What is going on with ECAs?

IASBO ECA Conference
November 3, 2017
State Board of Accounts



CONTACT INFORMATION

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GATEWAY ECA RISK REPORT

Who is responsible for completing and submitting the ECA Risk Report?

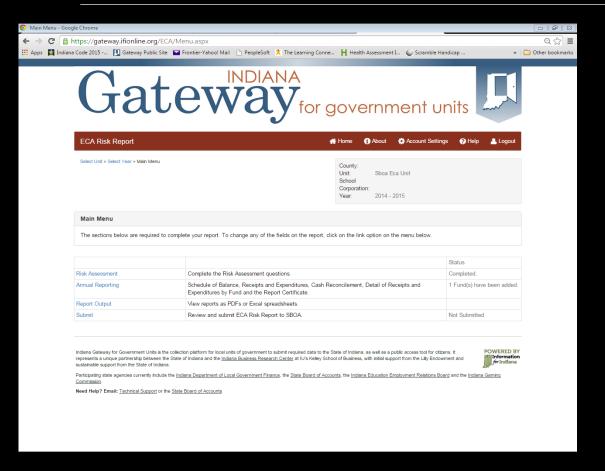
The fiscal officer for the school corporation, usually the school corporation treasurer/controller, is responsible for submitting the ECA Risk Report. This is the same person that is responsible for submitting the Annual Financial Report on Gateway for the school corporation. The fiscal officer can assign edit rights to ECA Treasurers or other users to specific ECAs by completing the ECA Delegation of Authority Form found on our website. Edit rights gives the user access to enter, change and delete data as well as generate the various reports within the ECA Risk Report. However, they will not be able to submit the report. The fiscal officer must submit the report. If changes need to be made after the report is submitted, the fiscal officer must un-submit the report.

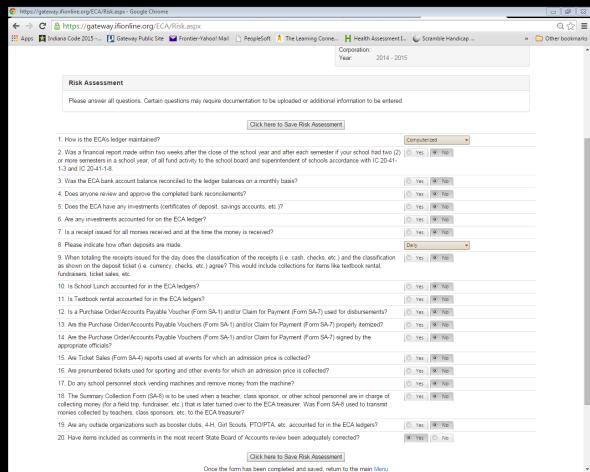
What happens if the ECA Risk Report is not submitted via Gateway?

SBOA will only recognize submission of the ECA Risk Reports through Gateway. SBOA will not accept the report in paper form or in any other format. If it is not submitted through Gateway, as prescribed, the extra-curricular account (ECA) will be considered high risk and the Department of Local Government Finance (DLGF) may not approve the budget of the school corporation in accordance with IC 5-11-1-4.



Risk Report Gateway Application





+ Click here to Add a New Fund								
	NAME OF FUND	BALANCE BEGINNING OF PERIOD	RECEIPTS DURING PERIOD	EXPENDITURES	BALANCE END OF PERIOD			
Edit	3010 Student Activity	\$75,070.51	\$0.00	\$42,884.71	\$32,185.80	Delete		
Edit	3020 Student Trip	\$18,194.86	\$0.00	\$43,652.41	(\$25,457.55)	Delete		
Edit	3030 Book Rental	\$216.31	\$0.00	\$8,449.74	(\$8,233.43)	Delete		
Edit	3031 Lab Fees	\$0.00	\$0.00	\$122.50	(\$122.50)	Delete		
Edit	3032 Technology Fees	\$20.00	\$0.00	\$89.38	(\$69.38)	Delete		
Edit	3033 Consumables	\$0.00	\$0.00	\$11,674.77	(\$11,674.77)	Delete		
Edit	3034 Curricular Materials	\$0.00	\$0.00	\$5,252.75	(\$5,252.75)	Delete		
Edit	3040 Office	\$1,464.68	\$0.00	\$3,407.41	(\$1,942.73)	Delete		
Edit	3050 Library	\$3,662.12	\$0.00	\$11,676.36	(\$8,014.24)	Delete		
Fdit	3080 Investments	\$435.86 \$99,812.21	\$0.00	\$127.61 \$127,843.27	\$308.25 (\$28,031.06)	Nelete		

Click here to Continue to Cash Reconcilement





Cash Reconcilement

Enter the depository balance, the cash on hand, deposits in transit and any reconciling items below. fund information.

Bank Statement Date: 5/31/2017
Depository Balance: \$5,000.00

Cash On Hand (ADD): \$110.00

Deposits In Transit (ADD): \$200.00

Other Reconciling Items (ADD/DEDUCT): \$0.00

Total of Outstanding Check (DEDUCT): \$1,000.00

Balance: \$4,310.00

Save and Calculate Total of Outstanding

Outstanding Checks (optional upload)

	Date	Check Number	Amount	Delete
Edit	12/28/2016	44444	\$400.00	×
Edit	12/10/2016	33333	\$300.00	×
Edit	12/05/2016	22222	\$200.00	×
Edit	12/01/2016	12345	\$100.00	×
			\$1,000.00	





Student Activity (SA) 5 Form

- 4 Part form showing:
 - 1. Schedule of Balances, Receipts, Expenditures.
 - 2. Cash Reconcilement with Outstanding Checks.
 - 3. Detail of Receipts and Expenditures by Fund.
 - 4. Bank account and bond information to be certified by Treasurer and Principal.
- Copies of this form are to be filed with the School Board and the Superintendent.

- IC 20-41-1-3(a)(2) Gateway designed to prevent school from having to report twice
- IC 20-41-1-8(b)





New for 2017

Risk Assessment

The Risk Assessment form can be saved even though it is partially completed. A checkbox will appear at the bottom of the form after all questions have been answered. You will have a submission error if the risk assessment is not completed and the box is not checked.

Cash Reconcilement

An option has been added to upload an Excel spreadsheet of the outstanding check list.



AUDIT POSITIONS

Statute requires the ECA Risk report to be reported from July 1st to June 30th.

 We will not take exception to ECAs entering information from June 1st to May 31st if reports are consistent.

IC 20-41-1-4 an ECA fund should be established for a specific organization, class, or group of students.

- Only used for functions NOT educational in nature.
- Outside organizations should NOT be included in the ECA (staff only vending machines, booster clubs, etc...).

Official Pay for sporting events should be ran through the School Corporation's payroll.

Usually payment run through school corporation and the ECA Athletic fund reimburses school.





SBOA preliminary plan

- ECA with receipts greater than \$1,000,000 will be examined during the school corporation audit by the assigned field examiners
 - For 2016 Report 76 ECAs
- ECA with receipts between \$1,000,000 \$100,000 will be examined by a centralized compliance process
 - For 2016 Report 682 ECAs
 - Will be done on a 4 year rotation coinciding with the School Corporation audit
- ECA with receipts less than \$100,000 and not having a specific risk identified will have Centralized review process
 - Approximately 10% of total statewide ECA activity

What are Internal Controls?

A system designed to provide government reasonable assurance that objectives will be achieved

Why are they important?

- Promote government accountability and transparency
- Essential tool in government's ability to make proper decisions
- Designed to prevent or detect situations in which government has failed to achieve an objective
- Help identify and correct inefficiencies in governments processes

How do you implement them?

- Identify areas of Risk
- Develop policies and procedures to address the areas of risk
- Monitor that policies and procedures are being followed and have addressed the risks identified



Common areas to address:

Collections –

School Lunch

Athletic Events

Curricular Materials Rental

School Dances

School Play

Vending Machines

Fundraisers

Asset Protection –

Cash Balances

Purchase of Goods

Inventory of Goods

Information Technology



Risks identified for Athletic Event collections:

- Skimming of cash collections
- Admission without payment
- Charging incorrect admission
- Not depositing collections intact
- Destroying or not retaining accountable items (tickets, lists, deposit ticket, etc.)
- Making cash payments out of collections

Event Ticket Taking Activity



SA-4 TICKET SALES FORM

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SCHOOL							
GAME OTHER							
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Possible Event Admissions Procedures

- Training for key individuals or individuals that will oversee the application of the internal control activities
- ECA Treasurer provides tickets and cash change box to Athletic Director, document transfer
- Prior to event Athletic Director completes initial portion of Ticket Sale report (SA-4), including starting numbers of all ticket series
- Athletic Director provides ticket taker with tickets, cash change, list for sign-ins, and SA-4 form
- During the event the ticket taker receives payments, retains ticket stubs, documents sport pass attendees and ensures sign-ins list names and organizations
- During the event the Athletic Director completes any established internal control activities; could include observing ticket taker, noting/estimating number of attendees, etc.



Possible Event Admissions Procedures cont.

- After the event the ticket taker will complete the SA-4; include documenting last ticket sold, counting ticket stubs, counting cash change box, documenting any explanations for differences, and finally signing the "Made by" section on the SA-4 form
- After the ticket taker signs the SA-4 form, the Athletic Director would verify the information on the report, include verifying last ticket sold, recounting ticket stubs and cash change box, and finally signing the "Verified and Approved by" section on the SA-4 form
- Within 24 hours the Athletic Director would remit the SA-4 form, ticket stubs, and cash change to the ECA Treasurer
- The ECA Treasurer would review the SA-4 form, retain the ticket stubs, issue an ECA Receipt (SA-3) to the Athletic Director, deposit the funds with the Bank without unreasonable delay, and post the receipt to the Athletic Fund in the ECA records



Other helpful prescribed forms for internal control activities

- SA-6 fund balance and activity of each ECA fund
- SA-1 and SA-7 purchases of goods and services
- SA-8 collections for fundraisers, field trips, etc.
- SA-9 items sold and inventor remaining; curricular materials, concessions, vending machines
- SF series School Lunch Activities



CONTACT INFORMATION

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www.in.gov/sboa/4449.htm