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**Rules of**  
**Department of Elementary**  
**and Secondary Education**  
**Division 30–Division of School Services**  
**Chapter 4–General Administration**

<b>Title</b>		<b>Page</b>
<b>5 CSR 30-4.010</b>	General Provisions for Federal Programs .....	3
<b>5 CSR 30-4.020</b>	Standards for the Approval of Courses and Administration of Reimbursement for the Education of Persons Under Veterans’ Education, Vocational Rehabilitation, Job Training Partnership Act, P.L. 97-300 and Other Employment Training Funding Sources Contracting With the State Board of Education (Rescinded February 28, 2001) .....	3
<b>5 CSR 30-4.030</b>	Audit Policy and Requirements.....	3
<b>5 CSR 30-4.040</b>	Annual Public Reporting of Information by School Districts .....	5
<b>5 CSR 30-4.045</b>	Collection of School District Reports .....	8

**Title 5—DEPARTMENT OF  
ELEMENTARY AND SECONDARY  
EDUCATION**

**Division 30—Division of School Services  
Chapter 4—General Administration**

**5 CSR 30-4.010 General Provisions for  
Federal Programs**

*PURPOSE: This rule incorporates by reference the general administrative and fiscal requirements for federal programs administered by the United States Department of Education.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the rule has been filed with the secretary of state and is summarized here by the agency adopting it. The entire text of the rule may be found at the headquarters of the agency and is available to any interested person at a cost established by state law.*

(1) This rule incorporates by reference administrative and fiscal requirements contained in 34 CFR Parts 74–78, which was formerly codified as 45 CFR Parts 100A–100D. Together these rules are referred to as “EDGAR” for “Education Division General Administrative Regulations.”

(2) 34 CFR Part 75 of the federal regulation concerns direct project grants and contract programs between the Department of Education (ED) and state and local education agencies. Subdivisions of the section detail requirements for applications, federal financial participation, grant payment requirements, cash depositories, cost principles, matching and cost sharing, procurement standards, bonding and insurance, construction requirements, property management requirements, program income, financial management and reporting requirements, reporting of program performance, accountability for federal funds and miscellaneous requirements.

(3) 34 CFR Part 76 of the federal regulation concerns federal programs which are administered by the state and have common requirements for state plan development, submission and administration. Different parts of this section detail general requirements for state plans, federal financial participation, grant payments, cash depositories, cost principles, matching and cost sharing, procurement, bonding and insurance, construction, property management, program income, financial

management and reporting, program monitoring and reporting and accountability for federal funds.

(4) 34 CFR Part 77 of the federal regulation deals with definitions and the Freedom of Information Act.

(5) 34 CFR Part 78 describes the process under which the Federal Education Appeals Board resolves audit findings and other compliance issues.

*AUTHORITY: section 178.430, RSMo 1986.\* Original rule filed Dec. 24, 1975, effective Jan. 3, 1976. Amended: Filed May 13, 1976, effective Sept. 1, 1976. Amended: Filed May 12, 1978, effective Aug. 14, 1978. Amended: Filed Aug. 13, 1980, effective Nov. 14, 1980. Amended: Filed July 23, 1982, effective Nov. 15, 1982.*

*\*Original authority 1963.*

**5 CSR 30-4.020 Standards for the Approval of Courses and Administration of Reimbursement for the Education of Persons Under Veterans' Education, Vocational Rehabilitation, Job Training Partnership Act, P.L. 97-300 and Other Employment Training Funding Sources Contracting With the State Board of Education**  
(Rescinded February 28, 2001)

*AUTHORITY: sections 161.172, 178.430, 178.590 and 178.610, RSMo 1986 and 178.530, RSMo Supp. 1991.\* Original rule filed May 20, 1981, effective Nov. 16, 1981. Amended: Filed Aug. 13, 1982, effective Nov. 15, 1982. Amended: Filed Nov. 1, 1983, effective March 15, 1984. Amended: Filed July 17, 1990, effective Dec. 31, 1990. Amended: Filed June 1, 1992, effective Feb. 26, 1993. Rescinded: Filed July 7, 2000, effective Feb. 28, 2001.*

**5 CSR 30-4.030 Audit Policy and Requirements**

*PURPOSE: This rule establishes a comprehensive policy for school audits. New federal audit requirements have prompted a review of audit requirements and audit review procedures. This policy outlines the purposes of audits, the responsibilities various parties have in the audit and the audit review process, relationships in this process, minimum audit requirements and procedures the Department of Elementary and Secondary Education will follow in resolving any ques-*

*tion or problem which may be disclosed by the audit.*

*Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the rule has been filed with the secretary of state and is summarized here by the agency adopting it. The entire text of the rule may be found at the headquarters of the agency and is available to any interested person at a cost established by state law.*

(1) Audits of school districts are primarily intended to express an auditor's opinion on the fairness of presentation of the financial statements. Audits also provide an independent review of financial operations for local boards, verify selected data used to apportion state funds, review systems of internal control made as a part of the financial audit, make recommendations for improvements and determine compliance with relevant state and federal laws and regulations.

(2) Responsibilities in the audit process are shared by the local board of education, the independent auditor contracted by the board, and the Department of Elementary and Secondary Education (DESE).

(A) Each local board of education is responsible for defining an appropriate scope of audit, which as a minimum, must meet the requirements of this rule. Each local board also is responsible for selecting an independent auditor who is licensed according to state law and meets the qualifications regarding continuing professional education, peer review, and independence in accordance with government auditing standards. Upon receipt and review of the audit report, the local board is responsible for transmitting one (1) copy of the report; the related management letter, if provided by the independent auditor; and a copy of the board minutes or a board resolution, indicating approval of the audit report to the DESE and other copies of the audit report as required by federal laws and regulations to the appropriate agency(ies). Each local board is also responsible for ensuring implementation of audit recommendations as appropriate and resolving any questions or discrepancies disclosed by the audit or noted by the DESE.

(B) The independent auditor is responsible for conducting the audit in accordance with generally accepted auditing standards, government auditing standards, federal audit requirements, and DESE audit guidelines as contained or referenced in this rule; submitting the audit report to the client board of

education; and may be requested to assist in resolving any questions or problems which may be disclosed by the audit. Depending on the contract or agreement the district has with their independent auditor, this assistance may require additional compensation paid to the auditor.

(C) The DESE has the general responsibility to receive and review audits; to verify that minimum audit requirements have been met; and with the district and/or the district's independent auditor, to resolve any questions or discrepancies. Specific responsibilities within the department are assigned as follows:

1. The School Finance Section, within the Division of School Services, is the primary point of contact with school districts and their independent auditors regarding audit requirements and audit reports. The School Finance Section will also be responsible for reviewing the audit reports for general acceptability in accordance with state and federal guidelines; and

2. The program sections, both federal and state, are responsible for addressing relevant portions of the audit including follow-up with school officials and their independent auditors to resolve any questions, discrepancies or audit findings.

(3) The DESE has an advisory and supervisory relationship with the local board of education through its administrative staff. Questions regarding audit reports and any audit problems, discrepancies or findings will generally be resolved by the department directly with administrative staff at the district. However, in some cases, due to their nature of the item, department staff may communicate directly with the district's auditor. Department staff will communicate with the federal cognizant agency (usually, the U.S. Department of Education) regarding compliance with various federal requirements. The cognizant agency has the authority to make periodic contacts with school district officials and their auditors regarding specific questions, audit deficiencies or review of the audit process.

(4) State requirements for school district audits are contained in section 165.121, RSMo. In addition to these requirements, the schedule of selected statistics as specified annually by the DESE must be included in the audit report submitted to the DESE by the school districts. The auditor must express an opinion regarding the district's conformance to the budgetary and disbursement requirements of Chapter 67, RSMo, and the auditor must express an opinion as to whether atten-

dance and transportation records are so maintained by the district as to disclose accurately average daily attendance and average daily transportation of pupils during the period of the audit.

(5) State law provides for the acceptance of federal acts and funds and for their necessary administration and supervision. Audit requirements are a part of federal acts and the implementing regulations adopted by the administering federal agencies. The requirements of the Single Audit Act, as amended by *The Single Audit Act Amendments of 1996*, Office of Management and Budget (OMB) Circular A-133 (OMB Circular A-128 has been rescinded) and *Government Auditing Standards*, issued by the Comptroller General of the United States, are included in this audit policy and requirement, by reference. Specific application of these requirements shall be as follows:

(A) All school districts that expend a total amount of federal awards equal to or in excess of three hundred thousand dollars (\$300,000) (from all sources) or such other amount specified by the federal director of the Office of Management and Budget (Director-OMB) (see (5)(E) below) in any fiscal year shall have either a single audit or a program-specific audit made for such fiscal year in accordance with the requirements of *The Single Audit Act Amendments of 1996*

(B) All school districts that expend a total amount of federal awards of less than three hundred thousand dollars (\$300,000) or such other amount specified by the director-OMB in any fiscal year shall be exempt for such fiscal year from compliance with *The Single Audit Act Amendments of 1996*. However, these school districts shall be required to have an audit performed in accordance with *Government Auditing Standards* (a "Yellow Book" Audit).

(C) Audits conducted biennially shall cover both years within the biennial period and may be reported in the aggregate. However, the schedule of selected statistics must clearly depict the information by the appropriate school year.

(D) The audit, regardless if Single Audit or "Yellow Book" Audit, shall be conducted by an independent auditor in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing standards (GAS).

(E) Every two (2) years, the director-OMB shall review the amount for requiring audits and may adjust such dollar amount, provided the director-OMB does not make such adjustment below three hundred thousand dollars (\$300,000).

(6) The audit report, accompanying management letter (if provided), and a copy of the board minutes or a board resolution indicating approval of the audit report must be submitted to the DESE by school officials not later than October 31 of each odd numbered year unless an extension is requested and authorized by the DESE prior to that date. Extensions shall be requested in accordance with section 165.121.4, RSMo. The audit will be stamped with the "received date" by the School Finance Section. If audits are not received, all aid may be withheld until the audit is received. The School Finance Section will make a preliminary review to determine if the audit generally conforms to state and federal requirements referenced in this rule.

(7) School districts which receive an audit in accordance with subsection (5)(A) above and who have federal findings and questioned costs shall submit the school district's *Corrective Action Plan* prepared in accordance with OMB Circular A-133 with their audit reports and management letter in accordance with section (6) above.

(8) School districts which receive an audit with an adverse opinion or disclaimer of opinion shall institute corrective measures to ensure that the subsequent audit does not contain either an adverse opinion or disclaimer of opinion. If such an opinion is rendered on the subsequent audit, the audit shall be deemed unacceptable and all aid may be withheld until such time as the district demonstrates to the DESE that the problems surrounding the adverse opinion or disclaimer of opinion or disclaimer of opinion have been corrected by the district.

(9) Audits will be reviewed by the School Finance Section via a formal desk review for adherence to the appropriate audit requirements (*The Single Audit Act Amendments of 1996*; OMB Circular A-133; *Government Auditing Standards*, as well as the state requirements) included or referenced in this rule.

(A) Any deficiencies with the audit, during this phase, will be communicated to school district officials and/or the independent auditor depending on the severity and type of deficiency noted. Resolutions of desk review items will be expected within thirty (30) days of communication with the school district or the independent auditor. Failure to resolve these deficiencies may result in the withholding of funds distributed by the DESE to that school district. Severe deficiencies and/or inaction by the district's independent auditor may result in the reporting of the independent

auditor to the Missouri State Board of Accountancy.

(10) For audits conducted in accordance with OMB Circular A-133, federal findings and questioned costs and the related *Corrective Action Plan* (see section (7) above) will be circulated to the appropriate program sections for follow-up with the school districts.

(A) The appropriate program section shall issue a written management decision to the district indicating approval/disapproval of the *Corrective Action Plan* of the district. This must take place within six (6) months from the receipt of the audit.

(11) When the program section reviews suggest questions or disclose discrepancies, the individual program sections will correspond directly with the school district. This correspondence initiates a procedure for resolving program audit questions and discrepancies which is outlined below—

(A) Personnel of the various program sections will advise the school district officials of the findings and the nature of any discrepancy found in the audit report:

(B) Within thirty (30) days, school district officials will be expected to respond with clarifying information and, as appropriate, correct data or a corrected pay of the audit report issued by the independent auditor who conducted the original audit. DESE staff will assist in every reasonable way to help a school district and/or its independent auditor find a solution to audit problems; and

(C) If a discrepancy cannot be resolved, the DESE may recover or withhold state funds from the affected program.

(12) Review of the independent auditor's working papers may be conducted by the DESE as deemed appropriate to ensure appropriate work has been performed to support statements, opinions, findings, etc. of the independent auditor.

*AUTHORITY: sections 165.121, 167.201 and 178.430, RSMo 1994.\* Original rule filed April 28, 1982, effective Sept. 12, 1982. Amended: Filed Oct. 12, 1982, effective Jan. 14, 1983. Amended: Filed March 7, 1985, effective Sept. 3, 1985. Amended: Filed Jan. 30, 1989, effective May 25, 1989. Emergency amendment filed June 21, 1995, effective July 1, 1995, expired Oct. 28, 1995. Amended: Filed May 11, 1995, effective Dec. 30, 1995. Emergency amendment filed May 1, 1997, effective May 11, 1997, expired Nov. 8, 1997. Amended: Filed April 29, 1997, effective Nov. 30, 1997.*

\*Original authority 1963.

#### 5 CSR 30-4.040 Annual Public Reporting of Information by School Districts

*PURPOSE: This rule establishes the guidelines for public reporting of information by school districts on an annual basis.*

(1) Beginning with Fiscal Year 1996 school districts will collect and record data and code financial information to provide information needed in reporting to the public. The first reporting will be in Fiscal Year 1996-97 using FY 96 data and continue annually thereafter, using prior fiscal year data. The reports shall be distributed in accordance with section 160.522, RSMo. Comparisons of district data to state data should be provided by the district by October 1, 1996, with the exception of subsection (2)(L), which must be reported by October 1, 1997.

(2) Data to be reported as specified in section 160.522, RSMo, shall include the following:

(A) Enrollment—number of resident and nonresident students enrolled the last Wednesday of September;

(B) Rates of pupil attendance—average daily attendance of the regular school term divided by the average of the September and January membership with the result expressed as a percent;

(C) High school dropout rate—number of dropouts divided by (September enrollment plus transfers in minus transfers out minus dropouts added to total September enrollment then divided by two (2)). Dropout rate shall be reported for any racial/ethnicity group with more than thirty (30) students and which exceeds five percent (5%) of building enrollment;

(D) Staffing ratios—the student number is the September enrollment. The teachers and administrators are determined based on the Core Data position codes, as follows:

1. Students to all teachers—position Code 60;

2. Students to administrators—position Codes 10 and 20; and

3. Students to classroom teachers—position Code 60, excluding special education, remedial readings, Chapter 1, and vocational teachers;

(E) Average years of experience of professional staff—based on the total years of public school experience;

(F) Advanced degrees earned—headcount of number of staff whose highest degree is above a bachelor's degree;

(G) Student achievement as determined through the currently used state assessment system;

(H) Average teacher's salary—total regular term salary plus minimum salary supplement paid as reported on Core Data for Position Code 60;

(I) Average administrator's salary—total regular term salary reported on Core Data for Position Codes 10 and 20;

(J) Average salaries of noncertificated personnel compared to state averages—total noncertificated salaries from Annual Secretary of the Board Report, Part III-B, Object 6150, divided by FTE of support staff as reported on Screen 2 of Core Data including school bus drivers, office staff, custodial staff, food service staff, and any other noncertificated district support staff. This item will be reported after the Department of Elementary and Secondary Education integrates this method in to the established reporting system;

(K) Average per pupil expenditures for the district as a whole—current expenditure per average daily attendance (ADA);

(L) Average per pupil expenditures for each building in the district—see Appendix A for calculation model;

(M) Voted tax rates—tax rate ceiling for operations and tax rate ceiling for debt service;

(N) Adjusted tax rates—actual tax rates levied by fund (after voluntary and Proposition C rollbacks) as filed by September 1 with the county clerk;

(O) Assessed valuation—December 31 of previous calendar year assessed valuation minus tax increment financed assessed valuation;

(P) Percent of the district's operating budget received from—

1. State—all state revenues received in the General, Special Revenue, and Capital Projects Funds divided by total revenues received in the General, Special Revenue, and Capital Projects Funds;

2. Federal—all federal revenues received in the General, Special Revenue, and Capital Projects Funds divided by total revenues received in the General, Special Revenue, and Capital Projects Funds; and

3. Local—all local and county revenues received in the General, Special Revenue, and Capital Projects Funds divided by total revenues received in the General, Special Revenue, and Capital Projects Funds;

(Q) Extracurricular activities offered—all activities not for credit offered by the district for which the financial accounting is the responsibility of the district;

(R) Costs associated with each extracurricular activity—by activity list costs of expenditures for Object Codes 6100–6400, excluding capital outlay;



(S) Number of students eligible for free and reduced lunch—number of full-time equivalency count of resident pupils enrolled in grades K—12 on the last Wednesday of January and in attendance one (1) of the ten (10) preceding school days for which their eligibility for free or reduced lunch is documented;

(T) School calendar information—

1. Number of days and hours for student attendance;

2. Number of days and hours for parent-teacher conferences; and

3. Number of days and hours for staff development or inservice training for certificated staff;

(U) Data on course offerings—list of courses offered with units of credit identified;

(V) Rates of participation (may include duplicated count) in—

1. Parent-teacher conferences—number of students enrolled with one (1) or more of their parents or guardians attending a conference divided by the number of students enrolled the last Wednesday of September;

2. Special education programs—number of students served in special education programs divided by the number of students enrolled in the district the last Wednesday of September;

3. Early childhood special education programs—number of students enrolled in the programs;

4. Parents as teachers programs—number of families served;

5. Vocational education programs—number of students enrolled in vocational education programs divided by the number of students enrolled in the district the last Wednesday of September;

6. Gifted or enrichment programs—number of students enrolled in gifted or enrichment programs divided by the number of students in the district the last Wednesday of September;

7. Advanced placement programs—number of students enrolled in advanced placement programs divided by the number of students enrolled in the district the last Wednesday of September. Advanced placement programs require the courses to be college level courses regardless of whether college credit is earned; and

8. College admissions testing—number of high school graduates taking the American College Test (ACT) or Scholastic Aptitude Test (SAT) divided by the number of high school graduates.

(W) Number of students continuing education in post-secondary programs—previous year's graduates who are attending a two (2)-

or four (4)-year college as reported on Screen 8 of Core Data;

(X) Information about job placement for students who complete the district's vocational education programs; and

(Y) The district's most recent accreditation—Missouri School Improvement Program accreditation rating and measures for school improvement identified in the school improvement plan.

(3) Achievement data including ACT and SAT data will be reported in a way that is meaningful and relevant to the local school district using—

(A) At least one (1) comparison of district average with state average or district average with districts having a similar characteristic or characteristics using the same variables for three (3) consecutive years; and /or

(B) No less than a three (3)-year history of district scores. The district achievement history becomes the comparison variable.

(4) Reporting shall permit disclosure of data on a school-by-school basis and shall not be personally identifiable by any student or employee. Disaggregated achievements data shall be reported for any racial/ethnicity group with more than thirty (30) students and which exceeds five percent (5%) of building enrollment.

*AUTHORITY: section 160.522, RSMo 1994. \* Original rule filed March 21, 1995, effective Oct. 30, 1995.*

*\*Original authority 1993.*





MODEL (EXAMPLE)  
CURRENT EXPENDITURE PER ADA PER BUILDING

Under the provisions of Section 160.522, RSMo, passed in the Outstanding Schools Act of 1993 (SB 380), a district has the responsibility of reporting the current expenditure per pupil per building beginning July 1, 1996. The following calculation model will enable the district to provide the financial information needed in reporting to the public per average daily attendance (ADA). If a district currently records support costs on a per building basis, those figures would be used in lieu of the per average daily attendance calculation. A district may modify this model calculation if it enables the district to achieve more accurate calculation of per building expenditures.

**Part I - Current Instructional Expenditure Per ADA Per Building**

From data used to complete the Annual Secretary of the Board Report, the district's data will break out the following function/program code expenditures by the Core Data building code in order to determine the "current instructional expenditure" per ADA per building.

A. Building Code _____			
1000-998	Total Instruction	Expend Object Codes 6100-6400	\$ _____.
2110	Attendance	Expend Object Codes 6100-6400	\$ _____.
2120	Guidance	Expend Object Codes 6100-6400	\$ _____.
2130-90	Health, Psych, Speech/Audio	Expend Object Codes 6100-6400	\$ _____.
2220-90	Media Services	Expend Object Codes 6100-6400	\$ _____.
TOTAL Current Instructional Expenditures for Building _____			
(Expenditure Object Codes 6100-6400)			TOTAL \$ _____.
B. Minus Revenue 5170, Student Activities - General & Special			
Revenue Funds Total Only			Minus \$ _____.
C. Net Total Current Instructional Expenditures for Building _____ NTOT \$ _____.			
D. Total Resident and Non-Resident ADA for Building _____			
E. Current Instructional Expenditure per ADA for Building _____			
(Part I-C divided by Part I-D)			\$ _____.

**Part II - Current Support Expenditure Per ADA**

From data summarized at the close of a fiscal year in the Annual Secretary of the Board Report, the district will determine the "current support expenditure" per ADA.

A. 2000-998 Total Support Services				Expend Object Codes 6100-6400	\$ _____.
Minus					
2110	Attendance	Expend Object Codes 6100-6400	\$ _____.		
2120	Guidance	Expend Object Codes 6100-6400	\$ _____.		
2130-90	Health, Psych, Speech/Audio	Expend Object Codes 6100-6400	\$ _____.		
2220-90	Media Services	Expend Object Codes 6100-6400	\$ _____.		
SUB TOTAL Current Support Expenditures					
(Expenditure Object Codes 6100-6400)					SUB TOTAL \$ _____.
B. Minus					
Revenue 5150-64	Food Service Program	General Fund only	\$ _____.		
Revenue 5165	Food Serv Non-Program	General Fund only	\$ _____.		
Revenue 5333	Food Service - State	General Fund only	\$ _____.		
Revenue 5445-49	Food Serv - Federal	General Fund only	\$ _____.		
Revenue 5480	USDA Summer Food	General Fund only	\$ _____.		
C. Net Total Current Support Expenditures					NET TOTAL \$ _____.
D. Total Resident and Non-Resident ADA for District _____					
E. Current Support Expenditure per ADA					
(Part II-C divided by Part II-D)					\$ _____.

**Part III - Current Expenditure Per ADA Per Building**

I-E. Current Instructional Expenditure per ADA for Building _____		(Part I-C divided by Part I-D)	\$ _____.
II-E. Current Support Expenditure per ADA		(Part II-C divided by Part II-D)	Plus \$ _____.
TOTAL CURRENT EXPENDITURE PER ADA PER BUILDING _____			
(Part I-E plus Part II-E)			\$ _____.



**5 CSR 30-4.045 Collection of School District Reports**

*PURPOSE: This rule establishes the method by which the Department of Elementary and Secondary Education will access information reported annually by local school districts.*

School districts may place local reports required under section 160.522, RSMo on the World Wide Web (WWW). Districts shall submit their homepage address to the director of core data. Any district that does not place their report on the WWW shall submit their report to the Department of Elementary and Secondary Education through electronic mail or in written form. The first report is due December 1, 1996. Subsequent annual reports will be due each December 1 thereafter.

*AUTHORITY: section 161.092(1) and (4), RSMo 1994.\* Original rule filed Aug. 26, 1996, effective March 30, 1997.*

*\*Original authority 1963, amended 1973.*