

# THE SCHOOL ADMINISTRATOR

## and Uniform Compliance Guidelines ISSUED BY STATE BOARD OF ACCOUNTS

Volume 203

September 2013

### ITEMS TO REMEMBER

#### September

1 Prove the Fund Ledger and Ledger of Receipts for the month of August to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.

2 Legal Holiday - Labor Day (IC 1-1-9-1)

13 Last day for first publication of proposed 2014 budgets, rates, and levies, and notice to taxpayers of public hearing. The first publication must be at least 10 days before the date fixed for the public hearing. (IC 6-1.1-17-3).

All ADM data will be reported on the DOE-ME (Membership) for the 2013-2014 school year and will be submitted by individual student record via the STN Application Center. The count of students in ADM will occur on Friday, September 13, 2013. The required collection period for the count is September 13, 2013, 8:00 a.m., EDT, through September 27, 2013, 11:59 p.m. EDT, which is the final date for submission. The clean-up and restricted period will begin on September 28, 2013, 8:00 a.m. and end on October 3, 2013, 11:59 p.m. EDT. The signoff only period will begin on October 4, 2013, at 8:00 a.m. EDT and end on October 8, 2013 at 11:59 p.m. EDT. You will not be able to obtain a report for signature until the signoff only period opens.

20 Last date for second publication of proposed 2014 budgets, rates, and levies, and notice to taxpayers of public hearing. (IC 6-1.1-17-3)

Last day to report and make payment of state and county income tax withheld during August to the Department of Revenue.

30 Last day to ratify and sign collective bargaining agreements to avoid impasse procedures.

All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

#### October

1 Prove all ledgers for the month of September as outlined for the month of August.

10 Settled collective bargaining agreements must be sent to [ratifiedcontract@ierb.in.gov](mailto:ratifiedcontract@ierb.in.gov).

14 Legal Holiday - Columbus Day (IC 1-1-9-1)

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**ITEMS TO REMEMBER (Continued)**

**October**

- 20 Last day to report and make payment of state and county income tax withheld during September to the Department of Revenue
- 21 Last day for school corporations to file excessive levy appeals for school transportation fund, annexation/consolidation/extension of services, three (3) year growth factor, emergency, and correction of error with the Department of Local Government Finance. (IC 20-46-4-10; IC 6-1.1-18.5-12; IC 6-1.1-18.5-13(1), (3), (13); IC 6-1.1-18.5-14)
- 22 Last possible day for school corporations to hold a public hearing on the 2014 budget. Public hearing must be held at least ten (10) days before budget is adopted (except in Marion County and in second class cities.) This deadline is subject to the scheduling of the adoption meeting, which could be held before November 1. (IC 6-1.1-17-5)
- In Marion County and second class cities, the public hearing may be held any time after introduction of the 2014 budget. (IC 6-1.1-17-5(a)). Note that November 1 is the last date for adoption of the budget.
- 29 Last possible day ten (10) or more taxpayers may object to a proposed 2014 budget, rate, or levy of a political subdivision. Objection must be filed not more than seven (7) days after the public hearing. This deadline is subject to the scheduling of the adoption meeting, which could be held before November 1. (IC 6-1.1-17-5(b))
- 31 Last day to file Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal and social security taxes for the third quarter.

Requests for textbook reimbursements should coincide with the required collection period beginning October 1, 2013 and ending October 31, 2013 and the required sign-off period beginning November 1, 2013 and ending November 8, 2013. The information is required to be filed per instructions provided by the Department of Education, Office of School Finance.

All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending September 30.

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**ITEMS TO REMEMBER (Continued)**

**November**

- 1 Prove all ledgers for the month of October as outlined for the month of August.  
  
Deadline for school corporations to adopt 2014 budgets, rates, and levies. (IC 6-1.1-17-5(a))  
  
If a taxpayer objection petition is filed, the fiscal body shall adopt with its 2014 budget a finding concerning the objections in the petition and any testimony presented at the adoption meeting. (IC 6-1.1-17-5(c))  
  
Last day for schools to adopt their 2014 Capital Projects Fund (CPF) Plan and Bus Replacement Plan (IC 20-46-6-8.1; IC 20-46-5-6.1)
- 2 Last day a taxpayer may request the Department of Local Government Finance to hold a public hearing by filing a written request with the county auditor or directly with the Department of Local Government Finance in either a paper or electronic format. A county auditor must forward any requests to the Department of Local Government Finance within two (2) business days of receipt. (IC 6-1.1-17-16.1)
- 4 Last day for school corporations to submit their 2014 budgets with the Department of Local Government Finance through Gateway.
- 8 Last day to print, sign, and mail the completed form DOE-TB for textbook reimbursement to DOE. Contact the Department of Education, Office of School Finance, for instructions.
- 11 Legal Holiday – Veterans’ Day (IC 1-1-9-1)
- 20 Last day to report and make payment of state and county income tax withheld during October to the Department of Revenue.
- 28 Legal Holiday - Thanksgiving Day (IC 1-1-9-1)
- 30 On or before June 1 and December 1 of each year the school corporation shall certify to the county treasurer the name and address of each person who has money due from the school corporation. (IC 6-1.1-22-14)  
  
All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

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**CURRICULAR MATERIAL STORAGE AND DISPOSAL**

Upon a written determination by the governing body of a school corporation that curricular materials are no longer scheduled for use in the school corporation, the governing body may sell, exchange, transfer, or otherwise convey the curricular materials. However, before a governing body may mutilate or otherwise destroy curricular materials, the governing body must first comply with IC 20-26-12-3 (b), IC 20-26-12-3 (c), IC 20-26-12-4 and IC 20-26-12-5. (IC 20-26-12-3 (a))

IC 20-26-12-3 (b) states: "Before a governing body may mutilate or otherwise destroy curricular materials, the governing body shall provide at no cost and subject to availability one (1) copy of any curricular material that is no longer scheduled for use in the school corporation to:

- (1) the parent of each student who is enrolled in the school corporation and who wishes to receive a copy of the curricular material; and
- (2) if any curricular materials remain after distribution under subdivision (1), to any resident of the school corporation who wishes to receive a copy of the curricular material."

IC 20-26-12-3 (c) states: "If a governing body does not sell, exchange, transfer, or otherwise convey unused curricular materials under subsection (a) or (b), each public elementary and secondary school in the governing body's school corporation shall provide storage for at least three (3) months for the curricular materials in the school corporation. A school corporation may sell or otherwise convey the curricular materials to another school corporation at any time during the period of storage."

IC 20-26-12-4 states: "(a) A school corporation shall compile a list of curricular materials in storage under section 3 of this chapter. The list must include the names of the publishers and the number of volumes being stored. The list must be mailed to the department. The department shall maintain a master list of all curricular materials being stored by school corporations. (b) Upon request, the state superintendent shall mail to a nonprofit corporation or institution located in Indiana a list of curricular materials available for access. A nonprofit corporation or institution may acquire the curricular materials from the appropriate school corporation by paying only the cost of shipping and mailing."

IC 20-26-12-5 states: "Curricular materials stored for at least three (3) months under section 3 of this chapter may not be mutilated or destroyed and must be maintained and stored according to regulations prescribed by local and state health authorities. Curricular materials that have not been requested after at least three (3) months may be mutilated, destroyed, or otherwise disposed of by the school corporation."

**AVERAGE DAILY MEMBERSHIP (ADM)**

Recent audit reports continue to note that records to support Average Daily Membership (ADM) as reported to the Department of Education have not been retained in accordance with IC 5-15-1-1 et seq., the Preservation of Public Records Law.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.

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**RECORD OF HOURS WORKED**

IC 5-11-9-4(b) states in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed...in more than one (1) position by the same public agency . . ."

The requirement may be accomplished by preparing an endorsement on the payroll claim form showing the general work schedule and listing those specific employees who worked hours different from that general work schedule. Each administrator, department head, or other person responsible for employees' attendance at a work station or for forwarding such information to the payroll department will be responsible for preparing such endorsement on the payroll claim for his or her office, department, cost center, school or other work attendance area.

Another alternative is to add a statement on each Employee's Service Record, General Form 99A (1985) and/or Employee's Earnings Record, General Form 99B (1993) indicating the hours to be worked daily by that employee or official.

Please continue using your current payroll claim, service record and earnings record forms with the foregoing suggested additions.

**OPENING OF BIDS BY A COMMITTEE**

The Public Purchase Law, IC 5-22-1-1 et seq. and the Public Work Law, IC 36-1-12-1 et seq., both require the preparation of specifications, publication of a legal notice requesting bids for the designated purpose and publishing a time and place for opening of the bids received in required situations.

IC 20-26-4-6 provides that the governing body of any school corporation may designate a committee of at least two (2) of the governing body's members, or a committee of not less than two (2) employees of the school corporation, to open and tabulate bids in connection with the purchase of supplies, material, or equipment; for the construction or alteration of a building or facility; or for any similar purpose. Such bids may be opened by the committee at the time and place fixed by the advertisement for bids; must be read aloud and tabulated publicly, to the extent required by law for governing bodies; and must be available for inspection. The bids must be reported to, and tabulation entered upon the records of, the governing body at its next meeting following the bid opening. No bid shall be accepted or rejected by the committee, but such bid must be accepted or rejected solely by the governing body in a board meeting open to the public as provided in IC 20-26-4-3.

**GARNISHMENT OF SALARIES AND WAGES**

IC 24-4.5-5-105 limits the maximum amount which may be subjected to garnishment and states in part:

"(5) An employer who is required to make deductions from an individual's disposable earnings pursuant to a garnishment order or series of orders arising out of the same judgment debt (excluding a judgment for payment of child support) may collect, as a fee to compensate the employer for making these deductions, an amount equal to the greater of twelve dollars (\$12) or three percent (3%) of the total amount required to be deducted by the garnishment order or series of orders arising out of the same judgment debt. If the employer chooses to impose a fee, the fee shall be allocated as follows:

- (a) One-half (1/2) of the fee shall be borne by the debtor, and that amount may be deducted by the employer directly from the employee's disposable earnings.
- (b) One-half (1/2) of the fee shall be borne by the creditor, and that amount may be retained by the employer from the amount otherwise due the creditor.

The deductions made under this subsection for a collection fee do not increase the amount of the judgment debt for which the fee is collected for the purpose of calculating or collecting judgment interest. This fee may be collected by an employer only once for each garnishment order or series of orders arising out of the same judgment debt. The employer may collect the entire fee from one (1) or more of the initial deductions from the employee's disposable earnings. Alternatively, the employer may collect the fee ratably over the number of pay periods during which deductions from the employee's disposable earnings are required.

(6) The deduction of the garnishment collection fee under subsection (5)(a) or subsection (7) is not an assignment of wages under IC 22-2-6.

(7) An employer who is required to make a deduction from an individual's disposable earnings in accordance with a judgment for payment of child support may collect a fee of two dollars (\$2) each time the employer is required to make the deduction. The fee may be deducted by the employer from the individual's disposable earnings each time the employer makes the deduction for support. If the employer elects to deduct such a fee, the amount to be deducted for the payment of support must be reduced accordingly if necessary to avoid exceeding the maximum amount permitted to be deducted under subsection (3).

(8) A support withholding order takes priority over a garnishment order irrespective of their dates of entry or activation. If a person is subject to a support withholding order and a garnishment order, the garnishment order shall be honored only to the extent that disposable earnings withheld under the support withholding order do not exceed the maximum amount subject to garnishment as computed under subsection (2)."

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**RAINY DAY FUND**

Indiana Code IC 36-1-8-5.1 states:

"(a) A political subdivision may establish a rainy day fund by the adoption of:

- (1) an ordinance, in the case of a county, city, or town; or
- (2) a resolution, in the case of any other political subdivision.

(b) An ordinance or a resolution adopted under this section must specify the following:

- (1) The purposes of the rainy day fund.
- (2) The sources of funding for the rainy day fund, which may include the following:

(A) Unused and unencumbered funds under:

- (i) section 5 of this chapter;
- (ii) IC 6-3.5-1.1-21.1;
- (iii) IC 6-3.5-6-17.3; or
- (iv) IC 6-3.5-7-17.3.

(B) Any other funding source:

- (i) specified in the ordinance or resolution adopted under this section; and
- (ii) not otherwise prohibited by law.

(c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money.

(d) In any fiscal year, a political subdivision may, at any time, do the following:

- (1) Transfer any unused and unencumbered funds specified in subsection (b)(2)(A) from any fiscal year to the rainy day fund.
- (2) Transfer any other unobligated cash balances from any fiscal year that are not otherwise identified in subsection (b)(2)(A) or section 5 of this chapter to the rainy day fund as long as the transfer satisfies the following requirements:

- (A) The amount of the transfer is authorized by and identified in an ordinance or resolution.
- (B) The amount of the transfer is not more than ten percent (10%) of the political subdivision's total annual budget adopted under IC 6-1.1-17 for that fiscal year.
- (C) The transfer is not made from a debt service fund.

(e) A political subdivision may use only the funding sources specified in subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund. The political subdivision may adopt a subsequent ordinance or resolution authorizing the use of another funding source.

(f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

(g) A county, city, or town may at any time, by ordinance or resolution, transfer to:

- (1) its general fund; or
- (2) any other appropriated funds of the county, city, or town;

money that has been deposited in the rainy day fund of the county, city, or town."

**INTERNET POSTING OF COLLECTIVE BARGAINING AGREEMENT PROVISIONS**

Indiana Code 20-29-6-19 states:

"Not later than fourteen (14) business days after the parties have reached an agreement under this chapter, the school employer shall post the contract upon which the parties have agreed on the school employer's Internet web site."

**PUBLIC MEETING AND INTERNET POSTING OF SUPERINTENDENT CONTRACT**

Indiana Code 20-26-5-4.3 states:

"(a) At least seven (7) days before a contract for employment is entered into by a governing body and a school superintendent, the governing body shall hold a public meeting on the proposed contract at which public comment is heard. The governing body is not required to disclose the identity of the candidate for superintendent at the public meeting.

(b) Notice of the meeting on the proposed contract shall be given in accordance with IC 5-3-1 and posted on the school corporation's Internet web site.

(c) The notice provided in subsection (b) must:

- (1) state that on a given day, time, and place the governing body will meet to discuss and hear objections to and support for the proposed contract; and
- (2) set forth the details of the proposed contract, including the actual monetary value of the contract, benefits, and any additional forms of compensation for each year of the contract.

(d) A governing body shall post the provisions of an employment contract that the governing body enters into with a superintendent of the school corporation on the school corporation's Internet web site."

**INTERNET POSTING OF CONTRACT PROVISIONS FOR CERTAIN EMPLOYEES**

Indiana Code 20-26-5-4.7 states:

(a) This section does not apply to a:

- (1) superintendent of a school corporation; or
- (2) certificated employee (as defined in IC 20-29-2-4) that is represented by an exclusive representative (as defined in IC 20-29-2-9) under IC 20-29.

(b) The superintendent shall post the provisions of an employment contract that the school corporation enters into with a certificated employee on the school corporation's Internet web site."