

1 State Board of Education
2 Department of Education
3 Executive Division

4
5 Adopted Amendments to or Repeal of Rules Governing Chapter One -
6 EDU 1, EDU 2, EDU 3, EDU 4, EDU 5, EDU 6, EDU 7, EDU 9, 5 MCAR S
7 1.0010; Chapter Two - EDU 20, EDU 21, EDU 22, EDU 23; Chapter
8 Two-A - EDU 30, EDU 31, EDU 32; Chapter Three - EDU 40, EDU 41,
9 EDU 42, EDU 43, EDU 44, EDU 45, EDU 46; Chapter Eight - EDU 140,
10 EDU 141, EDU 142; Chapter Nine - EDU 160, EDU 161, EDU 162;
11 Chapter Seventeen - EDU 327; Chapter Twenty-Two - EDU 420, EDU
12 421, EDU 422, EDU 423, EDU 424, EDU 425; Chapter Twenty-Nine -
13 EDU 561; Chapter Thirty-Five - EDU 700, EDU 701, EDU 702, EDU
14 703, EDU 704, EDU 705, EDU 706; Chapter Thirty-Eight - 5 MCAR SS
15 1.0760-1.0764, 1.0766-1.0769; Chapter Forty - 5 MCAR SS
16 1.0800-1.0805.

17
18 Rules as Adopted

19 EDU 4 General educational program requirements.

20 A. Program for all pupils. The educational program shall
21 provide a general education for all pupils and suitable special
22 education for exceptional children -- handicapped, gifted and
23 talented. It shall meet the needs and interests of all pupils
24 and the needs of the community served. Except as provided in
25 this paragraph and in 5 MCAR SS 1.0667-1.0672, no school shall
26 provide any course or activity on the basis of sex. This
27 includes health, physical education, home economics, and
28 industrial education. Separation by sex is acceptable for the
29 purpose of locker or dressing room use, facility supervision and
30 presentation of topics in health having to do with human
31 reproduction.

32 B. Guidance. Each school shall provide a guidance program
33 to assist pupils in making satisfactory personal adjustments and
34 appropriate educational and vocational plans.

35 C. Evaluation of pupil growth and progress.

36 1. Each district shall provide a testing program for the

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1 purpose of ~~assessing~~ measuring pupil needs and growth and for
2 curriculum evaluation.

3 2. [Unchanged.]

4 3. Each district shall develop an appropriate program of
5 pupil progress and promotion for its elementary, middle and
6 secondary schools. The program shall meet the State Board of
7 Education requirements for graduation.

8 ~~B.--Summer-school.--All-summer-school-classes-for-elementary,~~
9 ~~middle-and-secondary-school-pupils-and-special-summer-school~~
10 ~~classes-for-area-veational-technical-school-students-shall-be~~
11 ~~for-a-minimum-term-of-six-weeks,-provided-that-120-hours-of~~
12 ~~instruction-may-be-accepted-as-an-equivalent-term.~~

13 D.-F. [See repealer.]

14 E. D. Civil defense education. Each district shall provide
15 civil defense education in grades K-12.

16 EDU 5 General staff requirements.

17 A. License on file. For each teacher there shall be on file
18 in the office of the superintendent at the beginning of each
19 school year a copy of a valid license.

20 B. Superintendent's administrative and supervisory time. In
21 school districts maintaining elementary, middle, and secondary
22 schools but employing fewer than ten teachers, the
23 superintendent shall devote at least one-half of the school day
24 to the administration and supervision of the schools. In school
25 districts maintaining elementary, middle, and secondary schools
26 but employing ten or more teachers, the superintendent shall
27 devote at least two-thirds of the school day to the
28 administration and supervision of the schools.

29 C. Teacher's lunch period. Each teacher shall be provided
30 with a duty free lunch period, scheduled according to school
31 board policy.

32 D. [See repealer.]

33 EDU 6 Library.

34 A. Personnel. In all schools, library or library media
35 service appropriate to the enrollment and educational program

1 shall be given by persons licensed for their positions.

2 1. [See repealer.]

3 B. Materials and equipment. The instructional collection
4 shall consist of an adequate number of appropriate materials and
5 equipment organized to meet pupil and teacher needs.

6 C. Facilities. There shall be a well-equipped central
7 library or library-media room, of a size appropriate to the
8 enrollment in every elementary, middle, and secondary school
9 building plus, in all new school buildings, the auxiliary space
10 and facilities needed for work storage, viewing, listening, and
11 conference purposes. The room shall be in a central location
12 and have space for work storage, production, viewing, listening,
13 and conferences. In one- and two-room elementary schools,
14 provisions shall be made for a library service.

15 EDU 7 Records and reports.

16 A.-B. [Unchanged.]

17 C. Health record review. Each district shall assign a
18 teacher, school nurse, or other professional person to review
19 each pupil's health record, at the beginning of each school year
20 , the health record of all pupils under his or her direction.

21 ~~The review is to assess the pupil's health status and, if~~
22 ~~necessary, to seek remedies for health concerns.~~ Growth,
23 results of vision and hearing screening, and findings obtained
24 from health assessments must be entered periodically on the
25 pupil's health record.

26 5 MCAR S 1.0010 Exemptions for experimental and flexible school
27 year programs.

28 A. Request. A district may request approval from the State
29 Board of Education for an experimental program of study, a
30 four-day school week, or a flexible school year program. They
31 shall be designed to accomplish at least one of the following:

- 32 1. improved instructional quality;
- 33 2. increase cost effectiveness;
- 34 3. make better use of community resources or available
35 technology.

1 B. Exemption from rules. If the proposed program is
2 approved, the State Board of Education shall provide an
3 exemption to rules that otherwise would apply.

4 C. Contents of proposal. The proposal shall include:
5 specific rules from which the district requests exemption, the
6 goals and objectives of the program, the activities to be used
7 to accomplish the objectives, a definite time limit which may
8 not exceed three years, and the evaluation procedures to be used.

9 D. Involvement required. Evidence shall be provided that
10 the proposal has been given thorough exposure to students and
11 parents, that the faculty has been involved in the development
12 of the proposal, and that the proposal has the approval of the
13 school board.

14 E. Permanent exemption. If the evaluation at the end of the
15 time period is positive, the State Board of Education shall
16 authorize permanent continuation of the program and specify the
17 rules from which the program is exempt.

18 5 MCAR S 1.0011 Definitions for pupil fees.

19 A. Applicability. For the purposes of Minnesota Statutes,
20 sections 120.72 to 120.76 the following terms have the meanings
21 given them.

22 B. Curricular. "Curricular" means those portions of the
23 school program for which credit is granted. This definition
24 applies equally to required or elective curricular programs.

25 C. Cocurricular. "Cocurricular" means those portions of the
26 school sponsored and directed activities designed to provide
27 opportunities for pupils to participate in such experiences on
28 an individual basis or in groups, at school and at public
29 events, for improvement of skills. Cocurricular activities have
30 one or more of the following characteristics:

- 31 1. are for credit or required for graduation;
- 32 2. are conducted at regular and uniform times during
33 school hours, or if at times other than school hours, are
34 established by school authorities;
- 35 3. are directed or supervised by instructional staff in a
36 learning environment similar to that found in courses offered

1 for credit;

2 4. are primarily or totally funded by public monies for
3 general instructional purposes under direction and control of
4 the local board of education. Any deficits resulting from these
5 activities are always subsidized by general school funds.

6 D. Noncurricular. "Noncurricular" activities means those
7 activities that include all direct and personal services for
8 public school pupils for their enjoyment that are managed and
9 generally operated under the guidance of an adult or staff
10 member. Noncurricular activities have all of the following
11 characteristics:

12 1. are not for credit or required for graduation;
13 2. are conducted for the most part during other than
14 school hours, or if partly during school hours, at times agreed
15 by the participants, and approved by school authorities;

16 3. the content of the activities is determined primarily
17 by the interests of the student participants and their parents
18 with only the guidance of the staff member or other adult;

19 4. with the possible exception of direct costs of any
20 salaries and indirect costs of the use of school facilities, the
21 activity is self-sustaining as all other expenses are met by
22 dues, admissions or other pupil fund raising events.

23 E. Extracurricular. "Extracurricular" has the same meaning
24 as noncurricular.

25 F. Supplementary. "Supplementary" has the same meaning as
26 noncurricular.

27 G. Regular school day. "Regular school day" means that
28 which is defined in 5 MCAR S 1.00301 for middle and secondary
29 pupils and in EDU 21 for elementary pupils.

30 5 MCAR S 1.00201 Elementary school curriculum.

31 A. Common branches. The following common branches of
32 learning, or subjects, shall be included in grades K-6 or K-8 in
33 the elementary curriculum:

34 Art

35 Health and safety

36 Language arts, including

- 1 Media center skills
- 2 Listening
- 3 Oral communication
- 4 Reading and children's literature
- 5 Written communication, handwriting and spelling
- 6 Mathematics
- 7 Music
- 8 Physical education
- 9 Science and environmental education
- 10 Social studies

11 B. Method of instruction. The common branches may be taught
 12 separately, paired, or clustered for instructional purposes.

13 C. ~~Balanced-time.--Time-allocations-for-each-of-the-common~~
 14 ~~branches-must-be-balanced-to-provide-a-breadth-of-knowledge.~~

15 D. Physical education time requirements. Physical education
 16 in elementary schools shall be scheduled as follows: grades one
 17 and two, one 10-minute period and one 25-minute period daily;
 18 grades three through eight, one 30-minute period daily.

19 EDU 21 Elementary school day and organization.

20 A. Length of school day. In an elementary school, the
 21 minimum number of instructional hours per day, not including
 22 noon intermission, shall be as follows:

23 Kindergarten	2-1/2 hours
24 Grades 1, 2, and 3	5 hours
25 Grades 4 through 8 in elementary schools .	5-1/2 hours

26 B. [See repealer.]

27 B. Kindergarten. Kindergarten may be scheduled separately
 28 or in combination with another grade. A licensed kindergarten
 29 teacher shall be assigned to teach kindergarten students whether
 30 the kindergarten is separate or combined with another grade.

31 EDU 23 Elementary school staff.

32 A. Principal.

33 1. Every elementary school shall be under the immediate
 34 charge of a licensed principal.

35 2. In each school building or combination of school

1 buildings in a district with an enrollment of 200 but less than
2 400 elementary pupils in grades 1-6, 1-8, K-6, or K-8, the
3 principal must devote not less than one-half time to
4 administration and supervision. Provision must be made for
5 clerical assistance as necessary.

6 3. In each school building with an enrollment of 400 or
7 more elementary pupils in grades 1-6, 1-8, K-6, or K-8, and in
8 any combination of school buildings in a district with a total
9 enrollment of 400 or more but less than 900 elementary pupils,
10 the district shall provide a full-time nonteaching licensed
11 principal and clerical assistance as necessary.

12 4. In each school building and in any combination of
13 school buildings in a district with an enrollment of 900 or more
14 elementary pupils in grades 1-6, 1-8, K-6, or K-8, the district
15 shall provide a full-time nonteaching licensed principal, and
16 additional professional and secretarial staff as necessary.

17 4.-5. [See repealer.]

18 B. Pupil-teacher ratio. The acceptable maximum
19 pupil-teacher ratio shall ~~not exceed~~ is 30 to 1 in any class in
20 grades K-6 or K-8. The superintendent shall make a written
21 report to the State Board of Education indicating the
22 circumstances making an exception to this ratio necessary.

23 1.-2. [See repealer.]

24 5 MCAR S 1.00301 General provisions for middle and secondary
25 school.

26 A. Length of school day. In all middle and secondary
27 schools the minimum length of the school day for each pupil,
28 exclusive of the noon intermission, shall be six hours.

29 B. Required and elective subjects. Each of the required
30 subject hours set forth in EDU 40, 5 MCAR SS 1.0036, 1.00401,
31 and 1.00402 must equal 60 minutes of instruction. The remaining
32 number of hours in a school year may be used to provide required
33 or elective subjects. The length of actual class periods may be
34 determined by the district.

35 5 MCAR S 1.0036 Middle school curriculum.

1 A.-C. [See repealer.]

2 A. Common branches and hours. The following common branches
3 of learning, or subjects, shall be required for the hours
4 specified in a middle school:

5 Subjects	6 Minimum hours			
	7 Grades 6-8	8 Grades 6-9	9 Grades 5-8	10 Grades 5-9
11 Art	120	120	150	150
12 Communication skills	480	600	760	880
13 Health	90	90	120	120
14 Home economics or 15 Industrial education	120	160	120	160
16 Mathematics	360	480	480	600
17 Music	120	120	150	150
18 Physical education	240	320	320	400
19 Science	360	480	480	600
20 Social studies	360	480	480	600

21 1. [See repealer.]

22 B. Subjects required in grades. Communication skills,
23 mathematics, physical education, science and social studies
24 shall be required each year. Physical education shall be
25 scheduled throughout the academic year for grades 7, 8, and 9.
26 Art, music, and health shall be required in grades 5 and 6.

27 5 MCAR S 1.0037 Middle school staff.

28 A. Principal. Every middle school shall be under the
29 immediate charge of a licensed principal. A middle school
30 principal must hold either a valid elementary or secondary
31 school principal's license. A middle school principal shall be
32 assigned full time responsibility to the middle school.

33 B. Teacher. A middle school teacher shall hold a valid
34 license appropriate for the subject or area taught.

35 EDU 40 Curriculum for junior secondary schools.

A. Common branches and hours.

1.-2. [See repealer.]

The following common branches of learning, or subjects,
shall be required for the hours specified in a secondary school

1 composed of grades 7, 8, and 9:

2		Minimum
3	Subjects	Hours
4	Art	90
5	Communication skills	360
6	Health	60
7	Home economics or	
8	Industrial education	150
9	Mathematics	360
10	Music	90
11	Physical education	240
12	Science	240
13	Social studies	360

14 B. Scheduling. Period length and grade placement of
 15 required and elective hours are at the discretion of the school
 16 board. However, each pupil must take at least 80 hours of
 17 physical education each year. Physical education must be
 18 scheduled throughout the academic year.

19 b. [See repealer.]

20 4.-5. [See repealer.]

21 B.-G. [See repealer.]

22 5 MCAR S 1.00401 Curriculum for three-year senior secondary
 23 schools.

24 A. Common branches and hours. The following common branches
 25 of learning, or subjects, and credits shall be required in a
 26 secondary school composed of grades 10, 11, and 12:

27	Subjects	Minimum Hours	Credit
28	Communication skills	360	3
29	Health	60	1/2
30	Physical education		
31	in grade 10	60	1/2
32	Social studies	240	2

33 B. Social studies. Social studies must consist of 120 hours
 34 or one credit of studies of America, which includes American
 35 history, and 120 hours or one credit of contemporary world
 36 problems.

1 5 MCAR S 1.00402 Curriculum for four-year senior secondary
2 schools.

3 A. Common branches and hours. The following common branches
4 of learning, or subjects, and credits shall be required in a
5 secondary school composed of grades 9, 10, 11, and 12, in
6 addition to any unmet requirements from EDU 40:

7	Subjects	Minimum Hours	Credit
8	Communication skills	480	4
9	Social studies	360	3
10	Mathematics	120	1
11	Science	120	1
12	Physical education in		
13	grades <u>grade 9</u>	±20 <u>80</u>	± <u>2/3</u>
14	and <u>in grade 10</u>	<u>60</u>	<u>1/2</u>
15	Health	60	1/2

16 B. Social studies. Social studies must consist of 120 hours
17 or one credit of studies of America, which includes American
18 history, and 120 hours or one credit of contemporary world
19 problems. The remaining hours may be determined by the district.

20 EDU 42 Basis for secondary school credit.

21 A. Basic requirements.

22 1. Satisfactory completion of at least 120 hours shall be
23 the basis for a credit course, or subject, in grades 9, 10, 11,
24 and 12 in four-year secondary schools and in grades 10, 11, and
25 12 in three-year secondary schools. Length of periods and
26 frequency of meeting may be determined by the district. A
27 credit may be divided into semester, trimester, or quarter units
28 by offering courses covering 60, 40, or 30 hours respectively.

29 2. Credit may be given on a performance basis for any
30 course if a student successfully completes an examination
31 approved by the district covering the content ordinarily
32 included in the subject.

33 3. A district may accept the transfer of credit awarded
34 by a postsecondary institution according to an agreement entered
35 into under Minnesota Statutes, section 123.3511.

1 B. Summer school. Credit toward graduation by secondary
2 schools for subjects taken in summer school shall be on the same
3 basis as a regular school program.

4 1.-3. [See repealer.]

5 C. Private tutoring. Credit toward graduation for work
6 completed through any form of private tutoring by a licensed
7 teacher may be granted by a secondary school.

8 D. Correspondence courses.

9 1. Correspondence courses, at district expense, may be
10 offered for credit toward graduation by any secondary school
11 only to provide:

12 a. additional courses in secondary schools with
13 limited course offerings; or

14 b. an opportunity for special secondary pupils to meet
15 requirements for secondary school graduation when the pupil's
16 handicap prevents the pupil from attending school regularly; or

17 c. an opportunity for secondary pupils who, due to
18 unusual circumstances, are unable to be in attendance at school;
19 or

20 d. an opportunity for secondary school drop-outs.

21 2. Correspondence courses to be offered shall be approved
22 by the commissioner of education and by the district local
23 school administration before pupils are enrolled. ~~A-teacher~~
24 ~~licensed-in-the-area-of-the-correspondence-course-shall~~
25 ~~supervise-and-guide-a-pupil-enrolled-in-a-course~~ Pupils taking
26 such courses shall be under the supervision and guidance of a
27 teacher assigned to such work.

28 3. [See repealer.]

29 EDU 43 Completion of secondary school requirements.

30 A. Graduation requirements. Each student must successfully
31 complete 15 credits earned in a three-year secondary school, or
32 20 credits earned in a four-year secondary school in order to
33 graduate. These credits must be from the same subjects required
34 in 5 MCAR SS 1.00401 and 1.00402 and elective subjects.

35 2.-3. [See repealer.]

36 B. Early graduation. Early graduation may be allowed for a

1 student who accumulates the required number of credits for
2 graduation before completing the usual years of secondary
3 school. A student graduating after the normal graduation date
4 cannot be claimed as an early graduate.

5 C. Attendance certificate. A secondary school attendance
6 certificate, indicating completion of the secondary school
7 period may be given by a school board to a student who does not
8 meet all the requirements for graduation.

9 a.-d. [See repealer.]

10 2. [See repealer.]

11 C. [See repealer.]

12 D. Equivalency certificate.

13 1. A secondary school equivalency certificate may be
14 issued by the State Board of Education to a resident of
15 Minnesota 19 years of age or over who needs the certificate for
16 advancement in an occupational field or for higher education if
17 both of the following are met:

18 a. the person makes written application on forms,
19 prepared and provided by the Department of Education, which are
20 available on request from any of the approved General
21 Educational Development Testing Centers, most secondary schools,
22 or from the Department of Education; and

23 b. the person obtains a minimum standard score of 35
24 on each of the five General Educational Development Tests and an
25 average standard score of at least 45 on all five tests.

26 2. General Educational Development tests shall be
27 administered only by official agencies established by the
28 American Council on Education and approved by the commissioner
29 of education.

30 3. The minimum age requirement may be waived if
31 supportive evidence of special need is provided by a recognized
32 rehabilitative agency.

33 EDU 44 Exceptions to the length of school day.

34 Exceptions to a six-hour school day required in all
35 secondary schools may be made as follows:

36 1. The State Board of Education may approve

1 community-based programs for all or part of the school day.
2 Employment-related, community-based programs in excess of one
3 hour per day shall be supervised by the vocational-technical
4 division. Nonemployment related, community-based programs in
5 excess of one hour per day shall be supervised by the division
6 of instruction.

7 2. The local board of education may adopt a policy
8 allowing adjustments in the length of the school day for
9 individual students if all of the following circumstances exist:

10 a. the student is at least 16 years of age.

11 b. the student attends supervised classes in usual
12 school facilities for not less than five hours per day.

13 c. the secondary school principal designs for each
14 student a work-study option or other nonwork experience of real-
15 educational value. A written record must be maintained
16 indicating the type of work-study option or other educational
17 experience to be pursued, the reason for the exemption, and the
18 method of ensuring that the program is actually pursued.

19 d. the student's parent approves the option in writing.

20 EDU 45 Admission to secondary schools.

21 A. Grades 7, 8, and 9. Admission to grades 7, 8, or 9 of
22 any secondary school shall be limited to pupils who have
23 satisfactorily completed the work of the preceding grade and to
24 special pupils who, in the judgment of the district, may profit
25 by such work.

26 B. Secondary school. Admission as regular pupils to any
27 specified year of a three- or four-year secondary school shall
28 be these based upon the following conditions: pupils, from
29 public or nonpublic schools or schools with equivalent standards
30 in this state or any other state, who shall submit admission
31 records showing successful completion of the preceding years'
32 work. ~~if the records can not be submitted, admission shall be~~
33 ~~determined by an examination or other method approved by the~~
34 district Other pupils shall furnish evidence of educational
35 attainment satisfactory to the administrator. If such evidence
36 cannot be shown, examinations approved by school authorities

1 shall be administered to the pupil by the administrator.

2 b. [See repealer.]

3 EDU 46 Secondary school staff.

4 A. Licensed principal. Every secondary school shall be
5 under the direction of a licensed principal.

6 B. Licensed teacher. A secondary school teacher shall be
7 assigned to teach subjects and perform services only in areas in
8 which the teacher is properly licensed.

9 C. Teaching assignment. The maximum assignment of subjects
10 for any secondary school teacher shall be five periods in a
11 six-period day or six periods in a seven- or eight-period day.
12 Each teacher shall have one period during the school day for
13 preparation and conferences.

14 D. Maximum number of pupils. The maximum number of pupils
15 per day for a secondary school teacher is 160 except for
16 teachers of performing music groups and physical education
17 classes. ~~The maximum number of pupils for each teacher in a~~
18 ~~physical education class is 40~~ An acceptable class size for
19 instruction in physical education shall not exceed 40 pupils.

20 D. [See repealer.]

21 5 MCAR S 1.0760 Coverage.

22 A. Applicability. 5 MCAR SS 1.0760-1.07642 apply to all
23 school districts; educational cooperative service units; area
24 vocational-technical institutes; elementary, secondary and
25 vocational regional computer centers; cooperative centers for
26 special education; cooperative centers for vocational education;
27 and governmental units formed by joint powers agreements entered
28 into by school districts. For purposes of 5 MCAR SS
29 1.0760-1.07642, all entities are referred to as "districts."

30 B.-C. [Unchanged.]

31 D. Recommendations for reporting methods. Where methods for
32 reporting to the department are specified, such methods shall be
33 prescribed by the commissioner after recommendations have been
34 made by the advisory council on uniform financial accounting and
35 reporting standards.

1 E. Requirements named. The requirements adopted in 5 MCAR
2 SS 1.0760-1.07642 shall be known as the uniform financial
3 accounting and reporting standards for school districts.

4 F.-G. [Unchanged.]

5 5 MCAR S 1.0761 Modified accrual accounting and other accounting
6 requirements.

7 A. Recognition principles. Revenues and expenditures shall
8 be recorded and recognized in accordance with generally accepted
9 accounting principles. Generally accepted accounting principles
10 provide for the accrual basis of accounting and the modified
11 accrual basis of accounting as appropriate for the particular
12 fund. The cash basis of accounting is not acceptable for
13 district budgeting, accounting, and reporting. Specific
14 standards for revenue recognition are contained in Minnesota
15 Statutes, section 121.904. Specific standards for expenditure
16 recognition are contained in Minnesota Statutes, section ~~121.905~~
17 121.906.

18 B. Reporting categories. Budgeting, accounting, and
19 reporting systems shall be designed to provide financial data,
20 where applicable, according to the terms and categories used in
21 Minnesota Statutes with particular attention to categorical
22 programs funded by the state.

23 C. Accounting structure. Development of programmatic data
24 for district internal reporting and management purposes, and for
25 reporting to the public and the department, requires the use of
26 multidimensional systems of classification of transactions.

27 D. School district accounting principles. The "Manual for
28 the Uniform Financial Accounting and Reporting System for
29 Minnesota Schools," issued by the state of Minnesota, Department
30 of Education, shall contain the standards for budgeting,
31 accounting, and reporting. Amendments to the principles
32 contained in this manual shall be approved by the State Board of
33 Education.

34 E. Student activities accounting principles. The "Manual of
35 Instructions for Uniform Student Activities Accounting for
36 Minnesota School Districts," issued by the state of Minnesota,

1 Department of Education, shall contain the accounting and
2 reporting standards for extracurricular student activities.
3 Amendments to the generally accepted accounting principles
4 contained in this manual shall be approved by the State Board of
5 Education.

6 5 MCAR S 1.0762 Fund accounting.

7 A. Definition. [Unchanged.]

8 B. Funds maintained. The following funds shall be
9 maintained:

- 10 General fund;
- 11 Food service fund;
- 12 Pupil transportation fund;
- 13 Community services fund;
- 14 Capital expenditures fund;
- 15 Building construction fund;
- 16 Debt redemption fund;
- 17 Trust and agency fund;
- 18 Enterprise fund.

19 C. Operating and nonoperating funds. The general fund, food
20 service fund, pupil transportation fund, community services
21 fund, and enterprise fund shall collectively be known as the
22 operating funds. The other funds collectively shall be known as
23 the nonoperating funds.

24 D. Enterprise fund requirement. The enterprise fund shall
25 be maintained by elementary, secondary, and vocational regional
26 computer centers.

27 D. [See relettering.]

28 F. Fund accounting. Revenues and expenditures shall be
29 recorded in the appropriate funds.

30 G. Fund transfers. General fund assets may be used for any
31 general or special operating purpose of a district and may be
32 transferred permanently by school board action to any other
33 operating fund where the resources of that other fund are not
34 adequate to finance approved expenditures from such fund or to
35 eliminate a negative unappropriated fund balance in a building
36 construction fund being discontinued.

1 The portion of the general fund unappropriated fund balance
2 permanently transferred to eliminate a negative building
3 construction fund unappropriated fund balance must be reduced by
4 the capital expenditure fund year-end unappropriated fund
5 balance.

6 H. Special fund uses and transfer limitations. All funds
7 other than the general fund are special purpose funds in which
8 expenditures may only be made for the special purposes of the
9 fund. Transfers of moneys from special purpose funds to other
10 funds are not permitted unless authorized by law. Transfers may
11 be made from any fund to another fund to pay for expenditures
12 legitimately chargeable to one fund but expended from another.
13 Such items are most appropriately accounted for on a current
14 basis, as interfund transactions, increasing the expenditures of
15 one fund and reducing those of another. Transfers may be made
16 from the capital expenditure fund to pay for expenditures from
17 other funds for capital expenditure purposes.

18 3.-4. [See repealer.]

19 5 MCAR S 1.07631 Revenue and expenditure classification
20 principles.

21 A. Definition of system. Revenue and expenditure budgeting,
22 accounting, and reporting is based on individual accounts. An
23 account, in the multidimensional system, requires the use of six
24 dimensions each of which has a distinct meaning. The revenue
25 dimensions are fund, organization, program, finance, source, and
26 course. The expenditure dimensions are fund, organization,
27 program, finance, object, and course. The mutually exclusive
28 dimensions and account components are defined in the "Manual for
29 the Uniform Financial Accounting and Reporting System for
30 Minnesota Schools," issued by the state of Minnesota, Department
31 of Education on July 1, 1981. All revenue and expenditure
32 accounts shall specify classification detail to permit grouping
33 in the respective revenue and expenditure categories and to
34 permit required state and federal reporting.

35 B. Netting principles. Netting revenues and expenditures is
36 not permissible except as allowed under generally accepted

1 accounting principles.

2 C. Account distribution. District accounting practice must
3 include requirements for appropriate expenditure account
4 distribution, according to generally accepted accounting
5 principles.

6 D. Account structure for indirect costs. Appropriate
7 account codes shall be used to identify indirect cost factors,
8 as required for federal programs.

9 E. Capital expenditures classification. Maintenance and
10 capital improvements expenditures shall be distinguished, in
11 accordance with generally accepted accounting principles.
12 Capital expenditures are those which extend the life of an
13 asset, increase its value, or change its use or character.

14 F. Supply classification. Supplies and equipment shall be
15 distinguished in accordance with generally accepted accounting
16 principles and item definitions. Supplies are those items which
17 have a nominal value and are expendable or are consumed in use.
18 Equipment items are tangible units of nonexpendable character,
19 are not consumed in use, have an extended useful life, and are
20 of material value.

21 5 MCAR S 1.07641 Unaudited and audited financial reports,
22 statements, budgets.

23 A. Unaudited financial reporting. The unaudited financial
24 report is to be submitted to the commissioner by the district
25 through an elementary, secondary, and vocational regional
26 computer center. This report shall contain total fiscal year
27 amounts by fund for assets, liabilities, fund balances,
28 revenues, and expenditures as well as the general fixed asset
29 and general long-term debt groups of accounts. The account
30 structure and account definitions for these accounts are
31 contained in the "Manual for the Uniform Financial Accounting
32 and Reporting System for Minnesota Schools," issued by the state
33 of Minnesota, Department of Education, September, 1977.
34 Material audit adjustments of the unaudited financial reports
35 shall be submitted to the commissioner by the district through
36 an elementary, secondary, and vocational regional computer

1 center.

2 B. Audited financial statements. An audit is an examination
3 of the various financial statements of the funds and account
4 groups of a district by the state auditor or an independent
5 certified public accountant. This examination shall be
6 performed in accordance with generally accepted auditing
7 standards as set forth in "AICPA Professional Standards," issued
8 by the American Institute of Certified Public Accountants. (New
9 York, New York, 1974). It shall also meet the audit
10 requirements contained in the Office of Management and Budget
11 Circular A-102 Revised and published in the Federal Register,
12 volume 42, pages 45828 to 45891 (1977).

13 C. Audited financial statement format. Audited financial
14 statements are those financial statements which have been
15 examined pursuant to an audit. The format of these statements
16 shall comply with the standards in "Governmental Accounting,
17 Auditing, and Financial Reporting," issued by the Municipal
18 Finance Officers Association of the United States and Canada
19 (Chicago, Illinois, 1980). If a district levies to retire its
20 statutory operating debt, the district shall footnote its
21 audited financial statement. An historical analysis of the
22 statutory operating debt shall be provided in the audited
23 financial report.

24 D. Budget requirement. By August 15 each year, a revenue
25 and expenditure budget for that fiscal year shall be submitted
26 to the commissioner through an elementary, secondary, and
27 vocational regional computer center. Revenue and expenditure
28 budget amounts are required by fund and in sufficient detail to
29 permit comparison with actual revenue and expenditure amounts
30 reported at the end of the fiscal period. Subsequent revisions
31 to the budget which are of a material amount shall also be
32 submitted to the commissioner through the elementary, secondary,
33 and vocational regional computer center.

34 5 MCAR S 1.07642 Fixed assets. For the fiscal year ending June
35 30, 1984 and each year thereafter, each area
36 vocational-technical institute shall report its fixed assets by

1 item and categories as defined in accordance with the uniform
2 property accounting and reporting standards in 5 MCAR SS
3 1.0760-1.07642 adopted by the State Board of Education. Fixed
4 asset accounting principles and definitions shall be contained
5 in the "Manual for the Uniform Financial Accounting and
6 Reporting System for Minnesota Schools," issued by the state of
7 Minnesota, Department of Education on June 7, 1982.

8 5 MCAR S 1.0800 Grant application and review procedures.

9 A. Who may apply. Regional library systems designated as
10 eligible under provisions of Minnesota Statutes, section 134.34,
11 subdivision 3, may apply for establishment grants as specified
12 in 5 MCAR S 1.0801 and for regional library basic system support
13 grants as specified in 5 MCAR S 1.0802 and for special project
14 grants as specified 5 MCAR S 1.0803. County and city public
15 libraries which are participating in the aforementioned regional
16 library systems may also apply for special project grants as
17 specified in 5 MCAR S 1.0803. The Minnesota Department of
18 Corrections and the Minnesota Department of Welfare may apply
19 for grants for institution library service and for library
20 service for the blind and physically handicapped as specified in
21 5 MCAR S 1.0804. Multicounty multitype library systems
22 designated by the State Board of Education as eligible under
23 provisions of Minnesota Statutes, section 134.351, subdivision 1
24 may apply for development grants as specified in 5 MCAR S 1.0805
25 and for operating grants as specified in 5 MCAR S 1.0806.

26 B. [Unchanged.]

27 C. Application dates. All grant applications shall be filed
28 on or before July 1 to be considered for funding during the
29 succeeding state fiscal year provided that applications for
30 establishment grants shall be filed by regional library systems
31 on or before July 1 or on or before January 1, to be considered
32 for funding for the succeeding 12-month period. Applications
33 for special project grants and for multicounty multitype library
34 cooperation development grants shall be filed on a date
35 established by the State Board of Education and published in the
36 newsletter of OPLIC not less than 90 days before such date.

1 D.-H. [Unchanged.]

2 I. Proposed amendments. If after a project or program has
3 been funded, the grant recipient determines that modifications
4 are necessary, the grant recipient shall file an amendment to
5 the grant application. Budget modifications resulting in
6 transfer from one budget category to one or more other budget
7 categories of less than 20 percent of the budget need not be
8 filed as amendments. The grant amendment shall not change the
9 purpose for which the grant was awarded. It shall, however,
10 address at least one of the following:

11 1.-2. [Unchanged.]

12 3. modification of the budget of the project or program,
13 within limits of the amount of the grant and amounting to more
14 than 20 percent of the budget, judged by the recipient to be
15 necessary to most economically and practically achieve project
16 objectives.

17 All amendments shall be filed in writing with the
18 information the recipient determines is necessary to accurately
19 and completely explain the need for the amendment.

20 J. Approval of amendments. The director of the Office of
21 Public Libraries and Interlibrary Cooperation shall review all
22 amendments and shall use the following standards in determining
23 whether an amendment is approved:

24 1.-4. [Unchanged.]

25 Approval or disapproval of all amendments shall be
26 communicated to a grant recipient within ten working days
27 following OPLIC's receipt of the proposed amendment.

28 5 MCAR S 1.0801 Establishment grants.

29 A. Application. Regional library systems may apply for
30 establishment grants to extend library service to additional
31 counties. Applicants shall submit the following information:

32 1.-3. [Unchanged.]

33 4. a copy of the resolution adopted by the county board
34 of commissioners in which they agree to provide minimum levels
35 of local support;

36 5.-6. [Unchanged.]

1 B.-C. [Unchanged.]

2 5 MCAR S 1.0802 Regional library basic system support grants.

3 A. Application. Regional library systems may apply for
4 regional library basic system support grants. Applicants shall
5 submit the following information:

6 1.-5. [Unchanged.]

7 6. provision for each participating governmental unit of
8 the following financial information:

9 a. the amount provided by the governmental unit for
10 operating purposes of public library service during the
11 preceding fiscal year;

12 b. the amount provided by the governmental unit for
13 operating purposes of public library service during the current
14 fiscal year.

15 7. [Unchanged.]

16 B. Criteria for eligibility. Regional library systems shall
17 be designated as eligible by the State Board of Education
18 provided they meet the criteria in Minnesota Statutes, section
19 134.34, and the following:

20 1.-2. [Unchanged.]

21 C. Calculation of grant amounts. Regional library basic
22 system support grants shall be calculated as specified in
23 Minnesota Statutes, section 134.35. The most recent United
24 States census shall be used in calculation of all per capita and
25 land area amounts, reduced by the population and land area of
26 any nonparticipating governmental units.

27 D. Audit. Regional library systems which receive regional
28 library basic system support grants shall annually submit to
29 OPLIC an audit of receipts and disbursements within 180 days
30 after the end of the regional library system's fiscal year. The
31 audit shall be performed by the staff of the State Auditor's
32 Office, by a certified public accountant or by a public
33 accountant as defined in and in accordance with Minnesota
34 Statutes, sections 6.64 to 6.71.

35 5 MCAR S 1.0803 Special project grants.

1 A. Application. Regional library systems and county and
 2 city public libraries which are participating in regional
 3 library systems may apply for special project grants as
 4 authorized by Minnesota Statutes, section 134.32, subdivision 4.

5 B.-F. [Unchanged.]

6 5 MCAR S 1.0804 Grants for institution library service and for
 7 library service for the blind and physically handicapped.

8 A. Application. The Minnesota Department of Corrections and
 9 the Minnesota Department of Welfare may apply annually for
 10 grants to improve library services for institutionalized persons
 11 and for the blind and physically handicapped as authorized by
 12 Minnesota Statutes, section 134.32, subdivision 6, and by the
 13 Library Services and Construction Act, 20 USC 351 et seq.
 14 (1970). Applicants shall submit the following information:

15 1.-7. [Unchanged.]

16 B.-D. [Unchanged.]

17 5 MCAR S 1.0805 Multicounty multitype library cooperation
 18 development grants.

19 A.-E. [Unchanged.]

20 F. Audit. Multicounty multitype library systems which
 21 receive grants shall annually submit to (OPLIC) an audit of
 22 receipts and disbursements within 180 days after the end of the
 23 multicounty multitype library system's fiscal year. The audit
 24 shall be performed by the staff of the State Auditor's Office,
 25 by a certified public accountant or by a public accountant as
 26 defined in and in accordance with Minnesota Statutes, sections
 27 6.64 to 6.71.

28

29 Relettering and renumbering. Reletter 5 MCAR S 1.0762 D. as E.
 30 Renumber EDU 420-425 as 5 MCAR SS 1.00051-1.00056.

31

32 Repealer. Rules EDU 1, 2, 3, 4 E., 4 F., 5 D., 6 A.1., 9, 20,
 33 21 B., 22, 23 A.4., 23 A.5., 23 B.1., 23 B.2., 30, 32 A., 32 B.,
 34 32 C., 32 D.1., 40 A.1., 40 A.2., 40 A.3.b., 40 A.4., 40 A.4.a.,
 35 40 A.4.b., 40 A.4.c., 40 A.4.c.(1), 40 A.4.c.(2), 40 A.4.c.(3),

1 40 A.5., 40 B., 40 C., 40 D., 40 E., 40 F., 40 G., 41, 42 B.1.,
2 42 B.2., 42 B.3., 42 D.3., 42 D.3.a., 42 D.3.b.(1), 42
3 D.3.b.(2), 42 D.3.c., 42 D.3.d., 42 D.3.d.(1), 43 A.2., 43
4 A.2.a., 43 A.2.b., 43 A.2.c., 43 A.2.d., 43 A.3., 43 B.1.a., 43
5 B.1.b., 43 B.1.c., 43 B.1.d., 43 B.2., 43 C., 43 C.1., 43 C.2.,
6 43 C.2.a., 43 C.2.b., 43 C.2.c., 45 A.2.b., 46 D., 140 A., 140
7 B., 141, 142, 160, 161, 162, 327, 561, 700, 702, 703, 704, 705,
8 706, 5 MCAR SS 1.0761 D., 1.0762 G.3. and G.4., 1.0763, 1.0764,
9 1.0766, 1.0767, 1.0768, and 1.0769 of the State Board of
10 Education are repealed.