

LIBRARY BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES
ISSUED BY STATE BOARD OF ACCOUNTS

SEPTEMBER 2019

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FALL LIBRARY WORKSHOPS

The Library Bookkeeping Workshop hosted by the Indiana State Library is scheduled for November 7 and November 13. Please contact the Indiana State Library for registration. We will be discussing year-end duties, providing information regarding Gateway changes, and reviewing the Enhanced Regulatory Basis of Accounting.

HEALTH SAVING ACCOUNT PAYMENTS

It has come to our attention that some units are not using payroll withholding funds to account for the employee directed Health Savings Account payments. Instead, the units make direct deposits to the Health Savings Accounts in a similar manner to the process of making net pay direct deposits to the employee's bank account. Historically, our audit position has been to take exception to this accounting practice because all payroll transactions were not being recorded in the financial records. The State Board of Accounts has revised the audit position on this process and we will not take audit exception to amounts approved by employees being deposited directly into Health Savings Accounts without the use of a payroll withholding fund, provided the following criteria are observed:

1. Unit is following state and federal guidelines of Health Savings Accounts;
2. Reports of amounts deposited into Health Savings Accounts are produced in detail by employee for each individual payroll period and maintained for audit; and
3. Amounts deposited into Health Savings Accounts (employee and employer share) are approved by the governing board.

CAPITAL ASSET LEDGER FORM 369

The Capital Asset Ledger form has been updated to reflect terminology currently used in the accounting for capital assets and to mirror the classifications required in Gateway. The revisions to General Form No. 369 Capital Assets Ledger will be effective September 1, 2019.

The revisions made to the General Form No. 369 Capital Assets Ledger were as follows:

1. The term "fixed" was changed to "capital"
2. "Vehicles" was added to be included with Machinery and Equipment under Types of Capital Assets
3. "Books and Other" was added as a separate type of capital asset

A sample form is attached at the end of this Bulletin.

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APPROPRIATION TRANSFERS

Pursuant to IC 6-1-1-18-6, the library board may transfer money from one major budget classification to another within a department or office if:

1. They determine that the transfer is necessary;
2. The transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined under IC 6-1.1; and
3. The transfer is made at a regular public meeting and by proper resolution.

A transfer may be made under this section without notice and without the approval of the Department of Local Government Finance.

Unanticipated LIRF expenditures and appropriation of unanticipated revenue require a board resolution, publication of the additional appropriation request, public hearing, and approval by the Department of Local Government Finance.

CREDIT CARDS

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

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CREDIT CARDS – Continued

7. Payment should not be made on the basis of the statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to the late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

PUBLIC WORKS PROJECTS COSTING LESS THAN \$150,000

IC 36-1-12-4.9 states:

- (a) This section applies to a public work for the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property if the cost of the public work is estimated to be less than one hundred fifty thousand dollars (\$150,000).
- (b) The board may award a contract for public work described in subsection (a) in the manner provided in IC 5-22

We will not take audit exception to expenditures for projects under \$150,000 that maintain the existing condition of the asset or restore the asset to normal operating efficiency and which might qualify as routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property under IC 36-1-12-4.9. Included in our audit position could be expenditures for the replacement and repair of elevators, flooring, ceiling, tile, bathroom fixtures, windows, sidewalks parking lots and roofs which would not be part of another public works project. Additionally, the costs associated with reconfiguring the interior of offices (additions/deletions of wiring for electrical outlets, lighting, data lines, and telephones, cubicle walls, etc.) and reconfiguring offices with movable walls which would not be part of another public works project, could be considered. Not included would be additions to the structure, reconfiguring offices with permanent walls, change of purpose of an area that involves substantial addition or removal of plumbing or gas lines (adding a kitchen area or bathroom), addition of elevator shafts, parking lots and other like changes to the interior or exterior that involve changes to the structural integrity of the building or improvements to real property, etc. or expenditures for which a determination has been made of the applicability of other provisions of the Public Works Law, IC 36-1-12-1 et seq. Our audit position is with the assumption a determination has been made by the governmental unit in a public meeting of the applicability of IC 36-1-12-4.9 to the proposed public works project.

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CHILD LABOR LAW RESTRICTIONS

IC 20-33-3 places certain restrictions on work hours for children under 18 years old. For questions regarding child labor laws, please contact the Indiana Department of Labor. The Bureau of Child Labor home page is located at <https://www.in.gov/dol/childlabor.htm>. The preferred contact information is childlabor@dol.in.gov.

IC 20-33-3-39 through IC 20-33-3-41 list the penalties for violations of the child employment laws which can be as high as \$400 per violation.

POSTING NOTICE ON WEBSITE

IC 5-3-1-1.5 states:

1. This section applies to a notice that must be published in accordance with this chapter.
2. If a newspaper or locality newspaper maintains an Internet web site, a notice that is published in the newspaper or locality newspaper must also be posted on the web site of the newspaper or locality newspaper. The notice must appear on the web site on the same day the notice appears in the newspaper or locality newspaper.
3. The state board of accounts shall develop a standard form for notices posted on a newspaper's or locality newspaper's Internet web site. (d) A newspaper or locality newspaper may not charge a fee for posting a notice on the newspaper's or locality newspaper's Internet web site under this section.

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CAPITAL ASSETS LEDGER

General Form No. 369 (Rev. 2019)

FUND _____

DEPARTMENT OR BUILDING _____

Date of Purchase	Description of Asset	Serial Number	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Capital Asset	Amount Received on Disposal or Trade in	Types of Capital Assets						Total Capital Assets	
								Land	Infrastructure	Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles	Construction in Progress		Books and Other
1															
2															
3															
4															
5															
6															
7															
8															
9															
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