



Extra-Curricular Accounts

SBOA Special Investigations



Indiana Code 5-11-1-27 requires: “A public officer who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office, including: (1) information obtained as a result of a police report; (2) an internal audit finding; or (3) another source indicating that a misappropriation has occurred; shall immediately send written notice of the misappropriation to the state board of accounts and the prosecuting attorney serving in the area governed by the political subdivision.” Also, “all erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the state board of accounts.”

Former ACSC employee now under investigation

By Ashton Brellenthin ashton.brellenthin@flyergroup.com Feb 8, 2018



FILE PHOTOWHITE OAK: According to the report, the school corporation discovered a discrepancy in White Oak's bank accounts after an internal audit. From 2011 to '17, the discrepancies totaled just more than \$89,000.

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ON DEALS

PAPER ADS



Ex-coach charged with theft from Kankakee Valley football fundraiser



Derek Thompson (Jasper County Sheriff's Department)

By **Becky Jacobs** · [Contact Reporter](#)
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Authorities arrest 15 public officials across Indiana on corruption-related charges

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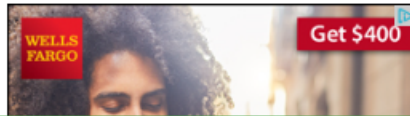
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INDIANAPOLIS, Ind. — U.S. Attorney Josh Minkler announced that 15 people have been charged in a statewide corruption investigation led by the State Board of Accounts along with the FBI, Indiana State Police and several county prosecutors.

Minkler said total losses from the corruption exceed \$1 million with the biggest loss in Indianapolis.

Jacqueline Fitzgerald and Monica Durrett, employees of the Indianapolis Local Public Bond Bank are alleged to have stolen approximately \$400,000 in a case that is currently pending with the Marion County Prosecutor's Office.

"The alleged misappropriation does not affect bond proceeds or bond debt service



ECA Shortages:



- White Oak Elementary School: \$89,000 from 07/01/11 to 06/30/17
- Greenwood Middle School: \$50,000 from 07/01/14 to 04/02/18
- Robey Elementary School: \$10,000 from 01/23/17 to 03/20/18
- AK Smith Center: \$13,000 from 07/01/15 to 02/28/18
- Krueger Middle School: \$5,791 from 07/01/13 to 06/30/17
- Kankakee Valley School Corporation: \$3,700 from 01/01/18 to 06/30/18

SBOA Assistance with Controls



- Summary of Collections Form SA-8
 - All information on the forms should be completed
 - Provides documentation of the Function/Fundraiser
 - Provides documentation of method of payment, including a listing of checks
 - Line for Sponsor to document his/her name as preparer

Receipts



- The receipt form is to be prenumbered and printed in duplicate, . . .
- The receipt, to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt. The receipt form must be signed by the treasurer of the extracurricular account or collecting authority. The cash receipts collected by and for the benefit of any activity fund should be in charge of some designated official or sponsor of the activity, until turned over to the treasurer of the extracurricular account.

Receipt Issuance



- Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment.

Some ideas to consider to facilitate the above requirement and monitor receipts are issued immediately:

- Designate a specific time when collections are to be given to the Treasurer
- Set up appointments
- Ask your principal to assist in making this happen

Ticket Sales (SA-4)



Ticket sales conducted by any activity should be accounted for as follows:

- The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned.
- The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form.

SBOA Assistance with Controls



- Ticket Sales Form SA-4
- All information on form should be completed
 - Provides documentation of the Event and Date
 - Provides documentation of the serial numbers of tickets sold, the price per ticket, the number sold and the dollar amount of the collections
 - Line for Sponsor to document his/her name as preparer

Approval of Expenditures



- Expenditures by the treasurer of the extracurricular account are limited to those approved by the principal of the school and they should be in accordance with the general administration policies of the school corporation since the law provides that all expenditures shall be subject to review by the local school board. [IC 20-41-1-4]
- Distribution of extra-curricular funds to students, teachers or others should not occur unless authorized by statute.

No check should be issued without Supporting Documentation



- All claims, invoices, receipts, and accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation.
- All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim may be the personal obligation of the responsible official, employee or other person for whom the claim is made.

No check should be issued without Supporting Documentation



- The Principal and Treasurer should both be making sure itemized vendor invoices are retained with the claim forms.
- Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee.
- The Principal and Treasurer should not make payments based upon a “promise” to bring the invoice at a later date or time.
- If something doesn’t seem right – say something

Check Issuance



- Checks to be properly issued shall show the date, the payee, the amount, the purchase order number, the activity fund to be charged and the purpose for which the check was issued. Space is provided for entering the invoice number, if desired. **The check is to be signed by the treasurer and countersigned by the principal or other designated official of the school.**

Quick Checks or Suggestions



- Compare revenues from fundraisers to disbursements for the fundraisers – is there a profit?
- Field trips – do the receipts turned in agree with the number of students attending the trip? Don't write a check to yourself or the sponsor to be cashed to take cash on the trip. Issue a check for meals; have students pay for their own meals
- Keep a list of events. Were ticket sales and concessions turned in for each event? This would include athletics, drama, choral, band, etc.
- Cash change funds – all cash change funds should be receipted back to the ECA funds – have all funds been remitted back?
- Travel/Mileage/Reimbursements – Before reimbursing for trips/mileage make sure the trip was authorized; When taking a trip many schools require permission by the board. Was there a form, was it attached to the claim?
- Don't put collections in safe or drawer to count later; issue receipts when money remitted; initial SA-8 when \$ is received and counted by you

Other Suggestions



- Inform all staff of policies and controls, making sure they are up-to-date
- Make sure staff retains their copies of receipts and forms, and that they know the importance of retaining those documents
- Make it policy for the ECA Treasurer to provide sponsors with reports of their financial activities, so sponsors can verify – consider having the sponsors sign and date it once they have reviewed and determined agreement to their records. And both parties should retain the signed copies.

Financial Cost of a Theft or Shortage



- Financial Cost: School Corporation pays \$175 per 7.5 hr. day or \$23.33 per hr. for the audit.
- State of Indiana pays full cost of SBOA examiners and reviewers of reports, as \$23.33 does not cover the hourly wages and fringe benefits of the examiners
- State of Indiana/local counties pay full cost of Attorneys representing the State in the collection of the missing funds
- State of Indiana pays full cost of any State Police Officers and personnel brought in to investigate
- State of Indiana – is every taxpayer in the State of Indiana – you and I

Non Financial Cost (Possibly the Greatest Cost)



- Loss of Public Integrity
- Loss of Trust in our Public Officials – All of US.
- Extra-Curricular Accounts and Funds are possibly the most identifiable to the average citizen

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