Indiana State Library Annual Budget Workshop
June 2020

CONTACTS

Todd Caldwell, CFE
Director of Audit Services

Susan Gordon, CPA, CFE
Director of Audit Services

libraries@sboa.in.gov

317-232-2513
TOPICS

- COVID-19
  - Policies
- POLICIES IN GENERAL
- CHART of ACCOUNTS
- APPROPRIATIONS & GRANTS
- NEW LEGISLATION
- ENHANCED REGULATORY
- REMOTE AUDITS
- OTHER COVID ITEMS

SBOA Issued Memos:

3/12/2020 – Policy
3/16/2020 – Considerations
3/31/2020 – Assistance
4/03/2020 – Continuity
4/09/2020 - Transfers
4/14/2020 – Electronic Signatures
4/20/2020 – CARES Relief
4/23/2020 – Relief Fund Guidance
4/27/2020 – Enhanced Regulatory
4/29/2020 – Grant Accounting
5/11/2020 – Fraud Schemes

SBOA Directive:

State Examiner Directive 2020-1
SBOA INFORMATION ON CORONAVIRUS

Policy Regarding Coronavirus 3-12-2020
Coronavirus Items to Consider 3-16-2020
Assistance During COVID-19 3-31-20
Continuity of Essential Operations 4-03-20
Temporary Transfer of Funds 4-09-20
Electronic Signatures 04-14-20
CARES Act Fund Numbers 4-20-20
Coronavirus Relief Fund Guidance 4-23-20
Coronavirus Relief Fund FAQs 5-4-20
State Examiner Directive 2020-1
State Examiner Directive 2020-2

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POLICIES – COVID 19

Memos 3/12/20 & 3/16/20
✓ Develop Policy
✓ Approve in Public Meeting
✓ Consult Attorney
✓ Items for Consideration
✓ SBOA Guidance not Restrictive
✓ SBOA Will NOT Take Audit Exception

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3/31/2020: Assistance

Several inquiries about using public funds as assistance. Policy adoption required.

No Audit Exception:
- Exec Order(s) still in effect
- Adopted policy approves expenditure(s)
- Written advice of counsel
- Legitimate government purpose
- Acceptable under Indiana Code
- Policy explains needed for economic effects

4/3/2020: Continuity

Develop plan/policy for continuity of essential operations

- Actions taken if a fiscal officer was totally incapacitated
- Who would take over and how decided
- How would office function; could office function
- Consider:
  - Bank accounts
  - Computer systems
  - Identify essential tasks
  - Identify those tasks that can wait until later
4/9/2020: Temporary Transfers

- Transfer of funds may be needed
- IC 36-1-8-4(a)
  - By Resolution
  - Prescribed period of time
  - Can be extended if board declares emergency

4/14/2020: Electronic Signatures

- Generally controlled by IC 26-2-8
- Internal controls needed
  - Ensure signature is created by person whose name is on the document
- No exception
  - Comply with applicable statutes
  - Doesn’t circumvent other statutory provisions

4/20/2020: CARES Provider Relief Fund

- Monies distributed to governmental units providing Medicare fee-for-service reimbursements in 2019
- CARES Provider Relief should not apply to libraries

4/23/2020: Relief Fund Guidance

- Link to info from Feds on Relief Funds


- Susan will discuss what’s happening with the changes we trained on last year with the Enhanced Regulatory financial statement reporting.
**Policies – COVID 19**

**4/29/2020: Grant Accounting & Appropriations**
- Any COVID-related grants are to be accounted for in a separate fund
- Assign a number available in your system
  - Series #276-299 for federal, state, or local grants
- Track any COVID related expenses
- Expenses can be paid without appropriation

**Policies – COVID 19**

**State Examiner Directive 2020-1**

**Timely Deposit of Funds**
- Can limit frequency to 2 times/week
- Secure funds on days not deposited

**Approval of Claims**
- Designation of a governing body member to approve
- Board designate certain expenses paid
Bad Debt

- Written policy for writing off uncollectible accounts & other adjustments
- Documentation should exist showing attempts to collect
- Undocumented or adjustments not approved by governing body may be personal obligation of the responsible official/employee
Policies

Credit Card
• Authorized by Resolution
• Approved uses specifically stated in Resolution
• Card in custody of an official or employee designated by Board
• Not to bypass claims process
• Receipts and other documentation required

Debit Card
• Authorized by Resolution
• Approved uses specifically stated in Resolution
• Card in custody of an official or employee designated by Board
• Not to bypass claims process
• Receipts and other documentation required

Policies - Travel

Each library is to have a written travel policy adopted by the Board

Things to consider:
• What constitutes “travel” – does it need approved by someone?
• Travel in employee’s vehicle – reimbursed at a set rate for each mile traveled
• Travel expenses while in a library owned vehicle – how to handle
• Lodging expenses
• Meals expenses while traveling
• Per Diem
• Meals provided by others while traveling
• Travel cancellations

Travel reimbursement – Employee’s Vehicle

- Not paid on standard Accounts Payable Voucher
- Instead, paid on prescribed General Form 101

Each unit must adopt a written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing body would be considered as written policy. The policy must conform to the requirements of all state and federal regulatory agencies.

*Accounting & Uniform Compliance Guidelines Manual for Libraries, Chapter 1*
Policies – Leave & Overtime

IC 5-10-6-1 requires leave benefits be in an ordinance. Prescribed (or alternatively approved) forms.

Indiana Department of Labor
Wage & Hour Division
317-232-2655 (option #3)
wagehour@dol.in.gov

Policies – Others

- Alcohol
- Investments
- Materiality
- Capital Assets
- Personal Property
- Small Purchases
• COVID grants go in series #276-299
• Local grants also #276-299
• "Grants – federal, state, and/or local"
• December 2019 Bulletin, pg 2
• COVID grants go in series #276-299
• Local grants also #276-299
• “Grants – federal, state, and/or local”
• December 2019 Bulletin, pg 2
Expenditures Not To Exceed Appropriation

IC 6-1.1-18-4:

“Except as otherwise provided in this chapter, the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article.”

Appropriations are required before money may be disbursed unless another statute provides otherwise.

We always recommend that you contact the Department of Local Government Finance for all appropriation or budget related questions!
APPROPRIATION NOT REQUIRED

• Restricted Gift Fund  
  [IC 36-12-3-11(a)(5)(A)]
• Earnings on permanent endowments  
  [IC 36-12-3-11(a)(5)(B)]
• Federal and State grants, if advanced and not received as a reimbursement of expenditures
• Refund of money erroneously received  
  [IC 6-1.1-18-9]
• Correction of errors in posting  
  [IC 6-1.1-18-9]
• Investment of funds
• Repayment of temporary loans
• Establishment of a cash change fund  
  [IC 36-1-8-2]
• Establishment of a petty cash fund  
  [IC 36-1-8-3]

APPROPRIATION TRANSFERS

Transfers from One Major Budget Classification to Another

IC 6-1.1-18-6

Transfers from one major budget classification to another within the same department or office

• Transfer is determined to be necessary
• Transfer will not require expenditure of more money than the total amount set out in the budget
• Resolution approved at a regular public meeting
• Notice or approval of DLGF is not required
IC 6-1.1-18-7

- Insurance claim proceeds
- Money received from a person if received as a result of damage to property

**Fiscal officer may appropriate if:**
- Funds are to be used to repair or replace the damaged property
- Funds are expended within 12 months after received

Library Bulletin and Uniform Compliance Guidelines, June 2019
GRANT APPROPRIATIONS - REIMBURSED

- IC 6-1.1-18-7.5
- Appropriated by Library Board
- Separate Fund

APPROPRIATIONS - COVID

SBOA Memo 4/29/2020
COVID Grant Accounting and Appropriations
House Bill 1113 – Public Law 159

- Aligns the deadline for public libraries to adopt a budget with the general deadline to adopt a budget.
  - Changed from September 30 to November 1

- Libraries will report other post-employment benefits with SBOA (no longer to DLGF)
NEW LEGISLATION - LIBRARIES

Senate Enrolled Act 410 – Public Law 88

- Makes changes to statutes applicable to the review of budgets of certain libraries
  - Added “territory” for determining when a library whose assessed valuation is entirely in a city or town, or not entirely but more than 50% of the library territory is in a city or town, is to report proposed budget to city/town fiscal body.

- Adds to the requirements in IC 6-1.1-17-20.3 for reporting proposed budget to county fiscal body, when applicable.
  - Added “or the public library’s territory covers more than one (1) county”

- Establishes a procedure for libraries to identify the applicable city, town, or county fiscal body to receive a library’s proposed budget.
Senate Enrolled Act 410 – Public Law 88

- Libraries are “qualified entities” under IC 10-13-3-16 (chapter on criminal history information)
- Requires, before 12/31/2020, libraries to adopt policy regarding conducting criminal background checks
  - Individuals aged 18+ who are:
    - employed or perform volunteer work, or
    - who apply for employment or volunteer services

Library board may issue library card without charge or for a reduced fee to an individual who is
- not a resident of the library district and
- who is a child receiving foster care services
REFERENCES

Governor’s Executive Orders  www.in.gov/gov/2384.htm
SBOA Coronavirus Information  www.in.gov/sboa
Indiana Finance Authority Coronavirus Information  www.in.gov/ifa
SBOA Libraries Manual  www.in.gov/sboa > Libraries > Manuals (or Bulletins)
Indiana Code Citations  www.iga.in.gov

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QUESTIONS

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