

3545.0800 MODIFIED ACCRUAL ACCOUNTING AND OTHER ACCOUNTING REQUIREMENTS.

Subpart 1. **Recognition principles.** Revenues and expenditures must be recorded and recognized in accordance with generally accepted accounting principles. Generally accepted accounting principles provide for the accrual basis of accounting and the modified accrual basis of accounting as appropriate for the particular fund. The cash basis of accounting is not acceptable for district budgeting, accounting, and reporting. Specific standards for revenue recognition are contained in Minnesota Statutes, section 123B.75. Specific standards for expenditure recognition are contained in Minnesota Statutes, section 123B.76.

Subp. 2. **Reporting categories.** Budgeting, accounting, and reporting systems must be designed to provide financial data, where applicable, according to the terms and categories used in Minnesota Statutes with particular attention to categorical programs funded by the state.

Subp. 3. **Accounting structure.** Development of programmatic data for district internal reporting and management purposes, and for reporting to the public and the department, requires the use of multidimensional systems of classification of transactions.

Subp. 4. **School district accounting principles.** The "Manual for the Uniform Financial Accounting and Reporting Standards for Minnesota Schools," issued by the Department of Education, must contain the standards for budgeting, accounting, and reporting. Amendments to the principles contained in this manual must be approved by the commissioner of education.

Subp. 5. **Student activities accounting principles.** The "Manual of Instructions for Uniform Student Activities Accounting for Minnesota School Districts," issued by the Department of Education, must contain the accounting and reporting standards for extracurricular student activities. Amendments to the generally accepted accounting principles contained in this manual must be approved by the commissioner of education.

Statutory Authority: *MS s 14.388; 121.902*

History: *L 1998 c 398 art 5 s 55; 26 SR 1718; L 2003 c 130 s 12*

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