

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT
OF
PLAINFIELD COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA
July 1, 2014 to June 30, 2016



FILED
09/17/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stacey D. Smith	07-01-14 to 06-30-19
Superintendent of Schools	Scott Olinger	07-01-14 to 06-30-19
President of the School Board	Bart Beal	01-01-14 to 12-31-14
	Mark Todisco	01-01-15 to 12-31-15
	Scott Flood	01-01-16 to 12-31-16
	Michael Allen	01-01-17 to 12-31-17
	Jessica Elston	01-01-18 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE PLAINFIELD COMMUNITY SCHOOL CORPORATION, HENDRICKS COUNTY, INDIANA

This report is supplemental to our audit report of the Plainfield Community School Corporation (School Corporation), for the period from July 1, 2014 to June 30, 2016. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

August 13, 2018

PLAINFIELD COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

PREPAID SCHOOL MEAL ACCOUNTS

Prepaid lunch receipts were not placed in Fund 8400 Prepaid Fund, a clearing account, but were instead accounted for in the School Lunch Fund 800. The entire amount of prepaid lunch receipts were recognized in the School Lunch Fund 800 at the time of receipt as revenue and not as applied from the clearing account as students consumed their individual account balances. As a result, the subsidiary records of prepaid lunch fund balances by student could not be reconciled to an overall balance on a routine basis as required.

Our opinion is that money a student puts into their individual meal account should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while it is in the student's individual account the balance should not be included in Fund 800 School Lunch. Our recommendation is that you set up a clearing account with the fund number of 8400. Our suggestion is when a student brings in a deposit the receipt would be recorded to fund 8400 using receipt account number 1630. Periodically, after the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 and receipt it into fund 800 using receipt accounts 1611-1623. At this point it is considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis the balance of the 8400 fund should be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, September 2015)

SUPPORTING DOCUMENTATION - HIGH SCHOOL ECA

There were six out of eighty receipts tested that could not be verified, due to a lack of supporting documentation. Per inquiry, Cindy Spangler, High School ECA Treasurer, was not able to provide the Electronic Fund Transfer statements to identify the receipt registers, as she does not have access to the statements during the audit period. Additionally, timely deposits could not be verified for those six instances due to the lack of the Electronic Fund Transfer statements and supporting documentation, which details the student payment and the payment receipt date.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for School Extra-Curricular Account, Chapter 1)

CURRICULAR MATERIALS RENTAL CHARGES AND EDUCATIONAL FEES

The same comment also appeared in prior Report B45740.

PLAINFIELD COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Curricular materials rental fees were calculated in a spreadsheet and approved by the School Board. It was discovered that the School Corporation charged more than allowable per statute for various books that were tested when the prices were recalculated based on the textbook invoices. There were 8 instances where the rental fees exceeded the 25 percent limit schools are allowed to charge students. Additionally, there were 11 out of 42 textbook rental fees tested that could not be verified due to documentation not provided timely and schools not being able to locate invoices.

There was no written guidance from an attorney that determined whether or not the fees violate the Indiana Constitution and the right for a student to be provided schooling without having to pay tuition.

Indiana Code 20-26-12-2 states in part:

"(a) A governing body may purchase from a publisher any curricular material selected by the proper local officials. The governing body may rent the curricular materials to students enrolled in any public or nonpublic school that is:

- (1) in compliance with the minimum certification standards of the state board; and
- (2) located within the attendance unit served by the governing body.

The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the curricular materials.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than twenty-five percent (25%) of the retail price of curricular materials that have been:

- (1) extended for usage by students under section 24(e) of this chapter; and
- (2) paid for through rental fees previously collected. . . ."

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds. . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)



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August 20, 2018

PREPAID SCHOOL MEAL ACCOUNTS

Contact Person: Stacey Smith
Contact Number: 317-839-2578
Anticipated Completion Date: October 2017

OFFICIAL RESPONSE

Plainfield Community School Corporation established Fund 8400 Prepaid Fund, a clearing account, in September 2017. Receipts are transferred from Fund 8400 to Fund 800 for actual sales of meals at the end of each month. The Treasurer reconciles the financial system Fund 8400 to the Food Service Director's prepaid account in the food service system monthly.

Signed Stacey Smith
Titled Corporation Treasurer
Date 08-20-2018



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August 20, 2018

SUPPORTING DOCUMENTATION – High School ECA

Contact Person: Stacey Smith
Contact Number: 317-839-2578
Anticipated Completion Date: August 2018

OFFICIAL RESPONSE

Plainfield High School will print out and attach the appropriate and required documentation to all ECA deposits.

Signed Stacey Smith
Titled Corporation Treasurer
Date 08-20-2018

PLAINFIELD COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on August 13, 2018, with Stacey D. Smith, Treasurer; Scott Olinger, Superintendent of Schools; Jud Wolfe, Assistant Superintendent of Schools; Jessica Elston, President of the School Board; and Scott Flood, 1st Vice President of the School Board.