Fund Number Change – Frequently Asked Questions

Q: When do the new 4-digit numbers go into effect?
A: January 1, 2022

Q: Do I have to use the new 4-digit number on the AFR I’m working on right now?
A: No. The AFR you’re working on right now is for 2021 and the 4-digit numbers do not apply to the 2021 reporting year.

Q: Where can I find the fund number listing?
A: Cities and Towns Manual, Chapter 3, page 3-5
**Fund Number Change – Frequently Asked Questions**

Q: I have some funds not listed on the chart. Where do they go?

A: If you have a fund on your ledger that’s not listed on the chart, there is a category with a range of available numbers. For example, **Home Rule** special revenue funds can have a number within the range 2500-2599:

- 2500-2599 Local/Home Rule funds

Restricted donations (those that are not restricted solely for capital items) can have a number within the range 2300-2399:

- 2300-2399 Local/Home Rule funds

**Fund Number Change – Frequently Asked Questions**

Q: I have some funds not listed on the chart. Where do they go? (continued)

A: If you have a **grant fund** on your ledger that’s not listed on the chart, there is a category with a range of available numbers depending on the fund type.

For example, most grants will be considered special revenue and each grant can have a number within the range 2401-2499. This includes CARES and ARPA grants.

Grants could also fall into other fund types, like the capital project fund type. There, the range is 4500-4599.
**Fund Number Change – Frequently Asked Questions**

Q: I have some funds not listed on the chart. Where do they go?

A: If you account for a **utility cash change fund** as a separate fund, you can use a fund number within the range for “Other Enterprise funds not listed”

<table>
<thead>
<tr>
<th>6601</th>
<th>Sanitation (if operating mostly from user fees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6602</td>
<td>Transportation (if operating mostly from user fees)</td>
</tr>
<tr>
<td>6603</td>
<td>Airport (if operating mostly from user fees)</td>
</tr>
<tr>
<td>6604</td>
<td>Trash and Garbage Pickup (if operating mostly from user fees)</td>
</tr>
<tr>
<td>6605</td>
<td>Cemetery (if operating mostly from sale of lots and other user fees)</td>
</tr>
<tr>
<td>6606</td>
<td>Emergency Medical Services (if operating mostly from user fees)</td>
</tr>
</tbody>
</table>

Other Enterprise funds not listed

If you have a **city/town petty cash fund** that you account for in a separate fund, while there isn’t a stated range for it, this would be considered a “general fund type” and you could use a number after 1101 (for example: 1102 Petty Cash)

**Fund Number Change – Summary**

- 4-digit fund numbers apply as of January 1, 2022
- **Cities & Towns Manual** (Chapter 3)
- Funds not on list, look for a range that applies
- If still working on conversion – don’t stress
- Audit Expectations
  - Fully converted as soon as possible
  - Problems – document for auditors
  - No audit exception if evidence exists you’re attempting to convert
- AFR for 2023 will need the 4-digit fund numbers
- Contact software vendors for support
Do you need an audit?

~ Need vs. Want ~

Want:
• Last audit long time ago
• New official
• Confirmation doing things correctly

Need:
• Issuing bonds
• SRF
• Existing debt – “continuing disclosure requirement”
• Enough federal assistance to require one

Do you need an audit?

If you are:
➢ Spending enough to trigger a Federal audit
➢ Have existing debt (bonds, notes, loans) that contains audit requirements (usually referred to as ‘continuing disclosure requirements’)
➢ Issuing bonds and/or closing on a State Revolving Loan (SRF)

You need to let SBOA know so we can get you in the audit plan for the year.
• Also required by IC 5-11-1-25(c)
IC 5-11-1-25  Risk based examination criteria used to determine examination frequency; biennial school corporation examinations
(c) Examinations must be conducted annually for the following:
(1) The state.
(2) An audited entity (other than a school corporation) that requires an annual audit:
   (A) because of the receipt of federal financial assistance in an amount that subjects the audited entity to an annual federal audit;
   (B) due to continuing disclosure requirements; or
   (C) as a condition of a public bond issuance.
(3) A development authority.
An audited entity shall, under the guidelines established by the state board of accounts, provide notice to the state examiner not later than sixty (60) days after the close of the audited entity’s fiscal year that the audited entity is required to have an annual audit under subdivision (2).

Do you need an audit?

5.1 Did your unit have outstanding debt at any time during the year, including at year-end?
   Debt can be in the form of bonds, notes, loans, or judgments payable over more than one year. Leases are considered separately (see question 5 below).
   Yes [ ]  No [ ]

5.1a If yes, do the bond covenants or loan agreements require you to receive an audit?
   Yes—Annually [ ]

5.2 Does your unit plan to issue new bond debt in the next 12 months?
   New bond issuance often requires an audit of your records within the last two years. It’s important to provide the most up to date information as soon as you become aware. Audit schedules are planned out in March for the remainder of the year. If you anticipate that you will issue new bonds in the next 12 months, you should answer Yes here.
   Yes [ ]  No [ ]
Do you need an audit?

If you have debt and you aren’t sure if the bond covenants or loan agreements require an audit, consult your attorney and/or inquire of the financial institution where the debt is.

Positive Pay vs. Reverse Positive Pay

What they are & how they’re different
Positive Pay vs. Reverse Positive Pay

**Positive Pay**
- Fraud-prevention system
- Can stop counterfeit or altered checks
- Listing of checks that are authorized to be paid is given to bank by check issuer (city/town)
- Bank compares list to checks presented
- Bank only pays checks authorized by issuer
- If checks are presented and not on the approved list, bank doesn’t pay & contacts issuer

**Reverse Positive Pay**
- Fraud prevention system
- Can stop counterfeit or altered checks
- Check issuer (city/town) monitors its checks on its own
- Bank notifies issuer daily of checks presented and only clears those specifically approved by the issuer
- Issuer has more responsibility
  - Monitoring list from bank
  - Notifying bank to decline honoring a check

*As defined per Investopedia  www.investopedia.com

What we recommend you do:
- Talk with your bank
- See if Positive Pay or Reverse Positive Pay is right for your city/town
- Discuss fees – how much do they cost
- Implement necessary internal controls
Highway Annual Operational Report (HAOR)

- Applies *only* to cities and towns with populations > 15,000
- Report for period 1/1/21 to 12/31/21 due **June 1, 2022** [IC 8-17-4.1-7]
- Required to be submitted electronically through LTAP’s Data Management System (DMS)

Report (a spreadsheet) is available in DMS [https://ltapdms.itap.purdue.edu/ltap](https://ltapdms.itap.purdue.edu/ltap)
Questions about DMS - [ltap-dms@purdue.edu](mailto:ltap-dms@purdue.edu)
Questions about the HAOR - [highwayreport@sboa.in.gov](mailto:highwayreport@sboa.in.gov)

Need a refresher – videos:
Geting started in DMS – [https://youtu.be/-9hvR-7UVR4](https://youtu.be/-9hvR-7UVR4)

Accounting for State Revolving Fund (SRF) Loans

- SRF loan transactions are handled by a third-party trustee – BNMY
- From an accounting perspective, money is the fiscal responsibility of the city/town
- Financial activity is to be recorded on your ledgers in separate funds (#2401-2499)
- Activity can be posted from BNYM bank statement
- Fund(s) to be reported in AFR and subsequently will be on your financial statements that SBOA audits
- If not reported in AFR or financial statements, we will (during an audit) propose audit adjustments to both the AFR and financial statements to include the activity
SBOA Monthly Meeting with Cities and Towns
January 13, 2022

100R - Filing Requirements

IC 5-11-13-1

Certified Report of Names, Addresses, Duties and Compensation of Public Employees

Information must be entered into Gateway

Internal Control Considerations

Due January 31
100R - Unit Questions

100R Unit Questions

Please answer all of these questions – they help determine what is required for your unit to complete the 100R submission via Gateway.

1. Please enter the number of employees (full and part time) that you paid compensation to anytime during the past year. Use IRS guidelines to determine employment status and compensation. If you did not have any paid employees, enter 0. This will delete any employee records for this unit for this year.

| Proceed | Cancel |

2. Will you enter the data manually or upload a file?

- Manual
- Upload

100R Employee Data Entry

Enter total compensation for the reporting year for each employee for which you should have supplied a W-2. Many units inappropriately report board member payments on 1099s. According to IRS requirements they should be issued W-2s and therefore should be included on the 109R.

<table>
<thead>
<tr>
<th>Delete</th>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Initial</th>
<th>Department Name</th>
<th>Business Address</th>
<th>Business City</th>
<th>Zip Code</th>
<th>Job Title</th>
<th>Total Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gordon</td>
<td>Susan</td>
<td></td>
<td></td>
<td>123 Main Street</td>
<td>Yorkville, IL</td>
<td>IV 60000</td>
<td>Cash Treasurer</td>
<td>$120,000.00</td>
</tr>
<tr>
<td></td>
<td>Caldwell</td>
<td>Todd</td>
<td></td>
<td></td>
<td>123 Main Street</td>
<td>Yorkville, IL</td>
<td>IV 60000</td>
<td>Town Manager</td>
<td>$85,000.00</td>
</tr>
<tr>
<td>X</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Request</td>
<td>Required</td>
<td>Request</td>
</tr>
</tbody>
</table>
100R - Unit Questions

2. Will you enter the data manually or upload a file?  
☐ Manual  ☑ Upload

Select Unit and Year → 100R Main Menu → Upload Files

Upload Files 🔄

File Type
Employment Records

Status

Reset upload

REMEMBER: Your upload file MUST be in the proper format. Directions are available in the HELP section for 100R and at this link:
http://www.in.gov/sboa/files/Gateway100R_Upload_Specs.pdf

https://www.in.gov/sboa/files/Gateway100R_Upload_Specs.pdf

100R - Unit Questions

<table>
<thead>
<tr>
<th>Full-Time</th>
<th>Part-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Are health benefits provided to employees?</td>
<td>☑ Yes  ☐ No</td>
</tr>
<tr>
<td>4. Are pension/retirement benefits provided to employees?</td>
<td>☑ Yes  ☐ No</td>
</tr>
<tr>
<td>5. Are any other benefits provided to employees?</td>
<td>☑ Yes  ☐ No</td>
</tr>
</tbody>
</table>

Has your unit implemented the following?

6. A nepotism policy per IC 36-1.29.2
   ☑ Yes  ☐ No  
   There is a policy on file for this unit.

7. A contracting policy per IC 36-1.21
   ☑ Yes  ☐ No  
   There is a policy on file for this unit.

Proceed  Cancel
100R - Nepotism Policy Upload

Nepotism Policy Upload
Use this page to upload the nepotism file. The acceptable formats are pdf, jpg, gif, png.

The most recent year for this policy upload was 2020 uploaded on Jan 20 2021 7:09AM. If the policy has not changed, another file does not need to be uploaded at this time.

Click here to view the current policy on file.

Upload file:  

Browse  

Upload  

<table>
<thead>
<tr>
<th>year</th>
<th>Upload date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No records to display.

100R - Contracting Policy Upload

Contracting Policy Upload
Use this page to upload the contracting file. The acceptable formats are pdf, jpg, gif, png.

The most recent year for this policy upload was 2018 uploaded on Dec 7 2018 11:18AM. If the policy has not changed, another file does not need to be uploaded at this time.

Click here to view the current policy on file.

Upload file:  

Browse  

Upload  

<table>
<thead>
<tr>
<th>contracting_id</th>
<th>year</th>
<th>Upload date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No records to display.
100R - Report Outputs

100R Report Outputs 🎉

These reports are available for you to view, print or download at your convenience. The content will change when you change or add additional information into the system.

<table>
<thead>
<tr>
<th>Report Output Format</th>
<th>PDF ➤</th>
<th>Select the output method for the report that you prefer. Choices include Adobe PDF or Microsoft Excel Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Listing</td>
<td></td>
<td>This report lists all employees entered in the system for the 100R.</td>
</tr>
<tr>
<td>Exit Questions</td>
<td></td>
<td>This report shows the exit questions as answered in the system for the 100R.</td>
</tr>
</tbody>
</table>

---

Stcoe City Unit, stcoest County, Indiana
Total Compensation 2021

<table>
<thead>
<tr>
<th>Name</th>
<th>Job Title</th>
<th>Department</th>
<th>Business Address</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caldwell, Todd</td>
<td>Town Manager</td>
<td></td>
<td>93 Main Street, Toodville, IN 46030</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Gordon, Susan</td>
<td>Clerk Treasurer</td>
<td></td>
<td>123 Main Street, Toodville, IN 46030</td>
<td>$10,000.00</td>
</tr>
</tbody>
</table>
100R - Report Outputs

Sblea City Unit, sbleaest County, Indiana
Answers to Unit Questions 2021

Please answer all of these questions - they help determine what is required for your unit to complete the 100R submission via Gateway.

1. Please enter the number of employees (full and part time) that you paid compensation to anytime during the past year. Use IRS guidelines to determine employment status and compensation. If you did not have any paid employees, enter 0.

<table>
<thead>
<tr>
<th>Full-Time</th>
<th>Part-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

2. Will you enter the data manually or upload a file?

<table>
<thead>
<tr>
<th>Manual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

3. Are health benefits provided to employees? Yes No
4. Are pension/retirement benefits provided to employees? Yes No
5. Are any other benefits provided to employees? Yes No

Has your unit implemented the following?

6. A nepotism policy per IC 36-1-20.2 Yes
7. A contracting policy per IC 36-1-21 Yes

100R - Submit 100R

Submit 100R

Please review the following summary before certifying that the 100R data is complete.

100R Data Summary

<table>
<thead>
<tr>
<th>Employee Counts</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Started In Unit Questions</td>
<td>4</td>
</tr>
<tr>
<td>Event From Entered Records</td>
<td>2</td>
</tr>
</tbody>
</table>

Compensation Summary

| Maximum Salary | 95,000.00 |
| Minimum Salary | 15,000.00 |
| Total Salary | 110,000.00 |

Submit Report

Warning: It was stated in the unit questions that there were 4 employees for this unit. However, there are only 2 employee entries in the database. Please make sure that all employee records have been entered.

Proceed to Submit the 100R
100R - Help

- Consult the User Guide
- Contact SBOA Helpdesk
  gateway@sboa.in.gov
- Contact Todd or Susan
  Cities.towns@sboa.in.gov

User Guide for 100R

Note: To search the user guide, simultaneously press the "Ctrl" and "F" keys on your keyboard and it will open up a "Find" box within the browser. Then type in the word or character you want to find. For example, compilation.

- Introduction
- Accessing the 100R
- How to Enter
- Helpdesk
- Server Icons
- Server menus
- Unit Questions
- Unit Questions
- Upload File (optional)
- State Board of Accounts
- Upload File (optional)
- Reporting Tools (optional)
- Contracting Forms (optional)
- 100R Reporting Tools
- Balance Sheet
- Gateway Help
- Frequently Asked Questions

Annual Uploads

- Due March 1

<table>
<thead>
<tr>
<th>State Board of Accounts (SBOA)</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>100R</td>
<td>Jan 31</td>
</tr>
<tr>
<td>Annual Financial Report</td>
<td></td>
</tr>
<tr>
<td>Monthly and Annual Engagement Uploads</td>
<td></td>
</tr>
</tbody>
</table>
Annual Uploads - Due March 1

- Year-end Investment Statements
- Detail of Receipt Activity
- Detail of Disbursement Activity
- Current Year Salary Ordinance and Amendments
- Annual Vendor History Report
- Annual Funds ledger (beginning balance, receipts, disbursements, and ending balance by fund)
- Annual Payroll History Report - without SSN
- Court Trust Fund Subsidiary Detail (as of December 31)
- OPTIONAL - Excel Data Capture in lieu of transaction level Detail of Receipts and Disbursements

Annual Uploads

**Investment Statements**

- Similar to checking account statement
- December 2021 account statement
- For all investment accounts

*If you do not receive a statement at the end of the year, you may upload documents that show when the investment or certificate of deposit was purchased and the value at the time it was purchased.*
Annual Uploads
Detail of Receipt Activity

• Does **not** apply if hand-posted records
• Listing of all receipts issued & posted
  ✓ Receipt Numbers
  ✓ Date Received
  ✓ Amount of Receipt
  ✓ Fund
  ✓ Who it was received from

Annual Uploads
Detail of Disbursement Activity

• Does **not** apply if hand-posted records
• Listing of all non-payroll disbursements issued & posted
  ✓ Check Numbers
  ✓ Date Disbursed
  ✓ Amount of Disbursement
  ✓ Fund
  ✓ Vendor/Payee Name
Annual Uploads

Current Year Salary Ordinance
• Scan & upload 2021 salary ordinance(s) and any amendments in effect at end of year

Annual Uploads

Vendor History Report
• Does not apply if hand-posted records
• Shows the total amount disbursed to each vendor/payee for the year.
• Should show a total by vendor
Annual Uploads

• **Annual Funds Ledger**
  
  • Summary of the beginning balance, total receipts, total disbursements and ending balance of each fund for the year.

  *An Excel file is preferred if you have computerized records but is not required.*

  • If you have manual records, you can upload a scan or photo of your manual records that include this data.

  *A Funds Ledger-Manual Records Template is in the User guide.*

---

Annual Uploads

• **Annual Payroll History Report**

  • Include at a minimum for all payroll checks issued for the year:
    ✓ date,
    ✓ employee name,
    ✓ gross wages, and
    ✓ check number

  • An Excel file is preferred or a searchable PDF.

  • This is not required if you have hand posted records.
Annual Uploads

• Court Trust Fund Subsidiary Detail

• Subsidiary listing as of December 31 which should include the - ✓ name, ✓ description, and ✓ account balance at year end.

• The total should agree to the fund balance year end.

Annual Uploads

OPTIONAL-Excel Data Capture (Data Dump) in lieu of Receipts and Disbursement Reports -

• Check with your software vendor to see if this available to you.

• This should include receipts including receipt numbers, date received, amount of receipt, fund posted to, and who it was received from.

• This should also include disbursements including check numbers, date disbursed, amount of disbursement, fund posted to, and vendor/payee names.
Monthly Uploads

- Bank Statements, Bank Reconciliation, Outstanding Check List
- Approved Board Minutes
- Funds Ledger

100R - Help

Consult the User Guide

Contact SBOA Helpdesk

gateway@sboa.in.gov

Contact Todd or Susan

Cities.towns@sboa.in.gov
ARPA Update

The Final Rule includes updates and clarifications to the Interim Final Rule.

*Look for more information in future webinars!*

We encourage you to review the Final Rule to determine the best use of ARPA Funds for your city or town.

The effective date of the Final Rule is April 1, 2022, but you may start using money in compliance with the Final Rule now.

US. Treasury Information

ARPA Update - Revenue Loss Calculation

The final rule offers a standard allowance for revenue loss of $10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation.

Recipients that select the standard allowance may use that amount - in many cases their full award - for government services, with streamlined reporting requirements.

Overview of Final Rule p.4
ARPA Update - Utilities

Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA's Clean Water State Revolving Fund, EPA's Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.

Overview of Final Rule p. 7 and Final Rule starting on page 264

ARPA Update - Restrictions

For all recipients except for Tribal governments:

- SLRF may not be used for deposits into pension funds, as required by the American Rescue Plan
- A "deposit" is defined as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability
- Recipients may use funds for routine payroll contributions to pensions of employees whose wages and salaries are an eligible use

For all recipients:

- Funds may not be used for debt service, replenishing rainy day funds/financial reserves, or satisfaction of a settlement or judgment
- Uses of funds may not undermine COVID-19 mitigation practices in line with CDC guidance and recommendations
- Uses of funds may not violate Uniform Guidance conflict-of-interest requirements or other applicable laws

Source: US Treasury Final Rule Webinar January 11, 2022
ARPA Update - Reporting

Note on Reporting
Recipients should consult Treasury’s reporting guidance and user guide for their reporting.

<table>
<thead>
<tr>
<th>Recipients</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan cities and counties with population over 250,000</td>
<td>• Recipients should rely on reporting guidance and user guide issued by Treasury</td>
</tr>
<tr>
<td>Metropolitan cities and counties with population less than 250,000 that received an award of more than $10 million</td>
<td>• Portal will reflect certain final rule changes, including information on capital expenditures as part of public health and economic response, fiscal year revenue loss calculation, standard allowance election, &amp; expanded flexibility in premium pay</td>
</tr>
<tr>
<td>Tribal governments that received an award of more than $10 million</td>
<td></td>
</tr>
</tbody>
</table>

Quarterly and Annual Reports Due April 30
All recipients above, who are required to submit quarterly reports, as well as recipients required to submit annually, which includes:

| Metropolitan cities and counties with population less than 250,000 that received an award less than $10 million | |
| Tribal governments that received an award less than $10 million | |
| Nonentitlement units of government | |

Source: US Treasury Final Rule Webinar January 11, 2022

Contact Info
Todd Caldwell
Director of Audit Services

cities.towns@sboa.in.gov
317-232-2513