

THE SCHOOL BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 215

September 2016

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 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.
- 1 Last day for applicable units under IC 6-1.1-17-20.3 to submit proposed 2017 budgets, tax rates, and tax levies to county fiscal body or other appropriate fiscal body for review and recommendation or adoption.
- 5 Labor Day – Legal Holiday (IC 1-1-9-1)
- 16 The Fall ADM data will be reported on the DOE-ME (Membership) for the 2016-2017 school year and will be submitted by individual student record via the STN Application Center. The fall count of students for ADM will occur on Friday, September 16, 2016. The required collection period for the count is September 16, 2016, 8:00 a.m., EDT, through September 29, 2016, 11:59 p.m. EDT, which is the final date for submission. The clean-up and restricted period will begin on October 3, 2016, 8:00 a.m. and end on October 8, 2016, 11:59 p.m. EDT. The signoff only period will begin on October 13, 2016, at 8:00 a.m. EDT and end on October 14, 2015 at 11:59 p.m. EDT. You will not be able to obtain a report for signature until the signoff only period opens.
- 30 Bargaining Status Form: Pre-Impasse must be completed by both parties in Gateway.
- 30 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.
- 2 All Collective Bargaining Agreements must be signed and ratified by both parties and uploaded on Gateway.
- 10 Legal Holiday – Columbus Day (IC 1-1-9-1)
- 11 Last day to post notice to taxpayers of proposed 2017 budgets and tax levies and public hearing (Budget Form 3) to Department of Local Government Finance through Gateway. (IC 6-1.1-17-3)
- 19 Last day for units to file excessive levy appeals for school transportation fund, annexation/consolidation/extension of services, three 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)

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ITEMS TO REMEMBER
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October (Continued)

- 21 Last possible day for taxing units to hold a public hearing on their 2017 budget. Public hearing must be held at least ten 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. (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 2017 budget. (IC 6-1.1-17-5(a))
- 30 Last day to report and make payment of state and county income tax withheld during September to the Department of Revenue.
- 31 Last day to file Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue service for payment of federal tax withheld.
- 31 Requests for textbook reimbursements should coincide with the required collection period beginning September 30, 2016, and ending October 31, 2016, and the required sign-off period beginning November 1, 2016, and ending November 7, 2016. The information is required to be filed per instructions provided by the Department of Education, Office of School Finance.
- 31 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)
- 31 Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending September 30.

November

- 1 Prove all ledgers for the month of October.
- 1 Last day for schools to adopt their 2017 Capital Projects Fund (CPF) Plan and Bus Replacement Plan. (IC 20-46-6-8.1; IC 20-46-5-6.1)
- 2 Deadline for all taxing units to adopt 2017 budgets, rates, and levies. (IC 6-1.1-17-5(a))
- If a taxpayer objection petition is filed, the appropriate fiscal body shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption meeting. (IC 6-1.1-17-5(c))
- 3 Last day for units to submit their 2017 budgets, rates, and levies to the Department of Local Government Finance through Gateway as prescribed by the Department.
- 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)
- 14 Last possible date for first publication of notice to taxpayers of public hearing notice on budgets and tax levies for two schools participating in a reorganization approved in a general election effective for property taxes payable in the immediate following year. (IC 36-1.5-4-7)

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ITEMS TO REMEMBER
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November (Continued)

- 24 Last possible day for second publication of notice to taxpayers of public hearing notice on budgets and tax levies for two schools participating in a reorganization approved in a general election effective for property taxes payable in the immediate following year. (IC 36-1.5-4-7)
- 24 Legal Holiday – Thanksgiving Day (IC 1-1-9-1)
- 26 Deadline for public hearing on budgets, tax rates, and tax levies for two schools participating in a reorganization approved in a general election effective for property taxes payable in the immediate following year. (IC 36-1.5-4-7)
- 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)
- 30 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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SBOA GATEWAY REPORTING REQUIREMENTS REMINDER

We wanted to remind you on the requirement to complete both the Gateway Annual Financial Report and the Gateway ECA Risk applications in order to meet the reporting requirements of IC 5-11-1-4. If you have not signed on or notified the Gateway Help Desk as to the ECAs in your school system, then please send an email to gateway@sboa.in.gov and include the name of your ECAs (for example ABC Elementary School; ABC Jr/Sr High School), the name of each ECA Treasurer, and their email address. Please see the June 2015 School Bulletin for information about the new ECA Risk application.

FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES

School Corporations providing financial assistance to non-governmental entities are required to notify those entities annually in writing the following information:

- 1) The Entity Annual Report (E-1) filing requirement established by IC 5-11-1-4 and the audit requirement established by IC 5-11-1-9;
- 2) The source(s) of the funding provided;
 - a) Local and/or state funds (in the case of subsidies, contributions, or general aid),
 - b) Federal grants passed through including the formal name of the program and CFDA number, or
 - c) Fee for service arrangements,
- 3) The State Board of Accounts may request documentation to support the categorization of the financial assistance,
- 4) The E-1 is not to be confused with the Secretary of State's Business Entity report, and
- 5) The entity may obtain additional information from the State Board of Accounts at notforprofit@sboa.in.gov.

Furthermore, this financial assistance provided is to be reported by the School Corporation on the Annual Financial Report via Gateway.

"Entity" is defined in IC 5-11-1-16 as "any provider of goods, services, or other benefits that is: (1) maintained in whole or in part at public expense; or (2) supported in whole or in part by appropriations or public funds or by taxation." This includes for-profit and not-for-profit corporations, unincorporated associations, organizations, individuals, etc. Examples of non-governmental entities are volunteer fire departments, a local YMCA, youth leagues, senior citizen centers, 4-H clubs, daycare centers, health service organizations, emergency medical service organizations, community centers, historical societies, etc.

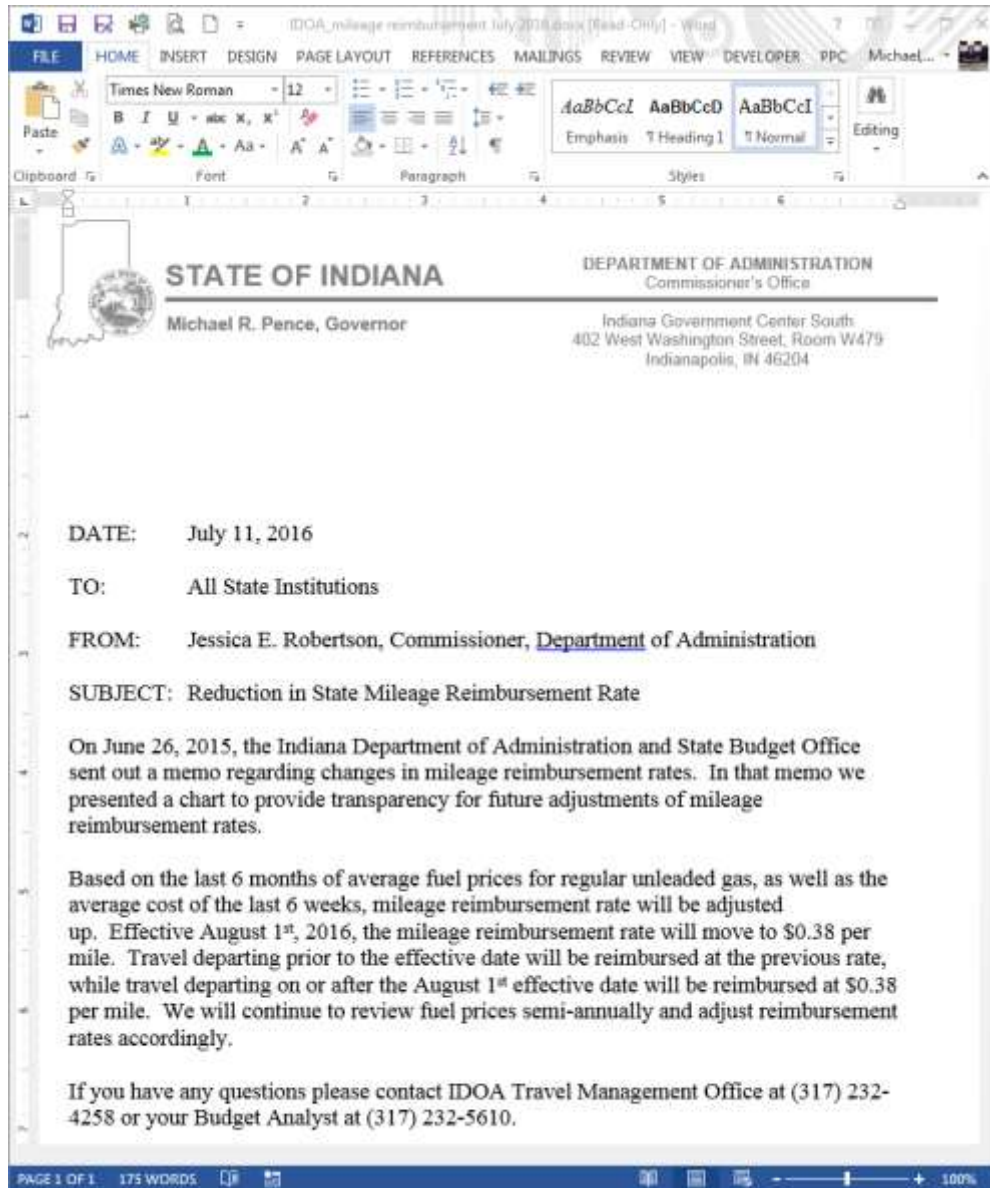
Financial assistance to non-governmental entities is defined as payments received in the form of grants (whether from local, state, or federal sources), subsidies, contributions as permitted by statute, aid, or other agreements. For more information on what constitutes financial assistance, please refer to the State Board of Accounts' *Uniform Compliance Guidelines for Examinations of Entities Receiving Financial Assistance from Governmental Sources* found on the State Board of Accounts' website at www.in.gov/sboa under Private Examiner Audits/Non-Governmental Entities Receiving Governmental Assistance/Uniform Compliance Guidelines.

Each non-governmental entity receiving financial assistance from governmental units is required to submit a Gateway financial report, the E-1, in accordance with IC 5-11-1-4(a). Information requested includes the source and use of financial assistance provided by governmental units. The entity is subject to a State Board of Accounts audit in accordance with IC 5-11-1-9 if certain funding thresholds are met.

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STATE MILEAGE REIMBURSEMENT RATE UPDATED

For those School Corporation travel policies that are required to use the state mileage rate for reimbursement, it should be noted on July 11, 2016, the Department of Administration issued the following memo that changed the mileage reimbursement rate from \$.36 to \$.38 effective August 1, 2016.



If you have any questions, please contact IDOA Travel Management Office at (317) 232-4258.

POLICING SCHOOL CROSSINGS

The Office of the Indiana Attorney General has consistently held police agencies of civil units primarily responsible to provide for the safety of the inhabitants on the streets and highways. The matter was also a topic of discussion in Official Opinion 38 of 1954 as well as in an Administrative Advisory Letter dated April 4, 1986.

An Assistant Attorney General provided in an unofficial opinion issued on March 20, 1958, that a school corporation does not have the authority to engage in public safety separately and could not do so jointly with a civil city or town. The unofficial opinion provided that public safety is a function of the civil municipality and not of a school corporation.

IC 36-9-12-4 provides authority for cities and towns in using the funds collected from parking meters to pay the cost of purchase, maintenance, operation, repair and all other costs of providing school crossing protective facilities.

The above items are the basis for our audit position that the providing of school crossing guards would be the responsibility of the municipal or county government that has jurisdiction over public safety of the roads the students would be crossing.

A school corporation could be precluded from proceeding under "Home Rule", as the responsibility has been given to other specific units of government. However, if a determination could be made that funds were not available by the municipal unit to provide for crossing guards, and if the School Board, with written advice of the School Corporation Attorney passes a "Home Rule" resolution stating their policy and desire to provide crossing guards, then the State Board of Accounts would not take exception to the school corporation providing the crossing guards.

AUDIOMETER TESTS

IC 20-34-3-14 states, "(a) The governing body of each school corporation shall annually conduct an audiometer test or a similar test to determine the hearing efficiency of the following students: (1) Students in grade 1, grade 4, grade 7, and grade 10. (2) A student who has transferred into the school corporation. (3) A student who is suspected of having hearing defects. (b) A governing body may appoint the technicians and assistants necessary to perform the testing required under this section. (c) Records of all tests shall be made and continuously maintained by the school corporation to provide information that may assist in diagnosing and treating any student's auditory abnormality. However, diagnosis and treatment shall be performed only on recommendation of an Indiana physician who has examined the student. (d) The governing body may adopt rules for the administration of this section." IC 20-34-3-15 used to provide remedial measures for hearing impaired students. However, it was repealed by P.L. 233-2015.

PAYMENT OF BONDS

IC 20-48-1-3 states, "(a) Bonds authorized by this article and IC 20-26-1 through IC 20-26-5 must be payable in the amounts and at the times and places determined by the governing body. (b) Bonds issued for the funding of judgments or for the purchase of school buses shall mature not more than five (5) years from the date of the bonds. Bonds issued for other purposes must mature not more than twenty-five (25) years from the date of the bonds. (c) The governing body may provide that principal and interest of the bonds are payable at a bank in Indiana and may also be payable at the option of the holder at another bank designated by the governing body, either before or after the sale. (d) The governing body may pay the fees of the bank paying agent and shall deposit with the paying agent, if any, within a reasonable period before the date that principal and interest become due sufficient money for the payment of the principal and interest on the due date."

PAYMENT OF BONDS (continued)

A governing body if so desiring may by resolution, designate a bank or banks or trust company as paying agents. On or within a reasonable period before the due date for each bond redemption or interest payment the school corporation treasurer may deposit with the paying agent sufficient funds to meet such bond redemption and interest payments, which requires the establishment of an account at the designated bank and for monthly bank statements of the condition of the account. The statement may be rendered at the same time as other monthly bank statements and shall enclose (properly cancelled and with the date of the cancellation) the bonds and (coupons if applicable), paid during that month. The procedures will allow the bookkeeper to match the bonds and (coupons if applicable), paid and returned by the bank with the balance of the fund at the bank. Also the bookkeeper can post to the Bond Register (Form 53) those bonds and (coupons if applicable), paid each month by the bank so that the Bond Register will be currently and accurately posted at the close of each month.

Payment of any fees due the paying agent must be supported by an itemized accounts payable voucher properly filed and allowed by the governing body.

School corporations may also issue "bonds, notes, evidences of indebtedness, or other written obligations" in fully registered or book entry form." These types of obligations may have as registrar or paying agent the issuing entity, a bank or trust company, or securities depository corporation. The bank or trust company need not be depository bank under IC 5-13, and need not be located within the State of Indiana.

Notwithstanding any other provision of law, registers or registration books or transfer records for bonds, notes, evidences of indebtedness, or other written obligations of any entity are not public records, but are only for the use of the entity, any trustee, fiduciary, paying agent, registrar, co-registrar, or transfer agent. A trust department of a bank having possession of these records shall not disclose them to a bond department, commercial department, subsidiary of the bank, or subsidiary of the parent corporation of the bank.

Registrars of bond issues shall keep a register of ownership of bonds.

Since the paying agency or registrar shall keep a register to ownership of bonds and all bonds and coupons shall be paid when becoming due, we see no reason for the governmental unit to duplicate those same records maintained by the paying agent or registrar by keeping a bond register. There should be no unpaid outstanding matured bonds or coupons (if applicable).