

**ARKANSAS DEPARTMENT OF EDUCATION
RULES GOVERNING EDUCATION SERVICE COOPERATIVES May 2018**

1.00 REGULATORY AUTHORITY

1. 1.1 These rules shall be known as the Arkansas Department of Education Rules Governing Education Service Cooperatives.
2. 1.2 The State Board of Education enacted these rules pursuant to its authority as set forth in Ark. Code Ann. §§ 6-11-105, 6-13-1001 et seq., 25-15-201 et seq., and Act 741 of 2017.

21.00 POLICIES, PROCEDURES, EXPENDITURES, REPORTS AND AUDITS

21.1 On or before August 31 of each year, each education service cooperative shall file with the State Board of Education for the state board's approval:

21.1.1 The policies and procedures of the education service cooperative, including without limitation the board of directors' policies and procedures for overseeing the administrative and program expenditures of the education service cooperative;

21.1.2 A record of the education service cooperative's employment policies and practices for the year that includes without limitation:

21.1.2.1 The race and sex of each person the education service cooperative employed or terminated during

the year;

21.1.2.2 The race and sex of every person who sought employment with the education service cooperative

during the year;

21.1.2.3 The name of each person employed by the education service cooperative during the year who

is related by blood or marriage to another employee or board member of the education service cooperative; and

21.1.2.4 A report of its receipts and expenditures made in accordance with uniform accounting procedures

adopted by the Commissioner of Education. 21.1.2.5 The report shall contain without limitation:

21.1.2.5.1 An itemization of administrative and program expenditures; and

21.1.2.5.2 The result of the board of directors' review of the expenditures made under its oversight function.

21.2 The Department of Education may prescribe the forms and procedures for filing the information required by Section 21.01 of these rules.

21.3 Each education service cooperative is subject to an annual audit by the Legislative Joint Auditing Committee.

21.4 In an annual meeting of the board of directors which must convene between May 15 and July 15, each education service cooperative shall report to its constituent school districts on the year's operations.

21.4.1 The report also shall include information on fiscal distress under Ark. Code Ann. § 6-13-1027 and Section 27.00 of these rules.

21.4.2 The education service cooperative shall supplement its report with written reports to each school district and to the department on a school-by-school, service-by-service accounting basis.

21.5 Following the end of each fiscal year, any balances in particular service accounts must be apportioned and returned to the schools involved or credited to their accounts for the following year.

Source: Ark. Code Ann. § 6-13-1020