ITEMS TO REMEMBER

September

1 Prove the Fund Ledger and Ledger of Receipts for the month of May 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.

3 Last day for units with appointed boards to submit proposed 2019 budgets, tax rates, and tax levies to county fiscal body or other appropriate fiscal body for binding adoption, as applicable. (IC 6-1.1-17-20)

3 Legal Holiday – Labor Day. (IC 1-1-9-1)

14 The Fall ADM data will be reported on the DOE-ME (Membership) for the 2018-2019 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 14, 2018. The required collection period for the count is September 14, 2018, 8:00 a.m., EDT, through September 26, 2018, 11:59 p.m. EDT, which is the final date for submission. The clean-up and restricted period will begin on September 27, 2018, 8:00 a.m. and end on October 5, 2018, 11:59 p.m. EDT. The sign-off only period will begin on October 6, 2018, at 8:00 a.m. EDT and end on October 12, 2018, at 11:59 p.m. EDT. You will not be able to obtain a report for signature until the sign-off only period opens.

15 Formal collective bargaining period begins (Optional informal negotiations may have been held up to this date). (IC 20-29-6-12)

20 Last day for Early Filers to report and make payment of state and county income tax withheld during February to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month’s end. For questions on filing status contact the Indiana Department of Revenue.

30 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

October

1 Prove all ledgers for the month of September.

1 School Employee Organization Affidavit must be completed for IEERB in Gateway.

8 Legal Holiday – Columbus Day (IC 1-1-9-1)

12 Last day to post notice to taxpayers of proposed 2019 budgets and net tax levies and public hearing (Budget Form 3) to Gateway. Notice must be posted at least ten days before the public hearing, which must occur at least ten days before the adoption for most taxing units. (IC 6-1.1-17-3)

19 Last day for units to file excess levy appeals for school transportation fund, annexation/consolidation/extension of services, three-year growth factor, emergency, and correction of error with DLGF. (IC 20-46-4-10; IC 6-1.1-18.5-12; IC 1-1.1-18.5-13; IC 6-1.1-18.5-14)
ITEMS TO REMEMBER
(Continued)

October (continued)

20 Last day for Early Filers to report and make payment of state and county income tax withheld during March to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month’s end. For questions on filing status contact the Indiana Department of Revenue.

22 Last possible day for taxing units to hold a public hearing on their 2019 budgets. Public hearing must be held at least ten days before budget is adopted. (IC 6-1.1-17-5)

29 Last possible day ten or more taxpayers may object to a proposed 2019 budget, tax rate, or tax levy of a political subdivision. Objection must be filed not more than seven days after the public hearing. (IC 6-1.1-17-5)

31 Requests for textbook reimbursements should coincide with the required collection period beginning October 1, 2018 and ending October 31, 2018 and the required sign-off period beginning November 1, 2018 and ending November 9, 2018. The information is required to be filed per instructions provided by the Department of Education, Office of School Finance.

31 Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending September 30.

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 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

November

1 Prove all ledgers for the month of October.

1 Last day for schools to adopt their 2019 Capital Projects Fund (CPF) Plan and Bus Replacement Plan (IC 20-46-6-8.1; IC 20-46-5-6.1)

1 Deadline for all taxing units to adopt 2019 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))

5 Last day for units to submit their 2019 budgets, rates, and levies to the Department of Local Government Finance through Gateway as prescribed by the Department.

9 Last day to print, sign, and upload 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)
November (continued)

15 All Collective Bargaining Agreements must be signed and ratified by both parties and uploaded on Gateway (unless the parties are at impasse).

15 Bargaining Status Form 1 must be completed and uploaded to IEERB in Gateway.

20 Last day for Early Filers to report and make payment of state and county income tax withheld during July to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month’s end. For questions on filing status contact the Indiana Department of Revenue.

22 Legal Holiday – Thanksgiving Day (IC 1-1-9-1)

29 Last day to file the Gateway Annual Report and ECA Risk Reports with the State Board of Accounts. (IC 5-11-1-4)

31 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

2017 HEA 1009 – SCHOOL CORPORATION CHART OF ACCOUNTS

We would again like to thank everyone that have provided insightful feedback to the 2nd draft of the Chart of Accounts. As a result of additional research and the feedback we have received, we are releasing a 3rd draft version of the Chart of Accounts. Most of the changes have been adding “X”s in additional funds for various receipts and expenditures. In addition, we have updated the Receipt and Expenditure descriptions as well as working with IDOE to release a revised version of the Object Code descriptions for reference when reviewing the Chart of Accounts. All releases can be found on the Schools webpage under the “Hot Topics” section at https://www.in.gov/sboa/4449.htm.

As you continue to get familiar with the Chart of Accounts and use it in your budget preparation, please feel free to send additional feedback. We have moved on to working to update the rest of the chapters of the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations. So by the December Bulletin, we will be able to provide a final version of the Manual that would be effective January 1, 2019.

Recently Asked Questions

I realize that athletic coaches should be paid from the Education fund using expenditure account #33400. Where are academic coaches, sponsors, etc. supposed to be paid from?

The descriptions for the expenditure accounts include the following wording in the 11100, 11200, and 11300: “Also include amounts necessary to meet additional salary requirements for teachers assigned extra duties such as coaching class plays, sponsor of a class or a social organization, etc”.

Can we continue to include appropriations in multiple years’ budget and carry them over until a project is going to be completed?

See “Project Encumbrances” article below.

Can we receipt fees that we charge students for things like lab kits in receipt account #1741?

Yes, we have updated the receipt account matrix to allow for #1741 to be used in the Education fund.
STATE EXAMINER DIRECTIVE 2018-1

Directive 2018-1 from the State Examiner regarding the monthly and annual engagement uploads has been sent to all local units. This directive does not change any of the process, including implementation dates, previously received by the units. We would like to note that all extra-curricular accounts would also be responsible for uploading these items monthly. This directive will be available on our website at [http://www.in.gov/sboa/4428.htm](http://www.in.gov/sboa/4428.htm), by selecting the political subdivision then scrolling down to the Gateway section or the User Guide found at [https://gateway.ifionline.org/help.aspx](https://gateway.ifionline.org/help.aspx). Questions and concerns can be sent to the Gateway Help Desk at gateway@sboa.in.gov.

PROJECT ENCUMBRANCES

Indiana Code 5-1-2-1 details that appropriations from a capital projects type fund that are for a specific project shall not lapse at the end of a year in which they are made. It goes on to specifically say that the project expenses do not have to be re-appropriated in subsequent years while the project is ongoing. Therefore, we will not take exception to school corporations building into their Operations fund budget appropriations for a specific project and, then if the project is not completed during the year adding the appropriation to the next year’s Operations fund budget. The school corporation should document in detail the nature/description of the specific project as support for the encumbrance.

ELECTRONIC PAYMENT OF VENDOR CLAIMS

Indiana Code 36-1-8-11.5 allows for the governing body of a political subdivision to pass a resolution that allows the fiscal officer to pay claims by electronic funds transfer. The statute also requires compliance with all other requirements of claims payment. Indiana Code 5-11-10-1.6 provides the requirements and procedures to be completed prior to issuing a check. Most of those requirements involve prior approval of a claim and ensuring that bills/invoices have been reviewed. Therefore, we recommend that if a school corporation is going to make payments electronically, that they complete the claims approval requirements, and then work with their depository for a payment authorization process. Except for INPRS remittances as detailed in IC 5-10.2-2-12.5, we would suggest not setting up automatic monthly payments or other instances where vendors are giving access to pull money from the school corporation’s bank account.

TIMELY FILING OF REQUIRED REPORTS

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (100R); The Annual Financial Report (AFR); and The Extra-Curricular Account Risk Based Report

Pursuant to IC 5-11-13-1, all governmental units in the state must file the certified personnel report (Form 100R) in January of each year with the State Board of Accounts. Also, pursuant to IC 5-11-1-4, all local governmental units in the state must file an Annual Financial Report (AFR) and ECA Risked Based Report (Risk Report) not later than 60 days after the close of each fiscal year. The Indiana Gateway for Government Units (Gateway) system was created to collect both of these reports.

Due to the importance of these reports, the State Examiner has established the following procedures for reports not filed timely:

If either the 100R, AFR, or the Risk Report are not filed by the statutory due date, the State Board of Accounts will subpoena the fiscal officer to appear in our Indianapolis office with the information necessary to complete the 100R, AFR or the Risk Report, as applicable. This subpoena will be sent via served either by certified mail or through personal service by a representative of the Office of the Attorney General (OAG).

If the fiscal officer does not appear or does not submit the 100R or AFR in response to the subpoena, the State Examiner will send a notification to the OAG requesting the OAG to compel the fiscal officer to appear in court to answer as to his or her failure to file the report. The State Examiner may also send notification of the officer’s failure to comply with the law to the local prosecuting attorney.
TIMELY FILING OF REQUIRED REPORTS
(continued)

Indiana Code 5-11-1-10 addresses the penalty for not filing a required report and not following the directions of the State Examiner:

A public officer who:
(1) fails to make, verify, and file with the state examiner any report required by this chapter;
(2) fails to follow the directions of the state examiner in keeping the accounts of the officer's office;
(3) refuses the state examiner, deputy examiner, field examiner, or private examiner access to the books, accounts, papers, documents, cash drawer, or cash of the officer's office; or
(4) interferes with an examiner in the discharge of the examiner's official duties;
commits a Class B infraction and forfeits office. (Our emphasis)

If you need submission rights or have any questions regarding the use of Gateway, please contact our help desk at gateway@sboa.in.gov. Also, please feel free to contact our Directors of Audit Services if you are having difficulty completing your 100R or AFR. Contact information is available on our website at www.in.gov/sboa.

ANNUITY ACCOUNTS

IC 20-28-9-18 states "(a) Upon a teacher's written request, a governing body shall withhold the requested amount of money from the salary of the teacher for a purpose described in subsection (c). (b) Upon a written request from a beneficiary of the Indiana state teachers' retirement fund, a governing body may receive a given amount of money for a purpose described in subsection (c). (c) The governing body shall hold the amounts described in subsections (a) and (b) and pay the amounts, as requested by the teacher or the beneficiary, to an insurance company or other agency or organization in Indiana that provides, extends, supervises, or pays for: (1) insurance or other protection; or (2) the establishment of or payment on an annuity account; for the teacher. If a dividend accrues on a policy, the dividend shall be paid or credited to the teacher. (d) If less than twenty percent (20%) of the teachers employed by a governing body request payment of the amounts described in subsection (c) to a single recipient, withholding the amounts of money for insurance, dues, or other purposes is discretionary with the governing body."

Since the statutory definition of a teacher includes other professionals of the School Corporation such as, administrators, attendance officers, librarians, etc., the State Board of Accounts will not take audit exception if a school corporation applies IC 20-28-9-18 to those employees also.

IC 5-10-1.1-1 provides, in part, "... any political subdivision (as defined by IC 36-1-2-13) may: (1) agree with any employee to reduce and defer any portion of such employee's compensation which under federal law may be deferred under a nonqualified deferred compensation plan and subsequently contract for, purchase, or otherwise procure insurance and investment products appropriate for a nonqualified deferred compensation plan (all referred to in this chapter as "funding"), for the purpose of funding a deferred compensation plan for such employee; (2) if the political subdivision is a school corporation, establish an employee savings plan that is a defined contribution plan qualified under Section 401(a) or 403(b) of the Internal Revenue Code, and contribute amounts to the plan on behalf of eligible employees to be credited and allocated to an account for each employee; and (3) contribute amounts before January 1, 1995, and continue or begin to contribute amounts after January 1, 1995, to a nonqualified deferred compensation plan on behalf of eligible employees, subject to any limits and provisions under Section 457 of the Internal Revenue Code."
FINANCIAL ASSISTANCE FOR SCHOOL CHILDREN

IC 20-33-5-2 requires, “The department shall adopt procedures that must be followed by applicants in order for them to qualify for assistance under this chapter. These procedures must include obtaining information needed by the family and social services administration to determine if the recipient is a child who is a member of a qualifying family (as defined in IC 12-14-28-1), including the familial relationship of the child to the head of the household. The financial eligibility standard for an applicant under this chapter must be the same criteria used for determining eligibility for receiving free or reduced price lunches under the national school lunch program.”

IC 20-33-5-4 states, “The department shall provide each school corporation with sufficient application forms for assistance under this chapter. The state board of accounts shall prescribe the forms to be used.” The State Board of Accounts, based upon forms and information submitted by the State Department of Education, Division of School and Community Nutrition Programs, has prescribed School Forms 520, Application for Benefits, 521, Application for Free or Reduced Price Meals and Other Benefits and 522, Application for Free Milk and Other Benefits. Any potential changes or recommendations should be forwarded to the State Department of Education, Division of School and Community Nutrition Programs for consideration in future revisions.

IC 20-33-5-6(b), “If the school corporation makes a determination that the parent is ineligible based on the information in the application, the school corporation shall give the parent written reasons for the denial and inform the parent of the right to request a hearing before the governing body of the school corporation or the governing body's designee. After the determination, the school corporation may bill the parent for the student's fees, but the school corporation may not take any legal action against the parent until the parent has had the opportunity to make an appeal in a hearing before the governing body of the school corporation or the governing body's designee. If the parent pays the fees based on the school corporation’s determination, and after the appeal it is determined that the parent qualifies for assistance, the school corporation shall reimburse the parent.”

IC 20-33-5-3 states, “(a) If a parent of a child or an emancipated minor who is enrolled in a public school, in kindergarten or grades 1 through 12, meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may not be required to pay the fees for curricular materials, supplies, or other required class fees. The fees shall be paid by the school corporation that the child attends. (b) The school corporation may apply for a reimbursement under section 7 of this chapter from the department of the costs incurred under subsection (a). (c) To the extent the reimbursement received by the school corporation is less than the rental fee assessed for curricular materials, the school corporation may request that the parent or emancipated minor pay the balance of this amount.”

PAYMENT OF FOREIGN EXCHANGE TEACHERS

IC 20-28-6 provides the basic teacher contract requirements. IC 20-28-10-3 concerns sabbatical leaves of absence for teachers in the public schools of Indiana and states, “(a) A school corporation may grant a teacher, on written request, a sabbatical for improvement of professional skills through: (1) advanced study; (2) work experience; (3) teacher exchange programs; or (4) approved educational travel. (b) After taking a sabbatical, the teacher shall return for a length of time equal to that of the sabbatical leave.” When considering all provisions of the above-referenced statutes, the State Board of Accounts is of the audit position a governing board may grant a teacher a sabbatical leave of absence for participation in the exchange program and may grant that teacher compensation in an amount the governing board determines whether or not the school corporation is reimbursed by another employer whom the teacher may serve while on the sabbatical leave. If the teacher fails to return to the school corporation of employment after the sabbatical leave, for a period of time equal to that of the sabbatical leave, such teacher would be subject to refunding to the school corporation any compensation accepted from the school corporation while on the sabbatical leave of absence.
**FRANCHISE OR EXCLUSIVE CONTRACTS**

We have been advised of contracts being entered into by building principals for fees to be received for promotion of vending products. These contracts are sometimes referred to as franchise, promotional, or exclusive fee contracts.

The question of the appropriateness of these fees should be addressed by the written advice of the school corporation attorney with due consideration of whether good public policy is being observed.

Various statutory references provide the board of school trustees with the authority and responsibility for entering into contracts. IC 20-26-4-8 states, "Notwithstanding any other law, the president and secretary of the governing body of a school corporation are entitled, on behalf of the school corporation, to sign any contract, including employment contracts and contracts for goods and services. However, each contract must be approved by a majority of all members of the governing body. In the absence of either the president or secretary of the governing body, the vice president is entitled to sign the contracts with the officer who is present."

IC 20-26-5-4 states in part "In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers: (1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law."

We are of the audit position contracts should only be entered into by a board of school trustees. The board should formally determine which funds of the school corporation or of the school building (extra-curricular fund) are to receive revenues from "franchise fees" or "exclusive" contracts.