

Fund Number Change – Frequently Asked Questions

- Q: When do the new 4-digit numbers go into effect?
- A: January 1, 2022
- Q: Do I have to use the new 4-digit number on the AFR I'm working on right now?
- A: No. The AFR you're working on right now is for 2021 and the 4-digit numbers do not apply to the 2021 reporting year.
- Q: Where can I find the fund number listing?
- A: Cities and Towns Manual, Chapter 3, page 3-5 https://www.in.gov/sboa/files/City-and-Town-Manual-Chapter-3.pdf

The following prescribed fund names are required by statute or are currently in use by municipalities pursuant to annual reports filed with the State Board of Accounts. Further funds will be added as required. Fund numbers shall be used as listed. Numbers include fund type, for instance (2)01, etc.

General Funds (1101-1199):

General Fund 1101

Special Revenue Funds (2201-2599):

- Motor Vehicle Highway 2202 Local Road and Street
- 2203 MVH Restricted (subfund of Motor Vehicle Highway)
- 2204 Park and Recreation - Operating
- 2205 Cemetery Operating (operating mostly with tax revenue support - not user fees)
- 2206 Aviation (operation mostly with tax revenue support - not user fees)
- Parking Meter 2208 Levy Excess
- LIT Economic Development (formerly CEDIT) 2209
- Thoroughfare (where used for maintenance and repairs instead of new construction) 2210
- 2211 Park Nonreverting Operating



Fund Number Change – Frequently Asked Questions

Q: I have some funds not listed on the chart. Where do they go?

A: If you have a fund on your ledger that's not listed on the chart, there is a category with a range of available numbers.

For example, *Home Rule* special revenue funds can have a number within the range 2500-2599:

2255 Public Safety Ufficers Survivors Health Coverage Cumulative Fund
2256-2299 Reserved for future statutory special revenue funds
2300-2399 Donations (restricted; not used for capital items)
CARES Provider Relief Fund
2401-2499 Grants – special revenue
2500-2599 Local / Home Rule funds

Restricted donations (those that are not restricted solely for capital items) can have a number within the range 2300-2399:

2255 Public Safety Officers Survivors Health Coverage Cumulative Fund
2256-2299 Reserved for future statutory special revenue funds
2300-2399 CARES Provider Relief Fund
2401-2499 Grants – special revenue
2500-2599 Local / Home Rule funds



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Fund Number Change – Frequently Asked Questions

- Q: I have some funds not listed on the chart. Where do they go? (continued)
- A: If you have a *grant fund* on your ledger that's not listed on the chart, there is a category with a range of available numbers depending on the fund type.

For example, most grants will be considered special revenue and each grant can have a number within the range 2401-2499. This includes CARES and ARPA grants.

 Z25b
 Public Satety Ufficers Survivors Health Coverage Cumulative Fund
 225

 2256-2299
 Reserved for future statutory special revenue funds
 2256-2299

 2300-2399
 Donations (restricted; not used for capital items)
 2300-2399

 2400
 CARES Provider Relief Fund

 2401-2499
 Crants - Special revenue

 2500-2599
 Caralt - Grants - Special revenue

 2500-2599
 Local / Home Rule funds

Grants could also fall into other fund types, like the capital project fund type. There, the range is 4500-4599

4445-4465 Redevelopment TIF Allocation
4466-4475 Special Zone
4476-4499 Reserved for future statutory capital project funds
4500-4599 Grants – capital projects (not general or special revenue)
4600-4650 Donations (restricted - not special revenue)
4501-4699 Local / Home Rule capital projects funds

RD OF COUNTS

Fund Number Change – Frequently Asked Questions

Q: I have some funds not listed on the chart. Where do they go?

A: If you account for a *utility cash change fund* as a separate fund, you can use a fund number within the range for "Other Enterprise funds not listed"

6001 Sanitation (if operating mostly from user fees)
6602 Transportation (if operating mostly from user fees)
6603 Airport (if operating mostly from user fees)
6604 Trash and Garbage Pickup (if operating mostly from user fees)
6605 Cemetery (if operating mostly from sale of lots and other user fees)
6606 Emergency Medical Services (if operating mostly from user fees)
6607-6999 Other Enterprise funds not listed

If you have a *city/town petty cash fund* that you account for in a separate fund, while there isn't a stated range for it, this would be considered a "general fund type" and you could use a number after 1101 (for example: 1102 Petty Cash)

General Funds (1101-1199): 1101 General Fund

I just need the main ideas

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Fund Number Change – Summary

- 4-digit fund numbers apply as of January 1, 2022
- Cities & Towns Manual (Chapter 3)
- Funds not on list, look for a range that applies
- If still working on conversion don't stress
- Audit Expectations
 - √ Fully converted as soon as possible
 - ✓ Problems document for auditors
 - ✓ No audit exception if evidence exists you're attempting to convert
- AFR for 2023 will need the 4-digit fund numbers
- · Contact software vendors for support





Do you need an audit?

~ Need vs. Want ~

Want:

- · Last audit long time ago
- New official
- · Confirmation doing things correctly

Need:

- Issuing bonds
- SRF
- Existing debt "continuing disclosure requirement"
- Enough federal assistance to require one



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Do you need an audit?

If you are:

- > Spending enough to trigger a Federal audit
- > Have existing debt (bonds, notes, loans) that contains audit requirements (usually referred to as 'continuing disclosure requirements')
- > Issuing bonds and/or closing on a State Revolving Loan (SRF)

You need to let SBOA know so we can get you in the audit plan for the year.

Also required by IC 5-11-1-25(c)





Do you need an audit?

IC 5-11-1-25 Risk based examination criteria used to determine examination frequency; biennial school corporation examinations

- (c) Examinations must be conducted annually for the following:
 - (1) The state.
 - (2) An audited entity (other than a school corporation) that requires an annual audit:
 - (A) because of the receipt of federal financial assistance in an amount that subjects the audited entity to an annual federal audit;
 - (B) due to continuing disclosure requirements; or
 - (C) as a condition of a public bond issuance.
 - (3) A development authority.

An audited entity shall, under the guidelines established by the state board of accounts, provide notice to the state examiner not later than sixty (60) days after the close of the audited entity's fiscal year that the audited entity is required to have an annual audit under subdivision (2).

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Do you need an audit?

5.1 Did your unit have outstanding debt at any time during the year, including at year-end? Debt can be in the form of bonds, notes, loans, or judgments payable over more than one year. Leases are considered separately (see question 6 below).	● Yes ○ No
5.1a If yes, do the bond covenants or loan agreements require you to receive an audit?	Yes – Annually 🕶
5.2 Does your unit plan to issue new bond debt in the next 12 months? New bond issuance often requires an audit of your records within the last two years. It's important to provide the most up to date information as soon as you become aware. Audit schedules are planned out in March for the remainder of the year. If you anticipate that you will issue new bonds in the next 12 months, you should answer Yes here.	● Yes ○ No

[Annual Financial Report / Unit Questions]

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Do you need an audit?

5.1a If yes, do the bond covenants or loan agreements require you to receive an audit?

Yes – Annually ➤

[Annual Financial Report / Unit Questions]

If you have debt and you <u>aren't sure</u> if the bond covenants or loan agreements require an audit, consult your attorney and/or inquire of the financial institution where the debt is.



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Positive Pay vs. Reverse Positive Pay

what they are & how they're different





Positive Pay vs. Reverse Positive Pay



POSITIVE PAY

- Fraud-prevention system
- Can stop counterfeit or altered checks
- Listing of checks that are authorized to be paid is given to bank by check issuer (city/town)
- · Bank compares list to checks presented
- Bank only pays checks authorized by issuer
- If checks are presented and <u>not</u> on the approved list, bank doesn't pay & contacts issuer

REVERSE POSITIVE PAY

- Fraud prevention system
- Can stop counterfeit or altered checks
- Check issuer (city/town) monitors its checks on its own
- Bank notifies issuer daily of checks presented and only clears those specifically approved by the issuer
- Issuer has more responsibility
 - Monitoring list from bank
 - Notifying bank to decline honoring a check



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*As defined per Investopedia www.investopedia.com

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Positive Pay vs. Reverse Positive Pay



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What we recommend you do:

- > Talk with your bank
- See if Positive Pay or Reverse Positive Pay is right for your city/town
- Discuss fees how much do they cost
- Implement necessary internal controls



Highway Annual Operational Report (HAOR)

- Applies <u>only</u> to cities and towns with populations > 15,000
- Report for period 1/1/21 to 12/31/21 due June 1, 2022 [IC 8-17-4.1-7]
- Required to be submitted electronically through LTAP's Data Management System (DMS)

Report (a spreadsheet) is available in DMS https://ltapdms.itap.purdue.edu/ltap
Questions about DMS - ltap-dms@purdue.edu/ltap
Questions about the HAOR - https://ltapdms.itap.purdue.edu/ltap
Questions about the HAOR - https://ltapdms.itap.purdue.edu/ltap

Need a refresher – videos:

Getting started in DMS – https://youtu.be/-9hvR-7UVR4
Using DMS for your submission - https://youtu.be/4ln9G zzRV8





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Accounting for State Revolving Fund (SRF) Loans

- SRF loan transactions are handled by a third-party trustee BNMY
- From an accounting perspective, money is the fiscal responsibility of the city/town
- Financial activity is to be recorded on your ledgers in separate funds (#2401-2499)
- Activity can be posted from BNYM bank statement
- Fund(s) to be reported in AFR and subsequently will be on your financial statements that SBOA audits
- If not reported in AFR or financial statements, we will (during an audit) propose audit adjustments to both the AFR and financial statements to include the activity
- Cities and Towns Bulletin, December 2021 p. 3 https://www.in.gov/sboa/files/CT-December-2021-Bulletinfinal.pdf



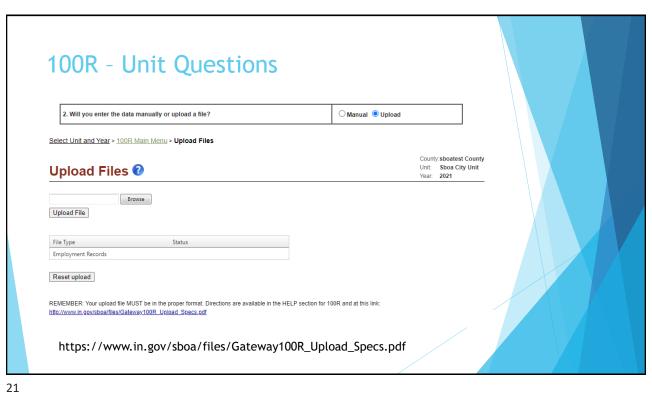


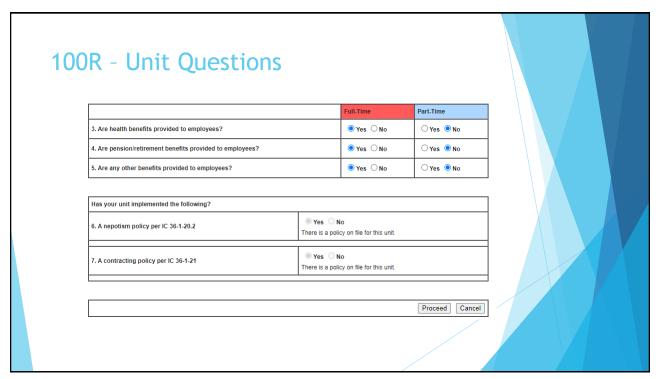


100R - Unit Questions	
100R Unit Questions ②	County:sboatest County Unit: Sboa City Unit Year: 2021
Please answer all of these questions – they help determine what is required for your unit to complete the 100R sub-	omission via Gateway.
Please enter the number of employees (full and part time) that you paid compensation to anytime during the past year. Use IRS guidelines to determine employment status and compensation. If you did not have any paid employees, enter 0. This will delete any employee records for this unit for this year.	4
	Proceed Cancel

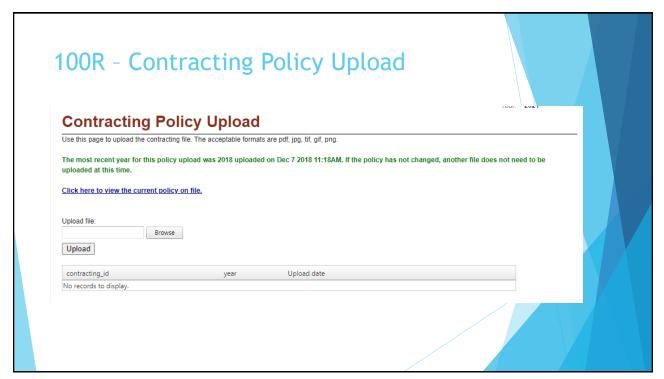
100R - Unit Questions 2. Will you enter the data manually or upload a file? ● Manual ○ Upload County:sboatest County Unit: Sboa City Unit Year: 2021 100R Employee Data Entry® Save All Work Return to 100R Main Menu Enter total compensation for the reporting year for each employee for which you should have supplied a W-2. Many units inappropriately report board member payments on Set Default Address Add Row Delete Last Name First Name Department Name Business Address Business City Job Title Compensation Code 123 Main Street 46000 \$10,000,00 Caldwell Todd 123 Main Street 46000 \$50,000.00

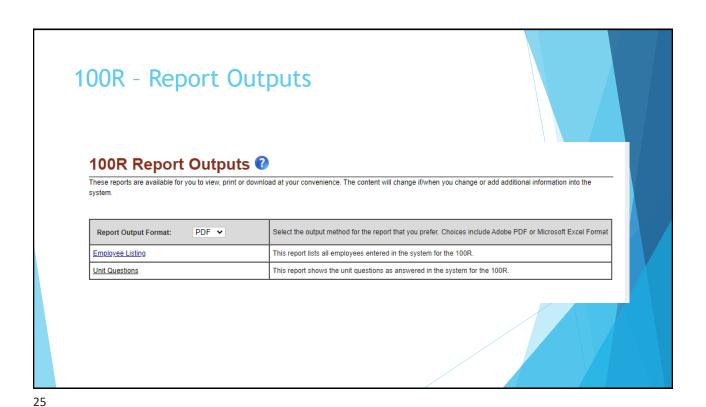
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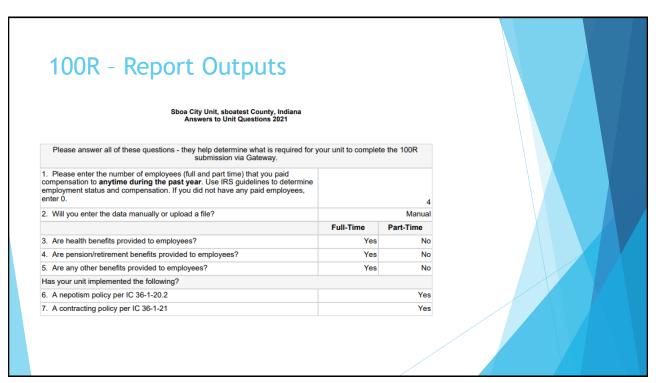




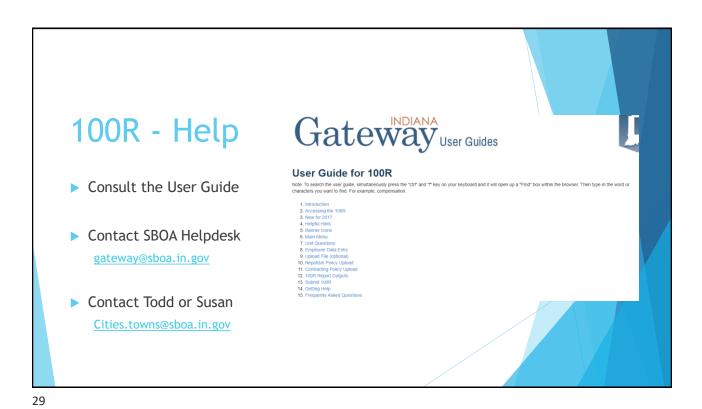












Annual Uploads

Due March 1

State Board of Accounts (SBOA)

Deadline

100R

Annual Financial Report

Monthly and Annual Engagement Uploads

Details

Annual Uploads - Due March 1

- Year-end Investment Statements
- · Detail of Receipt Activity
- · Detail of Disbursement Activity
- · Current Year Salary Ordinance and Amendments
- · Annual Vendor History Report
- · Annual Funds ledger (beginning balance, receipts, disbursements, and ending balance by fund)
- Annual Payroll History Report without SSN
- Court Trust Fund Subsidiary Detail (as of December 31)
- · OPTIONAL Excel Data Capture in lieu of transaction level Detail of Receipts and Dispursements

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Annual Uploads

Investment Statements

- · Similar to checking account statement
- December 2021 account statement
- For all investment accounts

If you do not receive a statement at the end of the year, you may upload documents that show when the investment or certificate of deposit was purchased and the value at the time it was purchased.

Detail of Receipt Activity

- Does not apply if hand-posted records
- Listing of all receipts issued & posted
 - ✓ Receipt Numbers
 - ✓ Date Received
 - ✓ Amount of Receipt
 - ✓ Fund
 - ✓ Who it was received from

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Annual Uploads

Detail of Disbursement Activity

- · Does not apply if hand-posted records
- Listing of all non-payroll disbursements issued & posted
 - ✓ Check Numbers
 - ✓ Date Disbursed
 - ✓ Amount of Disbursement
 - ✓ Fund
 - √ Vendor/Payee Name

Current Year Salary Ordinance

 Scan & upload 2021 salary ordinance(s) and any amendments in effect at end of year

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Annual Uploads

Vendor History Report

- Does not apply if hand-posted records
- Shows the total amount disbursed to each vendor/payee for the year.
- · Should show a total by vendor

Annual Funds Ledger

• Summary of the beginning balance, total receipts, total disbursements and ending balance of each fund for the year.

An Excel file is preferred if you have computerized records but is not required.

• If you have manual records, you can upload a scan or photo of your manual records that include this data.

A <u>Funds Ledger-Manual Records Template</u> is in the User guide.

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Annual Uploads

Annual Payroll History Report

- Include at a minimum for all payroll checks issued for the year:
 - √ date,
 - ✓ employee name,
 - ✓ gross wages, and
 - √ check number
- An Excel file is preferred or a searchable PDF.
- This is not required if you have hand posted records.

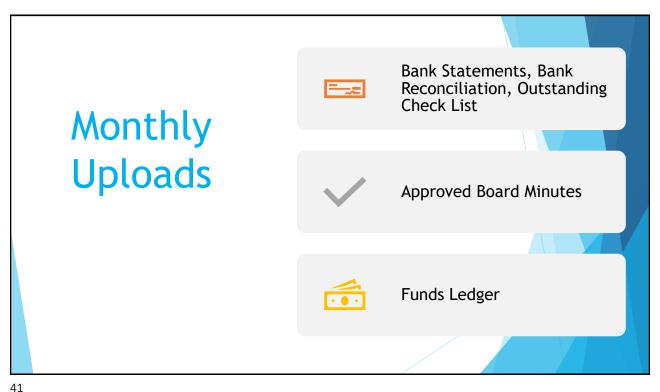
- Court Trust Fund Subsidiary Detail
- Subsidiary listing as of December 31 which should include the -
 - ✓ name,
 - ✓ description, and
 - ✓ account balance at year end.
- The total should agree to the fund balance year end.

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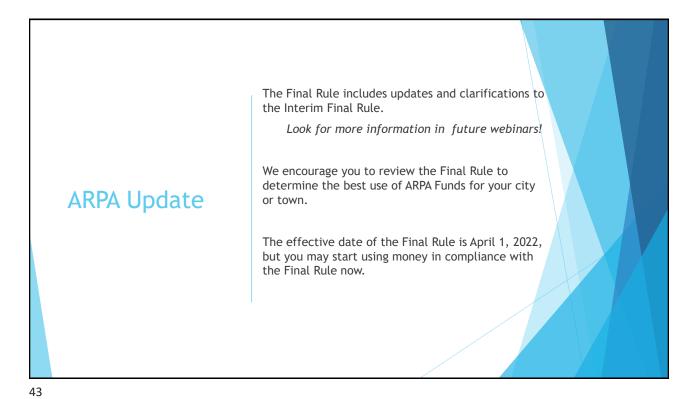
Annual Uploads

OPTIONAL-Excel Data Capture (Data Dump) in lieu of Receipts and Disbursement Reports -

- Check with your software vendor to see if this available to you.
- This should include receipts including receipt numbers, date received, amount of receipt, fund posted to, and who it was received from.
- This should also include disbursements including check numbers, date disbursed, amount of disbursement, fund posted to, and vendor/payee names.



100R - Help Gateway User Guides Consult the User Guide User Guide for Monthly and Annual Engagement Uploads Contact SBOA Helpdesk gateway@sboa.in.gov Contact Todd or Susan Cities.towns@sboa.in.gov



US. Treasury Information U.S. DEPARTMENT OF THE TREASURY We can do this. Find COVID-19 vaccines near you. Visit Vaccines.gov. POLICY ISSUES Coronavirus State and Local Fiscal Recovery Funds COVID19 Economic Relief The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, delivers \$350 billion to Overview of the Final Rule state, local, and Tribal governments across the country to support Final Rule Press Release their response to and recovery from the COVID-19 public health Interim Final Rule FAQs . Interim Final Rule Quick Referen Tribal Government Information The SLFRF program provides governments across the country with the resources needed to: . Non-Entitlement Unit Information https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state local-and-tribal-governments/state-and-local-fiscal-recovery-funds

RESOURCES ON DETERMINING ELIGIBLE USES OF FUNDS UNDER THE FINAL RULE

The Final Rule oprovides the rule text and supplemental information.

The Overview of the Final Rule aprovides a summary of major rule provisions for informational purposes and is intended as a brief, simplified user guide for recipients and stakeholders.

The Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule provides guidance on the transition from compliance with the Interim Final Rule to compliance with the Final Rule.

Tool for Determining Low and Moderate Income (LMI) Households provides a spreadsheet to assist recipients in determining income thresholds for the Final Rule's definition of LMI in their jurisdiction and assist with administering the public health and economic response provisions of the Final Rule.

The Final Rule webinar and slide presentation 🧰 provide an introduction and summary of the Final Rule.

https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds

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ARPA Update -Revenue Loss Calculation

The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation.

Recipients that select the standard allowance may use that amount - in many cases their full award - for government services, with streamlined reporting requirements.

Overview of Final Rule p.4

ARPA Update - Utilities

Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA's Clean Water State Revolving Fund, EPA's Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.

Overview of Final Rule p. 7 and Final Rule starting on page 264

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ARPA Update - Restrictions

For all recipients except for Tribal governments:

- SLFRF may not be used for deposits into pension funds, as required by the American Rescue Plan
- A "deposit" is defined as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability
- Recipients may use funds for routine payroll contributions to pensions of employees whose wages and salaries are an eligible use

For all recipients:

- Funds may not be used for debt service, replenishing rainy day funds/financial reserves, or satisfaction of a settlement or judgment
- Uses of funds may not undermine COVID-19 mitigation practices in line with CDC guidance and recommendations
- Uses of funds may not violate Uniform Guidance conflict-of-interest requirements or other applicable laws

Source: US Treasury Final Rule Webinar January 11, 2022

Note on Reporting Recipients should consult Treasury's reporting guidance and user guide for their reporting. Recipients Requirements Quarterly Recipients required to submit quarterly reports: Recipients should rely on reporting States and territories guidance and user guide issued by **Reports Due** Metropolitan cities and counties with January 31 population over 250,000 Portal will reflect certain final rule Metropolitan cities and counties with changes, including information on **ARPA Update** population less than 250,000 that received an capital expenditures as part of public award of more than \$10 million health and economic response, fiscal Tribal governments that received an awa year revenue loss calculation, standard - Reporting more than \$30 million allowance election, & expanded flexibility in premium pay Quarterly and All recipients above, who are required to submit Treasury will issue additional reporting quarterly reports, as well as recipients required to guidance ahead of reports due April 30 Annual submit annually, which include: **Reports Due** Metropolitan cities and counties with April 30 population less than 250,000 that received an award less than \$10 million, Tribal governments that received an aw than \$30 million Nonentitlement units of government Source: US Treasury Final Rule Webinar January 11, 2022 49

