



INDIANA STATE BOARD OF ACCOUNTS

2023 Fall Bookkeeping Workshop

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NEW LEGISLATION



- SEA 317: Contracting and Purchasing
- HEA 1001: Various Provisions
- HEA 1040: Unauditable Units
- HEA 1041: State Board of Accounts
- HEA 1167: Live Streaming and Archiving Meetings
- HEA 1591: Various Education Matters



SEA 317 – CONTRACTING & PURCHASING

- Indiana Code 5-11-10-1.6 (Effective July 1, 2023)
 - Allows advance payments to contractors
 - Allows payment prior to delivery of goods or completion of services.
- Advance payment of meal expenses is still allowable



SEA 317 – CONTRACTING & PURCHASING

- Advance payment of meal expenses
 - Employee traveling on library business
 - Ordinance established that allows advance payment entails:
 - Maximum amount to be paid in advance
 - Required invoices/documentation that must be submitted
 - Reimbursement from wages if documents not submitted



SEA 317 – CONTRACTING & PURCHASING

- Advance payment to contractors
 - Cannot exceed lesser of 50% of contract or \$2 million
 - Solicitation for contract must include:
 - Library will make advance payments
 - Limitations on the amount of advance payments
 - Requirements for documentation
 - Any other useful information pertaining to advance payments



SEA 317 – CONTRACTING & PURCHASING

- Advance payment of goods and services
 - Cannot exceed lesser of 50% of contract or \$2 million
 - Fiscal body must authorize advance payments
 - Fiscal officer or designee must:
 - Track prepayments
 - Create prepayment invoice
 - Require insurance or surety bond if prepayment is >\$150,000

PREPAYMENT PURCHASE ORDER

NOTE: NO CLAIMS WILL BE APPROVED FOR PAYMENT UNLESS ORIGINAL COPY OF THIS ORDER OR THE P.O. NUMBER IS MADE PART OF THE CLAIM.

P.O. _____
This number must be on invoice, Voucher and Delivery Memo.

DATE _____

REQ. _____
 IN ACCORDANCE WITH BID AND CONTRACT DATED _____

Subject to discount please indicate on invoice.

Charge to _____
 Appropriation for _____ Appropriation Number _____

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT

Do you have the local ordinance? Y/N _____ TOTAL AMOUNT OF ORDER _____

PREPAYMENTS

Prepaid Amount	
Prepaid check #	
Prepaid check date	
Invoice Number	
Is there a surety bond or has a determination been made that one is not required?	

IC 5-11-10-1.6 specifies the requirements for prepayments _____ TOTAL AMOUNT REMAINING OF ORDER _____

I HEREBY CERTIFY THAT THERE IS AN UNOBLIGATED BALANCE IN THIS APPROPRIATION SUFFICIENT FOR THE ABOVE ORDER

BILLING ON THIS ORDER MUST BE ACCOUNTING TO PRICES SHOWN ABOVE

 SIGNATURE

 TITLE



PREPAYMENT PURCHASE ORDER FORM
 (FORM 98P)



HEA 1001 – VARIOUS PROVISIONS

- Indiana Code 4-7-1-1 (Effective July 1, 2023)
 - Auditor of State shall now use the title “State Comptroller”



HEA 1040 - UNAUDITABLE UNITS

- Indiana Code 5-11-1-9 (Effective January 1, 2024)
- SBOA can deem unit unauditale due to poor records
- Unit given 90 days to rectify situation
- Publish list of entities who are declared unauditale
- Require outside assistance from CPA



HEA 1041 – STATE BOARD OF ACCOUNTS

- Indiana Code 5-11-1-1 (Effective July 1, 2023)
- SBOA designated as independent external auditor of audited entities
- Requires annual reports be filed as set forth in uniform compliance guidelines
 - No later than 60 days after close of fiscal year
- Changes to opt-out audit requests
 - 6 years
 - Have not issued examination or special investigations report



HEA 1167 – Live Streaming and Archiving Meetings

- Indiana Code 5-14-1.5-2.9 (Effective July 1, 2025)
- Required to provide on a publicly accessible platform
 - Live transmissions of meetings
 - Archived copies of live transmissions
- Archived copies of transmissions must include links to:
 - Agenda
 - Minutes
 - Memoranda
- Meeting notice must include website for live transmissions
- If no Internet capability then entity shall record meeting and retain for 90 days



HEA 1591 – Various Education Matters

- Indiana Code 5-15-1-2 (Effective July 1, 2023)
- Originally just pertaining to education matters
- Indiana Archives and Records Administration required to:
 - Establish procedures to retain original records in electronic format
 - Establish time period as to when original record can be destroyed
 - Submit not later than Nov. 1, 2023



Summary of 2023 laws
affecting Libraries can
be found in the June
2023 Bulletin



Electronic Transactions

Receiving and Sending Payments



Receiving Payments

Indiana Code 36-1-8-11

- Cash
- Check
- Bank Drafts
- Money Orders
- Credit Cards
- Debit Cards
- EFT (Electronic Funds Transfers)
- Any Other Financial Instrument Authorized by the Fiscal Body
 - Venmo, PayPal, Cashapp



Receiving Credit Cards Payments

Indiana Code 36-1-8-11(f)

If a bank charges the unit a fee for accepting credit cards, you can collect from the customer using the card either or both:

- Official fee that cannot exceed the transaction charge from the bank
- Convenience fee
 - Not to exceed \$3
 - Must be uniformly charged

Fees can be collected regardless of retail agreements between bank and credit card vendors that may prohibit such fees



Receiving Credit Cards Payments

(continued)

Indiana Code 36-1-8-11(f) (continued)

- Fees can be collected regardless of retail agreements between bank and credit card vendors that may prohibit such fees

IC 36-1-8-11(g)

- If any service charges are assessed for accepting credit cards, you can pay them under IC 36-1-8-11



RECEIVING ELECTRONIC PAYMENTS

- Types of Electronic Payments
 - PayPal
 - Venmo
 - Cash App





RECEIVING ELECTRONIC PAYMENTS

(continued)

- Requirements of accepting electronic payments:
 - Fiscal body authorizes use of payment method
 - Authorized user for each account
 - Timely receipting, recording, and depositing
 - Monthly reconciliation must be completed
 - Methods should not be used for disbursements
 - Proper internal controls must be in place



DISBURSING MONEY ELECTRONICALLY

Credit Cards

- Board adopts policy in resolution or ordinance
- In Accordance with Libraries Manual chapter 1

Credit Card Policy Should Contain

- Purposes for which card can be used
- Procedures for custody of card(s)
- Not used to bypass the accounting system
- Requirements for supporting documentation



DISBURSING MONEY ELECTRONICALLY

Credit cards – Audit Tips

- Internal Controls
- Supporting documentation
- Purposes for which card can be used
 - Original Receipts
 - Consider copying heat printed receipts & attaching to original
 - Something should exist for each card usage
 - Cannot pay from statement alone
 - Late Fees / Interest



DISBURSING MONEY ELECTRONICALLY

Electronic Payments

- Online bill pay through bank, ACHs, etc.
- Indiana Code 36-1-8-11.5
- board must adopt resolution to authorize electronic funds transfer method of payment of claims
- Also applies to utility claims
- Electronic payments still have to comply with Indiana Code 5-11-10-1.6 for paying claims and IC 36-12-3-16 regarding paying claims described in an ordinance before board approval



DISBURSING MONEY ELECTRONICALLY

Electronic Payments before governing body approval

- Ability to pay certain items described in an ordinance prior to governing body approval
 - IC 36-12-3-16
- Resolution is required
- Is not meant to bypass the claims process
- Payments still get approved at the next meeting of the governing board

DISBURSING MONEY ELECTRONICALLY



Internal Controls

Extremely Important – the nature of electronic payments lends itself to tighter controls and more scrutiny to detect and correct errors, as well as to prevent fraud

- Segregation of duties
- Reviews
- Approvals
- Documentation of all transactions



YEAR - END CONSIDERATIONS



ITEMS TO CONSIDER

- ✓ Salary Schedules
- ✓ Appropriations
- ✓ Encumbrances
- ✓ Payroll
- ✓ Cancellation of Warrants
- ✓ Names & Addresses to County Treasurer
- ✓ Internal Controls
- ✓ Miscellaneous



SALARY SCHEDULES

- IC 36-12-2-22 Board sets compensation of Treasurer
- IC 36-12-2-24(a) Board sets compensation of Director
- IC 36-12-2-24(b) Board adopts schedules of salaries of Librarians & other employees



SALARY SCHEDULES

Considerations:

- Number of pays in 2024
- Has enough been appropriated
- Bonuses
- Longevity
- Benefits (leave, insurance, HSA's, deferred comp)



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APPROPRIATIONS

Check for line items that are overspent

- Transfer from other line items if necessary
- From one major classification to another; board approval by resolution
[IC 6-1.1-18-6]

Need an additional appropriation?

- There still may be time
 - <https://gateway.ifionline.org/AdditionalAppropriations/SelectUnit.aspx>
- Contact DLGF if you have questions
 - <https://www.in.gov/dlgf/files/maps/Field-Rep-Map-Budget.pdf>



ENCUMBRANCES

Unpaid approved purchase orders & contracts

- Can be encumbered – or carried forward – to 2024
- Show as separate amount on 2024 appropriation ledger
- You'll have the amount approved for a line item as one amount
 - Plus the amount encumbered for that line item,
 - Will equal what you can spend in 2024

	<u>Encumbered</u>	<u>2024 Approved Budget</u>	<u>New Total</u>
Operating Fund			
Other Services & Charges			
Subscription Services	\$ 987.65	\$ 2,500.00	\$ 3,487.65



ENCUMBRANCES

By carrying out this procedure, the 2024 budget will not be expected to incur any expense not anticipated in preparing the budget.

We recommend making a list of encumbered appropriations

- List part of meeting minutes
- Not 'required' to be approved by the board, but wouldn't hurt
- Last meeting of the year
- Have copy ready if DLGF requests it



ENCUMBRANCES

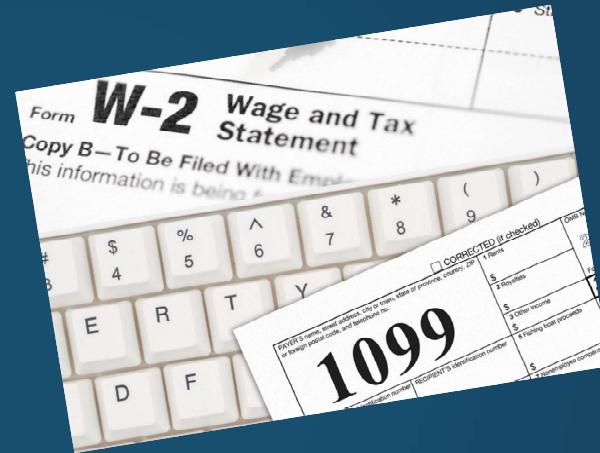
The appropriations encumbered and carried forward can be used for no other purpose other than the purchase order or contract for which they were appropriated.



PAYROLL

Reporting

- W-2s
- 1099s
- Plan ahead



Contact IRS with Questions

- www.irs.gov



CANCELLATION OF WARRANTS

Indiana Code 5-11-10.5

- All checks outstanding and unpaid for a period 2 years as of December 31 of each year shall be declared cancelled.

Example – At December 31, 2023

- Check #1234 was written on February 27, 2021 and has not cleared the bank and is on the outstanding check list. At 12/31/23, it would be considered “void”.
- Check #9876 was written on November 2, 2022 and has not cleared the bank and is on the outstanding check list. At 12/31/23, this check would *not* be considered “cancelled” and should remain on the outstanding check list.



CANCELLATION OF WARRANTS

- March 1 – fiscal officer prepares list of all outstanding checks for 2 years or more
- File list of checks with board
- Fiscal officer keeps a copy
- Receipt back in
 - Stale checks are receipted back to your ledger into the fund(s) from which they were originally drawn and removed from the outstanding check list.
 - If fund(s) can't be determined – put in Operating fund.



NAME & ADDRESSES TO COUNTY TREASURER

IC 6-1.1-22-14

- June 1 & December 1
- Disbursing officer shall certify
 - ✓ name
 - ✓ addressof each person who has money due to them from the library.
- County Treasurer shall search their records to ascertain if anyone on the list is delinquent in payment of property taxes



NAME & ADDRESSES TO COUNTY TREASURER

IC 6-1.1-22-15 –

If the county treasurer finds that a person whose name is certified is delinquent in the payment of taxes, the treasurer shall certify the name of that person and the amount of delinquency to the official of the political subdivision who is to make payment to the person.

The disbursing officer shall periodically make deductions from money due the person and shall pay the amount of these deductions to the county treasurer. (*our emphasis*).



INTERNAL CONTROLS





INTERNAL CONTROLS

Indiana Code 5-11-1-27(g)

- “After June 30, 2016, the legislative body of a political subdivision shall ensure that:
 - 1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
 - 2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision.”



INTERNAL CONTROLS

Indiana Code 5-11-1-27(c) defines “personnel”:

“As used in this section, “personnel” means an officer or employee of a political subdivision whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the federal government, state government, a political subdivision, or another governmental entity.”



INTERNAL CONTROLS

Things to remember:

- ✓ Board should adopt minimum standards - if they haven't already
- ✓ Training for any new employees in 2021
- ✓ Certify on the AFR in Gateway correctly



INTERNAL CONTROLS

AFR Unit Questions ?

The following must be filed with the Annual Report per IC 5-11-1-27 (h).	
I certify that my unit has adopted the minimum internal control standards as required per IC 5-11-1-27(e).	<input checked="" type="radio"/> Yes <input type="radio"/> No
If yes, I certify that all personnel defined by IC 5-11-1-27(c) received training concerning the internal control standards adopted by my unit.	<input checked="" type="radio"/> Yes <input type="radio"/> No

Make sure you answer these questions correctly





MISCELLANEOUS

- Bank Reconciliations
- Monthly / Annual Uploads
- Debt Payments
- Capital Assets
- Accounts Receivable / Payable



Contact Information

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