

THE SCHOOL BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 230

June 2020

ITEMS TO REMEMBER

June

- 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.
- 15 Last day to upload April files required by State Examiner Directive 2018-1 in the Monthly and Annual Engagement Uploads application in Gateway.
- 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 Close out all payroll deduction clearing accounts. Balance and close the Fund Ledger and Ledger of Receipts for the school year and reconcile with depositories. Total the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances (January 1 to June 30). Close the ledger for the school year and prove to the Fund Ledger.
- 30 School board members taking office in July, file certified copy of oath in the circuit court clerk's office of the county containing the greatest percentage of population of the school corporation. (IC 5-4-1-4)
- 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)

July

- 1 Prove all ledgers for the month of June.
- 4 Legal Holiday – Independence Day (IC 1-1-9-1)
- 15 Last day to upload May files required by State Examiner Directive 2018-1 in the Monthly and Annual Engagement Uploads application in Gateway.
- 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.
- 30 Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending June 30.
- 31 Last day to file the Biannual Financial Report (Form 9) with the Department of Education, Office of School Finance, for the period January 1, 2020 to June 30, 2020.

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ITEMS TO REMEMBER
(Continued)

July (Continued)

- 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)

August

- 1 Prove all ledgers for the month of July.
- 15 Deadline for secretary of the school corporation to publish an annual financial report (Not earlier than August 1 or later than August 15) (IC 5-3-1-3)
- 15 Last day to upload June files required by State Examiner Directive 2018-1 in the Monthly and Annual Engagement Uploads application 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.
- 29 Last day to file the Gateway Annual Financial Report and ECA Risk Reports with the State Board of Accounts. (IC 5-11-1-4)
- 29 Last day to upload Annual files required by State Examiner Directive 2018-1 in the Monthly and Annual Engagement Uploads application in Gateway.
- 31 Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made to the division of fire and building safety an inspection report of all heating systems and supporting gas, oil, propane or any other fuel lines used for school purposes. (IC 20-26-7-28)
- 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)

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SCHOOL CORPORATION CHART OF ACCOUNTS - UPDATES

We have updated the following items in the School Chart of Accounts on our website at <https://www.in.gov/sboa/4449.htm>.

- Chapter 4 – Fund Types have been updated.
- Chapter 4 – Governor’s Emerg. Educ. Relief Fund #7940 added.
- Chapter 4 – Educ. Stab Relief Fund #7941 added.
- Chapter 4 – Supplemental Fund #7943 added.
- Chapter 4 – Career Ladders Grant Fund #3954 added.
- Chapter 4 – COVID Paycheck Protection Program Fund #7943 added.
- Chapter 4 – COVID Temporary Grants to Retain Child Care #3781 added.

- Chapter 6 – Expenditure Code 52200 – Interest on Temporary Loan – matrix updated to allow this to be paid from the Operations and Education Fund.

- Chapter 8 – Object Code 320 definition clarified.

DISASTER RELIEF FUNDS – ACCOUNTING AND BUDGETING

Based upon language contained in IC 10-14-3-17(j)(5) which states that a political subdivision may waive procedures and formalities otherwise required by law pertaining to the appropriation and expenditure of public funds where a national disaster or security emergency has been declared, the following procedures should be followed when disaster relief funds are received.

Money received or expected to be received from the Federal Emergency Management Agency (FEMA), the State Emergency Management Agency, or the State Lottery Commission for tornado, flood, ice storm, or other types of declared disasters should be accounted for in the following manner:

1. If the money is to be used to reimburse funds for expenditures already incurred and paid and the conditions of IC 10-14-3-12 have been met, the amount received may be added back to the appropriation balances from which the expenditures have been previously made.

2. If the money is to be used for future expenditures, a separate fund should be set up entitled “Disaster Relief Fund.” Such fund would not require appropriation or additional appropriation prior to spending the money in the fund.

It is recommended that all related expenditures records (claims, minutes, correspondence, contracts, damage survey report, etc.) be maintained in a separate file for future audits required by State and Federal agencies.

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STATE MILEAGE REIMBURSEMENT RATE

On February 24, 2020, the Department of Administration issued the following memo that changed the mileage reimbursement rate from \$.38 to \$.39 effective March 1, 2020.



STATE OF INDIANA
ERIC J. HOLCOMB, GOVERNOR

DEPARTMENT OF ADMINISTRATION

402 West Washington Street, Room W469
Indiana Government Center – South
Indianapolis, Indiana 46204-2746

DATE: February 24, 2020
TO: All State Institutions
FROM: Lesley A. Crane, Commissioner, Department of Administration *llc*
Zachary Q. Jackson, Director, State Budget Agency *ZQJ*
SUBJECT: State Mileage Reimbursement Rate

On July 11th, 2016, a memo regarding the state mileage reimbursement rate was circulated setting reimbursement for mileage at \$0.38 per mile. At that time, it was determined that a flat rate of reimbursement for mileage was appropriate. Effective March 1, 2020, the Department of Administration and the State Budget Agency will return to assigning reimbursement rates based on the chart analysis on a semi-annual basis (see below sliding scale chart).

It is the goal of the State Budget Agency and the Department of Administration to continue to review fuel prices semi-annually, so reimbursement rates can be adjusted as appropriate. If it is determined that no changes are needed, the most recent memo will remain in effect.

Average Fuel Cost	Reimbursement Per Mile
\$1.50 to \$1.76	35 cents per mile
\$1.76 to \$2.01	36 cents per mile
\$2.02 to \$2.27	37 cents per mile
\$2.28 to \$2.53	38 cents per mile
\$2.54 to \$2.79	39 cents per mile
\$2.80 to \$3.05	40 cents per mile
\$3.06 to \$3.31	41 cents per mile
\$3.32 to \$3.57	42 cents per mile
\$3.58 to \$3.83	43 cents per mile
\$3.84 to \$4.09	44 cents per mile
\$4.10 to \$4.35	45 cents per mile
\$4.36 to \$4.61	46 cents per mile
\$4.62 to \$4.87	47 cents per mile
\$4.88 to \$5.13	48 cents per mile

Based on the current evaluation, the personal vehicle mileage will be set at \$0.39 per mile effective March 1, 2020.

Please direct questions to the Department of Administration Travel Services at idoatravel@idoa.in.gov or (317) 232-4258, or the appropriate Budget Analyst at (317) 232-5610.

REMOTE NOTARY AUTHORIZATION

The Secretary of State's office has been working to expedite the adoption or remote notarization in Indiana. The following document explains the process for becoming a remoted notary.



Connie Lawson
Indiana Secretary of State

Secretary of State State of Indiana

In response to the novel coronavirus (COVID-19) and with the understanding that notarization is an essential component of business and personal transactions, Governor Holcomb, Secretary of State Lawson and key stakeholders are working diligently to expedite the implementation of remote notarization in the State of Indiana. Remote notarization was previously scheduled to go into effect on July 1, 2020. The administrative rules go into effect March 31, 2020 along with the statutory authority to perform remote notarizations. (75 IAC 7 & IC 33-42-17).

Remote Notary Authorization

If you are an active Indiana notary, you may immediately apply to become a remote notary:

- A remote notary authorization allows Indiana Notaries Public to perform notarial functions via two-way audio visual communication on an approved vendor platform while signatures are captured on an electronic record.
- You must contract with an approved remote technology vendor in order to perform remote notarizations. We are currently working to approve remote technology vendors as soon as possible. Once vendors are approved, we will post the information on Secretary of State's Business Services Homepage (<http://www.in.gov/sos/business/>).

Next Steps:

1. Complete and submit the attached application to DNBiz@sos.in.gov.
2. Complete the Indiana State-Required Remote Notary Education and Exam powered by the National Notary Association (NNA). NNA will provide a certificate of completion. Submit your certificate of completion to DNBiz@sos.in.gov. NNA expects the course to be available April 7th, 2020.
3. Receive approval of your application (via DNBiz@sos.in.gov) from the Secretary of State's office. The Remote Technology Vendor will verify your approval with the Secretary of State's office.
4. Initiate contact with a remote technology vendor.
5. Finalize onboarding with a remote technology vendor.

AUDIT COSTS CHARGED TO FEDERAL GRANTS

If you receive Federal grants/awards that SBOA audits in accordance with the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance"), a portion of the associated audit costs may be allocated to some or all grants.

Title 2 of the U.S. Code of Federal Regulations, Part 200, Section 200.425 states:

“§200.425 Audit services.

(a) A reasonably proportionate share of the costs of audits required by, and performed in accordance with, the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by requirements of this part, are allowable. However, the following audit costs are unallowable:

- (1) Any costs when audits required by the Single Audit Act and Subpart F—Audit Requirements of this part have not been conducted or have been conducted but not in accordance therewith; and
- (2) Any costs of auditing a non-Federal entity that is exempted from having an audit conducted under the Single Audit Act and Subpart F—Audit Requirements of this part because its expenditures under Federal awards are less than \$750,000 during the non-Federal entity's fiscal year.

(b) The costs of a financial statement audit of a non-Federal entity that does not currently have a Federal award may be included in the indirect cost pool for a cost allocation plan or indirect cost proposal.

(c) Pass-through entities may charge Federal awards for the cost of agreed-upon-procedures engagements to monitor subrecipients (in accordance with Subpart D—Post Federal Award Requirements of this part, §§200.330 Subrecipient and contractor determinations through 200.332 Fixed Amount Subawards) who are exempted from the requirements of the Single Audit Act and Subpart F—Audit Requirements of this part. This cost is allowable only if the agreed-upon-procedures engagements are:

- (1) Conducted in accordance with GAGAS attestation standards;
- (2) Paid for and arranged by the pass-through entity; and
- (3) Limited in scope to one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost principles; eligibility; and reporting.

We'd recommend checking with your grantor agency or agencies during the grant application process to see if any audit costs would be allowable for your specific grants. If allowed, a portion of audit costs may be able to be included into the budget for the grant.

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FEES

We continue to receive inquiries and complaints from taxpayers concerning certain fees being assessed by some school corporations.

The Supreme Court provided in *Nagy v. Evansville-Vanderburgh School Corporation*, 844 N.E.2d 481 (Ind. 2006) where the legislature—or through delegation of its authority the State Board has identified programs, activities, projects, services or curricula that it either mandates or permits school corporations to undertake, the legislature has made a policy decision regarding exactly what qualifies as a part of a uniform system of public education commanded by Article 8, Section 1 and thus what qualifies for funding at public expense. And of course the legislature has the authority to place appropriate conditions or limitations on any such funding. However, absent specific statutory authority, fees or charges for what are otherwise public education cost items cannot be levied directly or indirectly against students or their parents. Only programs, activities, projects, services or curricula that are outside of or expand upon those identified by the legislature—what we understand to be "extracurricular"—may be considered as not a part of a publicly-funded education. And thus a reasonable fee may be assessed, but only against those students who participate in or take advantage of them.

Audits of fees charged by a school corporation will be fact sensitive. However, areas which might be reviewed during an audit include: Is the fee to be charged based on a public education program mandated or permitted by the legislature or the State Board of Education? Does the Legislature provide specific statutory authority that would allow a school or school corporation to charge a fee? Does the fee relate to an extra-curricular program, activity, project, or service? Has the School Board Attorney provided written advice with specific reference and acknowledgement of *Nagy v. Evansville-Vanderburgh School Corporation*? Has the School Board provided approval of the fee?

The State Board of Accounts is of the audit position the following are some of the types of fees that should not be assessed, collected or receipted by a school or school corporation: Air Conditioning Fees; Instructional Fees; Bus Rider Fees for Students to Attend Classes; Fees for Payroll Positions (Nurses, Principals, Counselors, etc.)

The Attorney General of the State of Indiana issued Official Opinion 2010-2 concerning school bus rider fees. The Opinion may be found at <http://www.in.gov/attorneygeneral/files/Opinion.SBOA.BusFees.7.12.10.pdf>.

The Conclusion provides:

CONCLUSION

The legislature has identified transportation of school children as a part of what would constitute a uniform system of public education in Indiana. The governing body of a school corporation is required to provide transportation under some circumstances and authorized to provide transportation for its students otherwise. The school corporation is required to establish a School Transportation Fund. The legislature has indicated what costs are attributable to transportation and has made provision for the funding of the School Transportation Fund. The School Transportation Fund is the exclusive means for the payment of costs attributable to transportation. The legislature has not provided the governing body of a school corporation with the specific authority to assess, charge, or collect a school bus rider fee from the students of the school corporation. Transportation of students to and from their respective public schools are deemed a "part of a public education." Accordingly, per *Nagy*, the school bus rider fee is unconstitutional under Art. 8, § 1 of the Indiana Constitution.

ACCOUNTING FOR SCHOOL BUS LOANS

Approvals

IC 20-46-7-8.5 states in part "(a) Notwithstanding any other provision, review by the department of local government finance and approval by the department of local government finance are not required before a school corporation may issue or enter into bonds, a lease, or any other obligation, if the school corporation: (1) after June 30, 2008, makes a preliminary determination as described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as described in IC 6-1.1-20-5; or (2) in the case of bonds, leases, or other obligations not subject to IC 6-1.1-20-3.1, IC 6-1.1-20-3.5, or IC 6-1.1-20-5, adopts a resolution or ordinance authorizing the bonds, lease rental agreement, or other obligations after June 30, 2008. (b) A school corporation is not required to obtain the approval of the department of local government finance before the school corporation may repay from the debt service fund any loans made after June 30, 2008, for the purchase of school buses under IC 20-27-4-5."

General Obligation Bond

IC 20-27-4-4 provides "If a school corporation requires funds to purchase a school bus for cash, the school corporation may borrow the necessary funds by issuing general obligation bonds. The bonds shall be issued in the same manner as other general obligation bonds. However, the bonds may not extend for more than six (6) years."

Loans

IC 20-27-4-5 states "(a) If a school corporation requires funds to purchase a school bus for cash, the school corporation may, instead of issuing general obligation bonds, negotiate for and borrow funds or purchase the school bus on an installment conditional sales contract or a promissory note secured by the school bus. (b) To effect a loan, the school corporation shall execute a negotiable note or notes to the lender. The notes may not extend for more than six (6) years and are payable at the same times and in the same manner as provided for security agreements in section 2 of this chapter. (c) Before a note described in this section is executed, an appropriation for the amount of the purchase price of the school bus and any incidental expenses connected with the purchase or the loan, must be made in the same manner as other appropriations are made, except that the amount of the appropriation is not limited by the amount of funds available at the time of the loan or purchase or by the amount of funds to be raised by a tax levy effective at the time of the loan. (d) A petition to borrow, a notice to taxpayers, or other formality is not necessary to borrow funds under this section except as specifically provided in this chapter."

Upon delivery of the buses, the proceeds of the loan must be obtained from the lending institution, receipted to the Operations Fund (Account 5460) and deposited in the bank upon which the check will be drawn for payment. The check payable to the vendor will be recorded in Operations Fund Expenditure Account 27400 of the 27000 Appropriation classification.

Indiana Bond Bank

IC 20-27-4-7 provides "Notwithstanding any other provision of this chapter, a school corporation may negotiate and enter into loans, security agreements, or leases with the Indiana bond bank for the acquisition and financing of a school bus."

Manner of Purchase

IC 20-27-4-6 states "(a) The purchase of a school bus shall be made in the same manner as provided by law for the purchase of school supplies by a school corporation. (b) If a school bus is purchased under a security agreement, the required notice to bidders or solicitation of bids must set: (1) the length of time the security agreement shall run; and (2) the terms of the security agreement, including the security agreement price and interest rate. (c) The low bid for a security agreement shall be determined by adding to each bidding price the net interest cost and then comparing the totals of the price and interest on each bid. A separate statement of each price shall be made to enable the governing body to determine the advisability of purchasing a school bus under a security agreement." Please see IC 5-22

ACCOUNTING FOR SCHOOL BUS LOANS (Continued)

Repayment

Payments for the loan principal must be recorded in Expenditure Account 53300, and payment of the loan interest must be recorded in Expenditure Account 52400. We will not take audit exception to repayments which are appropriated and paid from the Operations Fund. The expenditure must be posted to the fund in which the appropriation was included and to the Control of All Funds.

Appropriations

IC 20-27-4-3 states "Before a security agreement is executed, an appropriation for the amount of the purchase price must be made. The appropriation is made in the same manner as any other appropriation, except that the amount of the appropriation is not limited by the amount of funds available at the time of the execution or the amount of funds to be raised by a tax levy effective at the time of the execution. A petition to borrow, a notice to taxpayers, or other formality is not necessary, except: (1) as specifically provided in this chapter; and (2) as may be required by law for the issuance of general obligation bonds."

TRANSFER TUITION – CHILDREN OF SCHOOL CORPORATION EMPLOYEES

We are often asked if a school corporation may provide a special benefit by allowing children of employees who do not live within a school corporation's boundaries to attend school without paying transfer tuition.

Effective July 1, 2010 Public Law 30, Senate Enrolled Act 252 amended IC 20-26-11-6 to provide in part (b) "A transfer may be accepted regardless of whether, as a condition of the transfer, the transferee school requires the requesting parents or student to pay transfer tuition in an amount determined under the formula established in section 13 of this chapter for the payment of transfer tuition by a transferor school corporation. However, if the transferee school elects to charge transfer tuition, the transferee school may not offset the amounts described in section 13(b) STEP TWO (B) through section 13(b) STEP TWO (D) of this chapter from the amount charged to the requesting parents or student. (c) When the transferee school elects to charge tuition to the requesting parents or student, the tuition determined under subsection (b) must be paid by the parents or the student before the end of the school year in installments as determined by the transferee corporation. (d) Failure to pay a tuition installment that is agreed to by the parents or student and the transferee school corporation is a ground for exclusion from school. (e) If the transferee school elects not to charge transfer tuition to the parents or student under this section, the transferee school may not charge transfer tuition or fees to the transferor school."

Students are permitted to attend school in the school corporation of legal settlement without charge for tuition in accordance with the Indiana Constitution, Article 8, Section 1. We are of the audit position school corporations should very carefully consider uniformity and potential taxation issue concerns if waiving transfer tuition only for select groups.

SELF-INSURANCE – TECHNOLOGY EQUIPMENT

We have recently received questions regarding the ability to use Self-Insurance Funds to self-insure technology equipment.

IC 20-40-12-5 states: "The fund may be used to provide money for the following purposes:

- (1) The payment of a judgment rendered against the school corporation, or rendered against an officer or employee of the school corporation for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).
- (2) The payment of a claim or settlement for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).
- (3) The payment of a premium, management fee, claim, or settlement for which the school corporation is liable under a federal or state statute, including IC 22-3 and IC 22-4.
- (4) The payment of a settlement or claim for which insurance coverage is permitted under IC 20-26-5-4(15)." To use money from the self-insurance fund under subdivision -5(4) there must be a payment of a settlement or claim. Repairs to technology equipment don't involve the "payment of a settlement or claim" as required by the language of IC 20-40-12-5(4).

IC 20-26-5-4(a)(15) states: "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:

...(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. In accordance with IC 20-26-17, to:

- (A) participate in a state employee health plan under IC 5-10-8-6.7;
- (B) purchase insurance; or
- (C) establish and maintain a program of self-insurance;

to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

To use money from the Self-Insurance Fund under IC 20-40-12-5 there must be a payment of a settlement or claim. Repairs to technology equipment do not involve the payment of a settlement or claim as required by this statute. In our opinion the language in IC 20-40-12-5 and IC 20-26-5-4(a)(15) do not allow for the self-insurance fund to be used to pay for repairs to technology equipment.

DEBT PAYMENTS FROM THE OPERATIONS FUND

We have recently received questions regarding the payment of debt from the Operations Fund.

IC 20-40-18-5 states "The operations fund may be used only to do the following:

(1) Carry out a capital projects plan approved under:

(A) IC 20-46-6 (before January 1, 2019); or

(B) section 6 of this chapter (after December 31, 2018) for facility expenditures described in section 7 of this chapter.

(2) Pay transportation costs described in section 8 of this chapter.

(3) Carry out a school bus replacement plan approved under:

(A) IC 20-46-5 (before January 1, 2019); or

(B) section 9 of this chapter (after December 31, 2018).

(4) Pay expenses that are allocated to overhead and operational expenditures or to nonoperational expenditures under IC 20-42.5.

(5) Provide funds to an art association or a historical society as provided in IC 36-10-13.

(6) Establish, maintain, and equip a public playground under IC 36-10-14.

It is our opinion that Debt, other than those expenses included in the capital project plan, cannot be paid from the Operations fund under IC 20-40-18-5.

NEW LAWS AFFECTING SCHOOLS

The following is a Digest of some of the laws passed by the 2020 Regular and Special Sessions of the General Assembly affecting Schools. Please note the effective dates. Some of the laws do not pertain directly to Schools but are included for ready reference to the covered subject matter.

The Digest is not intended as an expression of legal interpretation. The Digest is also not intended to be all inclusive. References in the Digest will be to the Indiana Code in the following form (Amends IC 20-26-1-4) (Amends Indiana Code, Title 20, Article 26, Chapter 1, Section 4). The final version of each Public Law can be found on the Indiana General Assembly website (<http://iga.in.gov/>). If you have any questions regarding legal interpretation, please consult your School attorney.

NEW LAWS AFFECTING SCHOOLS (Continued)

Public Law 157-2020, House Enrolled Act 1108 – Effective July 1, 2020
State Board of Accounts

Adds IC 5-11-1-9.3
Amends IC 2-5-1.1-6.3; IC 5-11-1-2; IC 5-11-1-4; IC 5-11-1-9; IC 5-11-1-10; IC 5-11-1-15; IC 5-11-1-16; IC 5-11-1-18; IC 5-11-1-21; IC 5-11-1-22; IC 5-11-1-25; IC 5-11-5-1; IC 5-11-5-1.5; IC 5-11-13-1
Repeals IC 5-11-1-22

Makes various changes to statutes concerning the state board of accounts (board). Adds a definition of a "responsible officer of an audited entity". Allows the audit committee to determine the amount of the bond for the state examiner, deputy examiners, and field examiners based on applicable risk considerations. Repeals a statute that addresses duties required by law on April 5, 1909. Provides that, for purposes of the risk based examination criteria, the board may perform examinations of certain audited entities more frequently than once every four years if required by a ratings agency that rates debt maintained by such an audited entity. Provides that the board may issue management letters based on professional auditing standards to certain audited entities. Provides that the state examiner, deputy examiner, or field examiner may issue subpoenas to enforce the filing of certain reports. Establishes a procedure governing the examination of certain bodies corporate and politic. Provides that the procedure applies only to a body corporate and politic whose enabling statute does not provide for an audit, examination, or other engagement by the state board of accounts or an independent public accounting firm concerning financial or compliance related matters of the body corporate and politic. Makes changes to statutes establishing the forfeiture of office for the failure to file certain reports, interference with an examiner, and the failure to adopt or use the system of accounting and reporting adopted by the board. Provides that, as an alternative to an order to forfeit office, a court may impose a civil penalty that does not exceed \$500 for each day that the public officer or responsible officer continues to violate an obligation with respect to an audit, examination, or other engagement by the board. Specifies that the individual is personally liable for a civil penalty imposed on the individual for such a violation. Provides that the board may collect the expenses from the audited entity that the board incurs in carrying out the audit, examination, or other engagement.

Public Law 41-2020, House Enrolled Act 1151 – Effective July 1, 2020
School Resource Officers

Amends IC 5-10-10-4

Adds a school resource officer to the definition of "public safety officer" as it relates to the public employee benefits special death benefit fund (fund). Provides that a school resource officer qualifies for the fund if the school resource officer is not otherwise entitled to a line of duty benefit under the 1925 police pension fund, 1953 police pension fund (Indianapolis), or the 1977 police officers' and firefighters' pension and disability fund.

NEW LAWS AFFECTING SCHOOLS (Continued)

Public Law 65-2020, Senate Enrolled Act 230 – Effective July 1, 2020
Leasing of Local Unit Property

Adds IC 36-1-11-10.5

Provides that a political subdivision may lease real property of the political subdivision that is located between the curb of a street and the front of commercial property, including a parkway strip, tree row, verge, or sidewalk, to the owner or property manager of the commercial property: (1) upon terms agreed to between the political subdivision and the property owner or property manager; and (2) without competitive bidding. Specifies requirements for the lease. Provides that upon execution of the lease, the property of the political subdivision shall be under the maintenance, control, and supervision of the property owner or the property manager, subject to the public's right to use the sidewalk as a walkway. Requires the lessee to: (1) assume the liability of the political subdivision for personal injuries and property damage to third parties occurring on the property; and (2) maintain insurance coverage in amount determined sufficient by the political subdivision. Requires the lease to be approved by at least a two-thirds vote of the members of the fiscal body of the political subdivision and recorded in the office of the county recorder.

Additional Public Laws affecting Schools passed during 2020 session:

P.L. 2	SB 2	School Accountability
P.L. 69	SB 246	Mental Health Services
P.L. 76	SB 295	Various Education Matters
P.L. 147	SB 409	Employment of Minors

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