Allotments establish spending ceilings based on the total amounts entered on related expense budgets.

Appropriation

Authorization by the legislature to spend money from the state treasury for purposes established in law. Appropriations typically limit expenditures to a specific amount and purpose within a fiscal year or biennial period.

Appropriation Maintenance Application (AMA)

System used to create new appropriations, establish appropriations in a particular budget period, or modify an existing appropriation.

Automated Clearing House (ACH), electronic payment

Primary system used for electronic funds transfer (EFT). Funds are electronically deposited in financial institutions and payments are made online.

Cash Accounting Billing System (CABS):

A database compiler in Microsoft Access for expenses that aggregates SEMA4, RCA and Material Inventory records for any expenses charged to a Project ID starting with a TA98 or a TA99 (Project ID coding for city or county).

Contract Work Order

A document, which is considered a Contract, issued under the authority of a Master Contract, and which directs the Contractor to perform specific work and provides for payment for that specific work, all subject to the general terms set forth in the Master Contract.

Deposit Correction

Entry in SWIFT to move the funds to the correct fiscal year and/or correct funding string.

Excess Funds

The difference between the actual cost of the contract and the estimated budget for the contract.

Expense Budget

A budget used to manage the expenditures that will be expended during the budget period and track all of the spending for a particular appropriation. An expense budget must be present in order to process a transaction since spending control is facilitated at the allotment level. Once appropriate sources of funding have been established, expense budgets can be posted.

Funding String

The elements of a funding string include the Fiscal Budget Year, Fund, Fin DeptID, Appropriation ID, Account Codes, and Project ID. The funding string is used to designate the revenue and/or expense budget for either spending or collecting monies.

Journal Voucher (JV)

A mechanism in SWIFT for making an intra-agency payment. With a special revenue funded contract, a journal voucher should be used for transferring expenditures to the Special Revenue Fund appropriation.

Lump Sum

A contract payment method which provides a fixed payment for performing work required by a contract, regardless of the actual costs required to perform the work. A lump sum may be paid at one time upon completion or it may be broken into multiple payments, such as per-deliverable or "progress" payments.

Master Partnership

A contract allowing one party to procure routine services from another party, which the parties agree will enhance the efficiency of delivering governmental services at all levels.

One-Time Receivable Technical Services Partnership Contract (formerly known as TA99)

A signed form requesting MnDOT services for a one-time need, not to exceed \$5,000. This type of contract is used when there isn't a Master Partnership Contract with a customer. Current overhead rates are added to all One-Time Receivable Technical Services Partnership Contracts. The funds received from One-Time Receivable Technical Services Partnership Contracts are deposited into the related fund. Funds cannot be returned to District or Office budgets.

Project ID

A number used to identify a unique project and to accumulate direct and indirect costs which makes the data available for reporting.

Proposal

An internal MnDOT document that shows management approval of the basic terms of an agreement with the other party to a proposed contract.

Restricted Fund

A fund which is authorized by legislation that allows a government entity to collect money from an external entity and restricts those monies for a specific purpose.

Revenue Budget

A forecast of expected receipts for the fiscal year that is critical to budget management because it defines encumbrance constraints. Revenue budgets are used to allocate and record all dedicated and non-dedicated revenues earned for a given fiscal year. Revenues include both cash receipts and accounts receivable.

Special Revenue Fund

A non-federal restricted fund (2000 and 2001 funds) in which to deposit receipts for a specific purpose.

Procedures – Regular Special Revenue Funded Contracts

Special Revenue Fund - Proposal Procedure

Business Unit responsible for procedure: Contract Management

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To standardize the routing and approval process for a Regular Special Revenue Fund Proposal.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Originator (Office/District) will contact Contract Management regarding process for starting a proposal.	Originator in Office/District	N/A
2.	Contract Management will advise the Originator what forms and process to use.	Contract Management	24 hours
3.	Originator (Office/District) will send a proposal draft and “Attachment A: Detailed Estimated Cost of Contract.”	Originator in Office/District	Up to 1 month
4.	Contract Management will review the proposal draft and “Attachment A”. If more information is needed, Contract Management will send the proposal back to the Originator (Office/District) for revisions. If the proposal does not need revision, Contract Management will determine if the proposal is for a Shared Facility.	Contract Management	1 week
5.	If the proposal is for a Shared Facility, Contract Management will send the proposal to the Facilities Maintenance Director for the first signature.	Facilities Maintenance Director	1 week
6.	If the proposal is not for a Shared Facility, Contract Management will send the proposal to the Office Director or District Engineer (DE) for a signature. If it is a Shared Facility, and the first signature has been obtained, the proposal will route to the Office Director or District Engineer (DE) for the next signature.	Office Director or District Engineer	24 hours

Step	Action	Responsible Party	Timeline
7.	OFM Director will review, approve and sign the proposal.	OFM Director	1 week
8.	Assistant Commissioner or Assistant Division Director will review, approve and sign the proposal.	Assistant Commissioner	1 week
9.	Senior Legal Counsel will review, approve and sign the proposal.	Contract Management	Within 48 hours
10.	The CFO will review, approve and sign the proposal.	CFO	Within 48 hours
11.	Notify OFM Fiscal Support to setup funding.	Contract Management	Within 24 hours
12.	Notify Contract Management when funding string is set up.	OFM	Within 24 hours
13.	Notify Contract Administrator, Project Manager, ARAgreements, Fiscal Services, Budget Services, OFM Director when the proposal is approved and the funding string is set up.	Contract Management	Within 24 hours

Forms

Forms associated with the procedure:

- [Receivable Partnership Proposal \(Contract Management Partnerships iHUB Page\)](#)
- [Attachment A – Example of Estimated Cost of Contract \(Contract Management Partnerships iHUB Page\)](#)
- [Regular Special Revenue Fund Process Model](#)
 - Regular Special Revenue Fund Proposal Process, Page 1

Federal and State Requirements (if applicable)

- [Statute 174.02 subdivision 6\(c\)](#)

Contact(s)

Office of Financial Management Director
Contract Management

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Special Revenue Fund – Contract Draft and Approval Procedure

Business Unit responsible for procedure: Contract Management and Fiscal Support

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To standardize the drafting, routing, approval and signature process for Regular Special Revenue Fund Proposals and Contracts.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Notify OFM to setup funding: Contract Management sends proposal to Fiscalsupport.dot@state.mn.us for funding string set up (proposal is not valid until the contract is signed).	Contract Management	N/A
2.	OFM Fiscal Support enters the appropriation budget into Appropriation Maintenance Application for MMB approval.	OFM Fiscal Support/MMB	24 to 48 hours
3.	OFM Fiscal Support verifies appropriation budget in SWIFT and creates revenue and expense budgets.	OFM Fiscal Support	24 to 48 hours
4.	Notify funding is setup: OFM Fiscal Support returns proposal to ContractMgmtRoutingReturns.DOT@state.mn.us with funding string information.	OFM Fiscal Support	24 to 48 hours
5.	Contract Management notifies Agency Requestor/ Authorized Rep, MN_DOT_Budget Support, MN_DOT_Fiscal Support, MN_DOT_AR_Agreements, and OFM Director that proposal has been approved (proposal not valid until contract is signed).	Contract Management	24 hours
6.	Agency Requestor/Authorized Rep contacts the partner/customer to negotiate the contract.	Agency Requestor/Authorized Rep	1 week
7.	Contract Management to draft contract after negotiations are complete.	Contract Management	1 week
8.	Partner/customer signs the contract.	Partner/customer	1 week

Step	Action	Responsible Party	Timeline
9.	Partner/customer returns the signed contract to the Agency Requestor/Authorized Rep.	Partner/customer	1 week
10.	Agency Requestor/Authorized Rep routes to Contract Management.	Agency Requestor/Authorized Rep	24 Hours
11.	Contract Management routes contract to Assistant Commissioner/Assistant Division Director for signature.	Contract Management	1 to 3 Days
12.	Under \$1M Contract Administrator signs (final signature) and contract is approved.	Contract Management	1 to 2 Days
13.	Over \$1M Contract Administrator initials then is routed to Dept. of Admin for signatures.	Contract Management	1 to 2 Days
14.	Dept. of Admin returns contract to Contract Management.	Dept. of Admin	1 week
15.	Contract is distributed with the proposal to the Agency Requestor/Authorized Rep, Project Manager, OFM Fiscal Support, OFM Budget Support, AR Contracts and OFM Director.	Contract Management	24 hours
16.	Agency Requestor/Authorized Rep returns a copy of the signed contract to the partner/customer.	Agency Requestor/Authorized Rep	24 hours

Forms

Forms associated with the procedure:

- [Partnership Contract \(Contract Management Partnerships iHUB Page\)](#)
- [Regular Special Revenue Fund Process Model](#)
 - Regular Partnership Contract Drafting and Approval Process, Page 2

Related Policies and Procedures

[Contract Management Policy \(Contract Management Resources iHUB Page\)](#)

Federal and State Requirements

- [Statute 174.02 subdivision 6\(c\)](#)

Contact(s)

Office of Financial Management Director

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Special Revenue Fund - Invoice Creation Procedure

Business Unit responsible for procedure: OFM Cost Accounting

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To outline the process for creating a Special Revenue Fund invoice.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Send the Special Revenue Fund Invoice Request to the shared mailbox: MN DOT AR Agreements or MN DOT AR BILLING REQUEST by District Staff or MnDOT staff.	Originator in Office/District	As received by OFM Cost Accounting
2.	Review proposal terms of billing: Accounting Officer Principal reviews the Special Revenue Fund contract or billing request within one day of receiving to determine: <ul style="list-style-type: none"> • Whether this is a new request which requires a funding string to be set up, or • Previous request has been done so a file should exist. 	OFM Cost Accounting	Within 24 hours
3.	Determine if funding string has been set up. Yes (standard): Proceed to step 4. (Contract Management Contract Coordinator requests funding string and Project ID prior to the receipt of the invoice request). No (exception): Request funding string from MN_DOT_OFM Fiscal Support and request Project ID from Contract Coordinator.	OFM Cost Accounting	1 week
4.	Once the funding string and the Project ID are set up, verify that the appropriation and expense budget are set up and open in SWIFT for the current fiscal year. Review the Project ID to ensure it is "open" in SWIFT.	OFM Cost Accounting	1 to 2 days

Step	Action	Responsible Party	Timeline
5.	<p>Determine if partner has been billed previously.</p> <p>If yes, navigate to CAATS and review contract. Review and verify:</p> <ul style="list-style-type: none"> • Amendments. • Contract Balance. • Expiration date of the contract. • Signatures. <p>*If there are any problems with invoicing for the contract again, e-mail the Contract Coordinator for assistance or the Project Manager that is listed on the contract.</p> <p>If no, set up customer in SWIFT. Once the customer has been set up in SWIFT, proceed to review the contract before billing.</p>	OFM Cost Accounting	<p>Within 24 hours</p> <p>Problems with the contract or amendment can take weeks to correct</p>
6.	Review the billing request for clarity and accuracy and complete a SWIFT Receivable Input Data Form.	OFM Cost Accounting	Within 24 hours
7.	<p>Create and process the invoice in SWIFT:</p> <ul style="list-style-type: none"> • If recurring, verify that the amount to invoice has not changed. • Verify the customer name and address, the amount of the invoice, and the funding string. • Use the correct contract number in the Contract Field in the Line-Project Info tab in SWIFT. The contract number pulls into CAATS. • Review the notes section to be sure the information referenced is beneficial to the customer. • Verify the contact information (e.g. city engineer or city administrator). 	OFM Cost Accounting	24 to 48 hours
8.	<p>Two copies of the invoice are printed.</p> <ul style="list-style-type: none"> • One copy of the invoice is mailed to the customer. • The second copy is attached to the SWIFT Receivable Input Data Form. 	OFM Cost Accounting	24 to 48 hours
9.	The invoice is emailed to the partnership coordinator and the project manager. The partnership coordinator saves a copy to CAATs/eDOCS	OFM Cost Accounting	24 to 48 hours

Step	Action	Responsible Party	Timeline
10.	The invoice is added to the AR cumulative invoice log which shows all open and closed invoices. <ul style="list-style-type: none"> • When the invoice is sent, it is listed as “Open” on the AR Log. • Invoices are due within 30 days. 	OFM Cost Accounting	1 week
11.	A file folder is created for the contract (if it is new) or the new invoice documentation is added to an existing file (A/R Open files).	OFM Cost Accounting	Within 24 hours

Contact(s)

OFM Cost Accounting

[MN DOT AR BILLING REQUEST](#)

[MN DOT AR Agreements](#)

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Special Revenue Fund - Invoice Payment Procedure

Business Unit responsible for procedure: OFM Cost Accounting

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To outline the process for creating a Special Revenue Fund invoice and recording the payment

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	<p>Payments can be received via paper check or ACH.</p> <ul style="list-style-type: none"> ACH payments must be set up through the Accounts Payable area. An e-mail notification with the invoice number and dollar amount is sent to OFMDeposit.DOT@state.mn.us (invoice must be attached). 	OFM Cost Accounting	Within 24 hours
2.	When the payment is received, the contract file folder is pulled.	OFM Cost Accounting	Within 24 hours
3.	<p>An Appropriation report is done in SWIFT using the funding string that was provided on the invoice to be sure that the money has been deposited into the correct Appropriation.</p> <p>The amount received is verified and recorded in the “collected” line under the Ledger Amounts and that the “unexpended” line amount under Balances also shows the amount collected from the invoice.</p>	OFM Cost Accounting	1 week
4.	<p>After the Appropriation report is checked;</p> <ul style="list-style-type: none"> The AR Invoice log is updated to reflect the payment has been received. Change the status from “Open” to “Closed.” Record when the payment is received and the deposit ID. 	OFM Cost Accounting	Within 24 hours

Step	Action	Responsible Party	Timeline
5.	<p>Email notification of payment is sent to the invoice requestor, OFM Budget Support, and Contract Management.</p> <p>Email notification includes:</p> <ul style="list-style-type: none"> • The contract number. • Payment date. • Payment amount. • Payment received from. • The funding string (Fund, FinDept ID and Appropriation). 	OFM Cost Accounting	Within 24 hours
6.	The AR Log is updated, and the invoice requestor(s) is notified. Then the contract folder is filed in the OFM Cost Accounting area.	OFM Cost Accounting	Within 24 hours
7.	OFM Budget Support area assists the District or Central Office staff with moving their expenditures into the Special Revenue Fund to free up operating revenue (see Expenditure Recognition Procedure).	OFM Budget Support	1 week

Contact(s)

OFM Cash and Collections

ofm_deposit@state.mn.us

OFM Cost Accounting

[MN DOT AR BILLING REQUEST](#)

[MN DOT AR Agreements](#)

OFM Operating Budget Unit

budgetsupport.dot@state.mn.us

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Special Revenue Fund – Deposit Procedure

Business Unit responsible for procedure: Cash and Collections

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

Document the deposit process for Special Revenue Funds. Same process for Master and Regular.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Receive a payment via regular check or ACH.	OFM Cash and Collections	Daily
2.	ACH: Receive email notification in ofm_deposit@state.mn.us mailbox from cities, counties, and MMB. Proceed to step 5. Check: Receive via regular mail.	OFM Cash and Collections and OFM Special Services	Daily
3.	Record payments received by mail on check register.	OFM Special Services	1 to 3 hours
4.	Distribute checks to OFM Cash and Collections.	OFM Special Services	5 Minutes
5.	Verify whether there is an invoice or not against the payment. <ul style="list-style-type: none"> • If yes, go to step 6. • If no, investigate origin of payment. <u>Once verified</u>, proceed to step 6. 	OFM Cash and Collections	30 Minutes
6.	SWIFT entry: post in Accounts Receivable Module.	OFM Cash and Collections	1 to 2 Hours
7.	ACH: Email OFM Cost Accounting AOP that ACH has been received and posted in SWIFT. <ul style="list-style-type: none"> • ACH is completed at this step. 	OFM Cash and Collections	5 Minutes
8.	Deposit checks electronically into banking institution utilizing check scanners. The checks are digitally endorsed during the scanning process.	OFM Cash and Collections	30 Minutes
9.	Run payment detail report to verify that payment has been posted in SWIFT without errors.	OFM Cash and Collections	30 Minutes

Federal and State Requirements

- [Statute 16A.275 Subdivision 1c](#)

Contact(s)

OFM Cash and Collections

ofm_deposit@state.mn.us

Special Revenue Fund – Expenditure Recognition Procedure

Business Unit responsible for procedure: Operating Budget Unit

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To provide guidance on how to ensure expenditures are being properly applied to Special Revenue Fund appropriations. Each Special Revenue Fund appropriation has receivable funds and expenditures that must be applied in accordance with the set contract. Expenditures are applied to Special Revenue Fund appropriations in several different ways.

Finance Coordinators and Project Managers should oversee the appropriations to ensure that expenditures are applied correctly and in a timely manner.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Review the contract to determine eligible expenditures.	OFM Budget Support	When new Special Revenue Fund Appropriation is created
2.	Complete monthly review of special revenue funded contracts for unexpended receipts.	OFM Budget Support	Up to 1 week
3.	Adjust expense budgets for unallotted receipts.	OFM Budget Support	24 to 48 Hours
4.	Determine what expenditures have been applied and which expenditures need to be moved from operating budgets.	OFM Budget Support	24 to 48 Hours
5.	Verify expenditures are eligible.	OFM Budget Support	24 to 48 Hours
6.	Verify correct account codes, source codes, and project numbers have been used for expenditures directly applied.	OFM Budget Support	24 to 48 Hours
7.	Process journal voucher to move expenditures from operating budgets to respective Special Revenue Fund appropriation.	OFM Budget Support	24 to 48 Hours
8.	Review special revenue funded contract to verify that threshold has not been exceeded.	OFM Budget Support	24 to 48 Hours

Federal and State Requirements

- [Statute 174.02 subdivision 6\(c\)](#)

Contact(s)

OFM Budget Support

budgetsupport.dot@state.mn.us

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Special Revenue Fund - Close Out Procedure

Business Unit responsible for procedure: Operating Budget Unit, Project Manager, and OFM Cost Accounting Unit

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To provide guidelines of initiating the close out process.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Project Manager notifies the OFM Budget Support via email to budgetsupport.dot@state.mn.us . <ul style="list-style-type: none"> Referencing the contract number. Confirming all components of contract are complete. 	Project Manager	Completion of contract
2.	OFM Budget Support reviews the contract, runs the appropriation report, and verifies how much has been collected and expended.	OFM Budget Support	24 to 48 hours
3.	OFM Budget Support emails OFM Cost Accounting unit at ARAgreements.dot@state.mn.us to begin review of Special Revenue Fund appropriation.	OFM Budget Support	24 to 48 hours
4.	Accounting Officer Principal (AOP) begins closing the contract. <ul style="list-style-type: none"> Verification from Project Manager that contract is complete. Review the contract. Run the appropriation report. Verify how much has been collected and expended. 	OFM Cost Accounting	24 to 48 hours
5.	OFM Cost Accounting AOP contacts Project Manager, OFM Cash and Collections, and/or OFM Budget Support for further clarification on discrepancies.	OFM Cost Accounting	24 to 48 hours

Step	Action	Responsible Party	Timeline
6.	<p>Need cost correction:</p> <p>OFM Cost Accounting AOP determines if a journal voucher is needed;</p> <ul style="list-style-type: none"> • If yes, email OFM Budget Support. Identify responsible party (OFM Operating Budget, District or Contract Management). • If no, proceed to step 8. 	OFM Cost Accounting	24 to 48 hours
7.	Verify that the journal voucher is complete and correct.	OFM Budget Support	24 to 48 hours
8.	<p>Review appropriation for remaining balance. Determine amount to be billed, refunded, or returned to related fund according to contract language.</p> <ul style="list-style-type: none"> • If billable, create invoice and proceed to step 4. • If refunding or returning to related fund, proceed to step 9. • If no remaining balance, go to step 15. 	OFM Cost Accounting	24 to 48 hours
9.	OFM Cost Accounting AOP contacts Project Manager to verify amount to be refunded or returned to related fund.	OFM Cost Accounting	24 to 48 hours
10.	Project Manager notifies in writing, OFM Cost Accounting AOP with approval to process the refund details or return to related fund.	Project Manager	Up to 1 week
11.	<p>If refunding, OFM Cost Accounting AOP processes the refund in SWIFT, then notifies the Project Manager and OFM Budget Support.</p> <p>If funds are returned to the related fund, OFM Cost Accounting AOP contacts OFM Budget Support.</p>	OFM Cost Accounting	24 to 48 Hours
12.	OFM Budget Support completes deposit correction form and submits to OFM Cash and Collections for processing.	OFM Budget Support	24 to 48 Hours
13.	OFM Cash and Collections processes deposit correction and notifies OFM Budget Support.	OFM Cash and Collections	24 Hours
14.	OFM Budget Support contacts OFM Cost Accounting AOP to close the Project ID.	OFM Budget Support	24 Hours
15.	OFM Budget Support contacts OFM Fiscal Support at fiscalsupport.dot@state.mn.us to put the appropriation on hold. Send a copy of the email to the Operating Budget Director.	OFM Budget Support	24 Hours

Step	Action	Responsible Party	Timeline
16.	OFM Fiscal Support will review if there are any additional expense/revenue budget clean up in SWIFT.	OFM Fiscal Support	24 Hours
17.	OFM Fiscal Support creates the request in Appropriation Maintenance Application (AMA) for appropriation to be put on hold.	OFM Fiscal Support	24 Hours
18.	OFM Cost Accounting AOP file contract paperwork in "closed" file cabinet.	OFM Cost Accounting	1 Week

Forms

- Deposit Correction Form

Contact(s)

OFM Operating Budget Unit

Budgetsupport.dot@state.mn.us

OFM Cash and Collections

ofm_deposit@state.mn.us

OFM Fiscal Support

Fiscalsupport.dot@state.mn.us

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Special Revenue Fund - Closing Project IDs Procedure

Business Unit responsible for procedure: OFM Budget Support and OFM Cost Accounting

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

This document outlines the process for closing a Project ID for a special revenue funded contract.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Verify that all Special Revenue Funds for the Contract have been invoiced for and payments have been received.	OFM Cost Accounting	As received
2.	Contact the Project Manager to verify that all work has been done. Verify that there aren't any Amendments for the Contract.	OFM Cost Accounting	Within 30 days of expiration of contract
3.	Review the appropriation for the Contract in SWIFT. Verify that the District has moved their expenses into the Special Revenue Fund appropriation.	OFM Cost Accounting	24 to 48 Hours
4.	If the District expenses have not been moved into the Special Revenue Fund appropriation, then contact OFM Budget Support to contact the District to get their expenses moved to free up their operating revenue.	OFM Cost Accounting and OFM Budget Support	Within one week
5.	After the District expenses are moved into the Special Revenue Fund appropriation, any additional funds left in the appropriation must be moved to the related fund.	OFM Budget Support	Within one week
6.	When the appropriation in SWIFT for the Special Revenue Fund has the money collected matching the funds expended and the unexpended balance is zero, OFM Budget Support closes the appropriation.	OFM Budget Support	Within one week
7.	The Special Revenue Fund Project ID can be closed in SWIFT then filed in OFM Cost Accounting.	OFM Cost Accounting	Within one week

Federal and State Requirements

Do not close any Federal Project IDs, this should only be done by the Construction Department.

Contact(s)

OFM Cash and Collections

ofm_deposit@state.mn.us

OFM Operating Budget Unit

budgetsupport.dot@state.mn.us

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Special Revenue Fund – Placing Appropriation on HOLD Procedure

Business Unit responsible for procedure: OFM Budget Support, OFM Cost Accounting, and OFM Fiscal Support

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To provide guidelines of placing a Special Revenue Fund appropriation on hold.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Verify that all expenditures have been moved and all refunds/cancellations have been processed.	OFM Fiscal Support	As received
2.	Contact Financial Coordinator in OFM Budget Support if step 1 isn't complete.	OFM Fiscal Support	24 to 48 Hours
3.	Submit request in AMA.	OFM Fiscal Support	24 to 48 Hours
4.	Approve request in AMA and contact MMB Executive Budget Officer (EBO).	OFM Fiscal Support	24 to 48 Hours
5.	Verify appropriation is on hold.	OFM Fiscal Support	1 to 2 Weeks

Federal and State Requirements

Do not place any Federal Project Appropriation ID's on hold. This should only be done by request by the OFM Grants Unit.

Contact(s)

OFM Fiscal Support

Fiscalsupport.dot@state.mn.us

OFM Operating Budget Unit

budgetsupport.dot@state.mn.us

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Procedures - Master (Blanket) Partnership

Master (Blanket) Partnership – Special Revenue Fund Procedure

Business Unit responsible for procedure: OFM Cash and Collections Unit

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To give a step-by-step overview of the Master Partnership Special Revenue Fund procedure.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	Contract Management sends the signed contract to OFM Cash and Collections.	Contract Management	N/A
2.	<p>Routine Master Partnership?</p> <p>a. Review contract. Determine if Master or Work Order.</p> <p>Master:</p> <ul style="list-style-type: none"> Falls in scope of Exhibit A. Applies to TA98, proceed to step 3. <p>Work Order:</p> <ul style="list-style-type: none"> Falls out of scope of Exhibit A. Needs a Special Revenue Fund appropriation. If the contract involves a Work Order, send to OFM Cost Accounting. <p>b. If it falls under the TA98, proceed to step 3.</p>	OFM Cash and Collections	5 to 10 minutes per contract
3.	<p>Verify if the customer exists in SWIFT or not.</p> <ul style="list-style-type: none"> If not, create a customer ID. <p>Verify that there is an existing TA number.</p> <ul style="list-style-type: none"> If there is not, create a TA number. Process is to open TA98000-TA98999 spreadsheet, review what numbers are open, use the ordering system. <p>If there is a TA number, move to step 4.</p>	OFM Cash and Collections	5 to 10 minutes per contract
4.	Run CABS report using the access system. Material, equipment, payroll, expenses tied to TA98.	OFM Cash and Collections	10 to 20 minutes, once a month

Step	Action	Responsible Party	Timeline
5.	Compare to project folder; Analyze and verify the charges are correct (correct customer, correct activity, etc.). Run batch for cities and counties for a 4 to 6 week period of time.	OFM Cash and Collections	2 weeks (minimum) to process and invoice charges
6.	Attach supporting documentation (run crystal reports, send emails). Save copies electronically (One Note) and by paper.	OFM Cash and Collections	2 weeks
7.	<p>Ok to bill?</p> <ul style="list-style-type: none"> • Yes, proceed to step 8. • No, and if corrections are needed, submit to applicable section (may be Payroll, MNIT, or MMS). After system update, go back to Step 2 and start verification process again. <p>Once charges have been corrected and confirmed, delete incorrect charge in CABS database.</p> <p>For charges that are already correct, proceed to step 8.</p>	OFM Cash and Collections	2 to 4 weeks
8.	Run CABS verification report to produce invoice in CABS (this is the invoice that will go to the customer) and send email to OFM MNIT for MMB error check.	OFM Cash and Collections	30 minutes
9.	Email OFM MNIT - send (flat file) invoice to MMB for verification.	OFM MNIT	30 minutes
10.	MMB contacts OFM MNIT once verified.	MMB	Within 24 hours
11.	OFM MNIT contacts OFM Cash and Collections.	OFM MNIT	Within 24 hours
12.	Receive email from OFM MNIT that invoice is good. Save a copy (print invoice in PDF) on one note, print paper invoice from CABS.	OFM Cash and Collections	30 minutes
13.	Generate invoices in SWIFT (do not print).	OFM Cash and Collections	15 minutes
14.	Go into SWIFT and load the AR update.	OFM Cash and Collections	15 minutes
15.	If there are any credits in the system, do maintenance worksheet to offset previous invoice.	OFM Cash and Collections	30 minutes
16.	Mail out printed paper invoice from CABS (PDF package).	OFM Cash and Collections	24 to 48 hours

Step	Action	Responsible Party	Timeline
17.	Customer initiates charge dispute via phone or email. Return to step 7 for error corrections. If Customer does not find errors, they submit the payment for invoice.	OFM Cash and Collections	5 to 10 minutes
18.	Receive payment.	OFM Cash and Collections	Daily
19.	Deposit (see Procedures for Deposit).	OFM Cash and Collections Depositors	24 to 48 hours.

Forms

Forms associated with the procedure:

- [Master Partnership \(Contract Management Partnerships iHUB Page\)](#)
- [Exhibit A – Table of Technical Services \(Contract Management Partnerships iHUB Page\)](#)
- [Master \(Blanket\) Partnership Revenue Fund Process Model](#)
- Supporting Documents are generated from Crystal reports and include; RCA Remarks and hours, Equipment Use, Payroll Correction, LIMS Correction, TAMS Work Order Summary Reports, Bridge Inventory reports. Email Correspondence from Staff and Customers.

Contact(s)

OFM Cash and Collections

ofm_deposit@state.mn.us

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Master Partnership – Invoices Related to Expenses Outside of CABS Procedure

Business Unit responsible for procedure: OFM Cash and Collections Unit

Version: 1.00
Effective Date: 03/12/2021
Revised Date: Not applicable

Objective

To give a step-by-step overview of the procedures and how to review invoices related to expenses outside of CABS (Cash Accounting Billing System): electrical and road pavement. These cases fall on Exhibit A but are not set up in CABS – these are manually invoiced.

Procedure Steps

Step	Action	Responsible Party	Timeline
1.	<p>Receive email requesting invoicing. There are two types of invoicing; electrical and road pavement (pavement marking). This email includes the funding string, names of counties, quantities of how much to bill.</p> <p>Electrical: Spreadsheet sent as attachment that has complete details for Hennepin County. This spreadsheet will be attached with invoice.</p> <p>Road pavement: MnDOT contact compiles charges and emails for billing.</p>	<p>Electrical: Electrical Services Section Manager</p> <p>Road pavement: Materials and Road Research Engineer</p>	<p>Electrical: Quarterly or Bi-annually</p> <p>Road pavement: Annually</p>
2.	<p>Verify the information in SWIFT. Verify Project ID, the customer number (customer number should already be created, and appropriation should be active); if not, check CAATS to see if there is a document that has not been reported. If no document is located, contact Contract Management Contract Coordinator.</p> <p>Verify amount totals manually with a calculator. Errors are corrected through an error credit rebill process. Send an email to Electrical Services Section Manager.</p>	OFM Cash and Collections	Billed within 24 hours

Step	Action	Responsible Party	Timeline
3.	Manually create invoice in SWIFT. Pull up customer ID number, enter billing portion using the funding codes and relevant information provided. Note: Enter in amount of material and rate in the invoice notes.	OFM Cash and Collections	Billed within 24 hours
4.	Generate invoice process.	OFM Cash and Collections	5 minutes
5.	Print invoice and mail to customer.	OFM Cash and Collections	10 minutes
6.	A/R Update to load SWIFT.	OFM Cash and Collections	5 minutes

Forms

Forms associated with the procedure:

- [One-Time Receivable Technical Services Partnership Contract \(Contract Management Partnerships iHUB Page\)](#)

Contact(s)

OFM Cash and Collections

ofm_deposit@state.mn.us

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Frequently Asked Questions (FAQs)

Q. Can the special revenue funds be transferred directly into an Office operating budget?

- A. No, the funds cannot be transferred into an Office operating budget. Expenditures need to be transferred from the Office operating budget into the respective funding string for the Special Revenue Fund appropriation.

Q: Can a partner pay in arrears rather than in advance?

- A. Yes, when pre-approved by the Director of the Office of Financial Management. In this case, the Office operating budget covers the expense until the partner pays the invoice.

Q: Can MnDOT do anything it wants to do under a special revenue funded contract?

- A. No, MnDOT must still have the statutory authority to perform the project or undertaking covered by the special revenue funded contract.

Q: Is there a limit to the amount of a special revenue funded contract?

- A. No

Q. How can an Office charge payroll time directly to the Special Revenue Fund appropriation?

- A. An employee who is working on a special revenue funded project needs to change the funding on their time sheet. The Fund, Appr ID, Fin Dept ID and Project ID need to be changed on the funding tab in RCA (Resource Consumption Application).

Q. Can an Office create an encumbrance before the funds are received from the partner?

- A. Yes, money can be encumbered but expenditures cannot be made from the Special Revenue Fund appropriation until the funds are deposited.

Q. How can I track how much has been spent on a special revenue funded contract?

- A. A Project ID must be established in SWIFT (Statewide Integrated Financial Tools) at the start of the special revenue funded contract and all expenditures should be charged to the Project ID number. A project report can be created to show all of the expenditures charged to the special revenue funded contract.

Q: Can a special revenue funded contract be “payable” by MnDOT?

- A. Yes, though there may be alternative contracting methods that will work better. Contact the Contract Management Section for further details.

Q. Who transfers the expenditures to the Special Revenue Fund appropriation?

- A. The Financial Coordinator assigned to the Office can transfer the expenditures. A journal voucher should be used for transferring expenditures.

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