

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

BARTHOLOMEW CONSOLIDATED  
SCHOOL CORPORATION  
BARTHOLOMEW COUNTY, INDIANA

July 1, 2016 to June 30, 2018



**FILED**  
05/08/2019



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Federal Findings:	
Finding 2018-001	
Preparation of the Schedule of Expenditures of Federal Awards .....	4-6
Finding 2018-002	
Child Nutrition Cluster - Internal Control .....	6-7
Finding 2018-003	
Child Nutrition Cluster - Program Income .....	7-9
Finding 2018-004	
Special Education Cluster (IDEA) - Procurement and Suspension and Debarment .....	9-11
Corrective Action Plan.....	12-15
Audit Result and Comment:	
Prepaid School Meal Accounts.....	16
Exit Conference.....	17

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vaughn Sylva Chad Phillips	07-01-16 to 06-30-17 07-01-17 to 06-30-19
Superintendent of Schools	Dr. Jim Roberts	07-01-16 to 06-30-19
President of the School Board	Dr. Jill Shedd Rich Stenner Jeff Caldwell Dr. Jill Shedd	01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION, BARTHOLOMEW COUNTY, INDIANA

This report is supplemental to our audit report of the Bartholomew Consolidated School Corporation (School Corporation), for the period from July 1, 2016 to June 30, 2018. It has been provided as a separate report so that the reader may easily identify any Federal Findings and 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/](http://www.in.gov/sboa/).

The Federal Findings, identified in the above referenced audit report, are included in this report and should be viewed in conjunction with the Audit Result and Comment as described below.

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 Result and Comment contained herein describes the identified reportable instance 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 Corrective Action Plan for the Federal Findings and Official Response to the Audit Result and Comment, incorporated within this report, were not verified for accuracy.

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

April 2, 2019

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS

***FINDING 2018-001***

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat of Finding 2016-002 from the immediate prior audit.

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer/Assistant Superintendent of Finance prepared the SEFA; however, there were no controls in place to verify the accuracy of the information prior to submission.

*Context*

The SEFA contained the following errors:

1. The Special Education Cluster (IDEA) expenditures were overstated by \$846,529 and \$392,314 for fiscal year 2017 and 2018, respectively.
2. Expenditures for CFDA 84.002 were overstated by \$204,836 and \$78,966 for the fiscal year 2017 and 2018, respectively.
3. CFDA 84.048 was omitted for the fiscal year 2017 resulting in expenditures being understated by \$216,472.
4. CFDA 84.126 was omitted for the fiscal year 2017 resulting in expenditures being understated by \$5,382.
5. Expenditures for CFDA 84.196 were overstated by \$1,063 for the fiscal year 2018.
6. Expenditures for CFDA 84.365 were understated by \$9,301 and overstated by \$402 for fiscal year 2017 and 2018, respectively.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management had not established a system of internal controls that would have ensured proper reporting of the SEFA.

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Effect*

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2018-002**

Subject: Child Nutrition Cluster - Internal Control

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): 2016-17, 2017-18

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. The School Corporation had not designed or implemented adequate policies and procedures to ensure that the Annual Financial Reports were accurate prior to submission. One person prepared and submitted the reports. There was no segregation of duties, such as oversight, review, or approval process.

*Context*

The lack of properly designed and implemented controls was a systemic problem, which occurred throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2018-003**

Subject: Child Nutrition Cluster - Program Income

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): 2016-17, 2017-18

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat of Finding 2016-005 from the immediately prior audit.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement. The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded in the financial records.

The School Corporation did not comply with Program Income requirements. All food service collections were posted directly to the School Lunch fund (800) with no segregation between what constituted program income and monies placed on students accounts. A School Lunch Clearing Account (8400) was not maintained by the School Corporation.

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Context*

The lack of properly designed and implemented controls was a systemic issue throughout the audit period. The School Corporation failed to properly record program income in the School Lunch fund throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.14(c) states:

*"Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . .

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

7 CFR 225.6(e) states in part:

"State-Sponsor Agreement. A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Bulletin and Uniform Compliance Guidelines, September 2008)

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Cause*

The School Corporation's management had not developed a system of internal controls that segregated key functions and that would have ensured compliance with the grant agreement and the Program Income compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Program Income compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Program Income compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2018-004**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-003-PN01, 14217-003-PN01,  
45716-003-PN01, 45717-003-PN01,  
18611-003-PN01, 18619-003-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness and Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-009.

*Condition*

In reference to the Special Education Cluster Grants 14216-003-PN01, 14217-003-PN01, 45716-003-PN01, and 45717-003-PN01, an effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the procurement compliance requirement. The School Corporation was a participating member school of the Bartholomew Special Services Cooperative (Cooperative). The Cooperative operated the special

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

education program on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and each member of the Cooperative, the School Corporation was ultimately responsible for ensuring compliance with the requirements. The School Corporation was relying on the Cooperative for compliance with requirements pertaining to procurement and suspension and debarment.

In reference to the Special Education Cluster (IDEA) Grants 18611-003-PN01 and 18619-003-PN01, an effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Procurement*

The School Corporation did not have controls in place to verify procurement procedures were followed by the Cooperative or by the School Corporation itself. Evidence was not presented that an adequate number of quotes were obtained for small purchases with estimated costs above \$3,500. There were four purchases that were entered into by the Cooperative and three by the School Corporation without evidence of price or rate quotations being obtained.

*Suspension and Debarment*

The School Corporation did not have procedures in place to ensure that the Cooperative or the School Corporation itself verified that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction. There was one contract entered into by the Cooperative and three by the School Corporation, in which evidence was not presented to indicate procedures were performed to verify that the vendors were not suspended or debarred.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled the School Corporation to be in noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION**

ADMINISTRATION BUILDING  
1200 CENTRAL AVENUE  
COLUMBUS, INDIANA 47201

**DR. JIM ROBERTS**  
SUPERINTENDENT

**CHAD PHILLIPS**  
ASSISTANT SUPERINTENDENT  
OF FINANCE  
812-376-4300  
phillipsc@bcsc.k12.in.us

**CORRECTIVE ACTION PLAN**

***FINDING 2018-001***

Contact Person Responsible for Corrective Action: Chad Phillips

Contact Phone Number: 812-376-4222

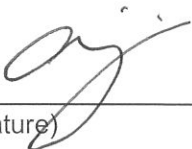
Views of the Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Beginning with the August 2019 SEFA, the following revised internal controls were implemented:

1. The Treasurer will obtain copies of each of the grants from the grant monitors.
2. The Treasurer used the previous years' SEFA to generate a SEFA spreadsheet and completed the revenue and expenditures from the financial management system.
3. The Treasurer sent this draft of the spreadsheet to each grant monitor (Title, Sped, Food, CTE, and Adult/Alternative) to verify the information in the spreadsheet.
4. Once the information was updated and verified, the Treasurer shared the SEFA spreadsheet with the Deputy Treasurer. The Deputy Treasurer completed another verification of the information.
5. The Treasurer submitted the SEFA as part of the SBOA Annual report

Anticipated Completion Date: August, 2019

  
\_\_\_\_\_  
(Signature)

ASST. Supt. / TREASURER  
(Title)

03/20/2019  
(Date)

**BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION**

ADMINISTRATION BUILDING  
1200 CENTRAL AVENUE  
COLUMBUS, INDIANA 47201

**DR. JIM ROBERTS**  
SUPERINTENDENT

**CHAD PHILLIPS**  
ASSISTANT SUPERINTENDENT  
OF FINANCE  
812-376-4300  
phillpsc@besc.k12.in.us

**CORRECTIVE ACTION PLAN**

***FINDING 2018-002***

Contact Person Responsible for Corrective Action: Nancy Millspaugh

Contact Phone Number: 812-376-4462

Views of the Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Nancy Millspaugh, Food Service Director will prepare the annual financial report for the food service department. The report will be submitted to Paula Betros, Deputy Treasurer for review for accuracy. The report will be returned to the Food Service Director for submission electronically to the Indiana Department of Education Child Nutrition Division for approval.

Anticipated Completion Date: 9/1/2019

Nancy Millspaugh  
(Signature)

Food Service Director  
(Title)

3-20-19  
(Date)

**BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION**

ADMINISTRATION BUILDING  
1200 CENTRAL AVENUE  
COLUMBUS, INDIANA 47201

**DR. JIM ROBERTS**  
SUPERINTENDENT

**CHAD PHILLIPS**  
ASSISTANT SUPERINTENDENT  
OF FINANCE  
812-376-4300  
phillipsc@bcsc.k12.in.us

**CORRECTIVE ACTION PLAN**

***FINDING 2018-003***

Contact Person Responsible for Corrective Action: Nancy Millspaugh/Paula Betros

Contact Phone Number: 812-376-4462/812-376-4222

Views of the Responsible Official: We concur with the finding

Description of Corrective Action Plan:

The Food Service Director and Deputy Treasurer have begun the work of developing a school lunch clearing account for collections from prepaid patrons. Fund 8400 has been created and the necessary revenue and expense accounts have been identified. At the end of the current school year, we will reconcile student accounts and transfer as appropriate the money in Fund 0800 and Fund 8400. Following the initial transfer, we will only have Federal funds directly deposited into Fund 0800 and all pre-paid deposits will go into Fund 8400. The student accounts in 8400 will be reconciled monthly and transfers into 0800 will be made as needed.

Anticipated Completion Date: 6/30/2019

*Nancy Millspaugh*  
\_\_\_\_\_  
(Signature)

*Food Service Director*  
\_\_\_\_\_  
(Title)

*3-20-19*  
\_\_\_\_\_  
(Date)

# BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION

ADMINISTRATION BUILDING  
1200 CENTRAL AVENUE  
COLUMBUS, INDIANA 47201

DR. GEORGE VAN HORN  
DIRECTOR OF  
SPECIAL EDUCATION

PHONE: 812-376-4460  
FAX: 812-373-2188

BOARD OF SCHOOL TRUSTEES  
JULIE BILZ  
PAT BRYANT  
JEFF CALDWELL  
KATHY DAYHOFF-DWYER  
JAMES PERSINGER  
JILL SHEDD  
RICH STENNER

## Corrective Action Plan

### ***FINDING 2018-004***

Contact Person Responsible for Corrective Action: George Van Horn  
Contact Phone Number: 812-376-4460  
Views of the Responsible Official: We concur with the Finding

Description of the Corrective Action Plan: Effective January 1, 2019, the School Corporations within the Cooperative no longer relied upon the Bartholomew Special Services Cooperative to operate the special education program on behalf of the School Corporation and manage the special education grant funds.

Beginning the 1<sup>st</sup> quarter of 2019, Bartholomew Consolidated School Corporation created a spreadsheet for the purpose of reviewing and documenting current vendors quarterly through the Federal System for Award Management (SAM) database. All vendors are and will continue to be verified that they are not suspended or debarred from participation in federal programs. Documentation of this verification will continue to be completed quarterly. All new vendors will be verified through SAM Exclusions prior to any purchase.

Anticipated Completion Date: January 1, 2019

  
\_\_\_\_\_  
(Signature)

*Director of Special Education*  
\_\_\_\_\_  
(Title)

*3/25/2019*  
\_\_\_\_\_  
(Date)

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**PREPAID SCHOOL MEAL ACCOUNTS**

The same comment also appeared in prior Report B51114, entitled *Prepaid School Meal Accounts*.

Receipts from students who prepaid for food were receipted directly into the School Lunch account (Fund 800), instead of a clearing account for prepaid food (Fund 8400) during the audit period. A clearing account fund for prepaid meals had not been established in the School Corporation records.

When a student puts money into their individual meal account, it 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 money is in the student's individual account, the balance should not be included in Fund 800 School Lunch. A school should set up a clearing account with the fund number of 8400 Prepaid School Lunch Accounts, which is included in Chapter 4 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. When a student brings in a deposit the receipt should be recorded to fund 8400 using receipt account 1630 Special Functions. After the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 Other Food Services and receipt this into fund 800 using the Food Services receipt accounts 1611-1623 at the time established in a written school policy to ensure accurate monthly reporting. At this point the receipts are considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis it is required that the balance of the 8400 fund be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on April 2, 2019, with Dr. Jim Roberts, Superintendent of Schools; Chad Phillips, Treasurer; Paula Betros, Deputy Treasurer; and Dr. Jill Shedd, President of the School Board.