

THE SCHOOL BULLETIN
And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 237

March 2022

ITEMS TO REMEMBER

April

- 1 Prove all ledgers for the month of March.
- 15 Legal Holiday – Good Friday (IC 1-1-9-1)
- 15 Last day to upload February 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 Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal tax withheld.
- 30 Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending March 31.
- 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)

May

- 1 Prove all ledgers for the month of April.
- 15 Last day to upload March 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 April 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 Legal Holiday – Memorial Day (IC 1-1-9-1)
- 31 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)
- 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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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)

CHART OF ACCOUNTS UPDATES

Please be advised that the following updates have been made to the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations. This manual can be found on our website. <https://www.in.gov/sboa/political-subdivisions/schools/>.

- Disbursement Code 25790 Other Personnel Services – matrix edited to allow for use in the School Lunch fund.
- Disbursement Code 26500 Vehicle Maintenance (not buses) - matrix edited to allow for use in the School Lunch fund.
- Disbursement Code 26700 Insurance - matrix edited to allow for use in the School Lunch fund.
- Disbursement Code 47000 Purchase of Mobile or Fixed Equipment – description amended.

- Fund 7913 Coronavirus State and Local Fiscal Recovery Funds (ARPA 21.027) – added.
- Funds 4900-4902 Substance Abuse and Mental Health Services – added.

- Object Code 530 – title amended.

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FEDERAL PROGRAMS

Please be advised that federal projects, generally, are to be administered in accordance with Indiana laws governing the local unit, in the same manner as other funds of the school corporation, as well as with federal guidelines.

A copy of the application (Grant Application) for funds bearing the approval of the administering State or Federal Agency must be retained in the accounting office of the school corporation. The form provides the categories of expenditure which have been approved for each expenditure category and becomes the basis for the accounting records and is the document to which the audited expenditures are compared. Each document authorizing an increase or requiring a decrease in the original amount approved must be retained with the original approved application to justify any changes which have been made in the amount originally recorded. A notation should be made on the grant information noting the applicable federal Assistance Listing number (formerly CFDA number) and Public Law Number.

Federal programs shall be accounted for in separate special funds, appropriately titled as applicable in the chart of accounts. When fully funded by federal sources and maintained in a separate special fund, we are not aware of any requirement that appropriations be obtained through advertising and approval of the Department of Local Government Finance. The receipts for these special funds will be identified in the proper classification of "Revenue from Federal Sources" but the disbursements will be included in the Program and Expenditure Accounts identifying the nature of the disbursement along with other disbursements of the same nature.

Those fully funded projects requiring a separate fund may have the paid claims filed separately to support all expenditures from that fund. These claims must be identified by fund and project number and be retained in the file until audited and until the applicable retention schedule indicates maintaining the record is no longer required or permission for destruction has been received through the County Commission of Public Records in your county. Copies of all reports to the State or Federal Administering Agency must also be identified with the fund and project number and retained for audit.

When a local school corporation qualifies for an indirect cost allocation on a federal project, an estimated amount shall be included as a line item on the application, but the actual amount must be calculated after the total direct cost expenditures are known. The actual total amount to be recovered for indirect costs will not be known for any project until that project is completed. A school corporation must then claim from the federal project, the allowable amount. When indirect costs are paid by the federal project, to the school corporation, the amount shall be receipted to the Operations Fund of the school corporation. The amount of each receipt or expenditure must also be posted to the proper control account.

INDIANA BOND BANK – TAX ANTICIPATION WARRANTS

We are of the audit position that Indiana Bond Bank transactions should be recorded in the school's records. Accordingly, receipts should be issued for the amount of the tax anticipation warrant, checks issued for repayment of the amounts borrowed should be charged for securities purchased, etc. Additionally, the Treasurer's Daily Balance of Cash, Depositories, and Investments, (General Form 361), and Register of Investments (General Form 350) should contain a record of each transaction.

Please note all receipts, checks and records should contain notations that these transactions are in accordance with the Bond Bank Tax Anticipation Warrants issued and note where the securities are held by reference to the safekeeping receipt that you are to receive. Also, please ensure that interest income is properly receipted into the records through the normal accounting system.

Finally, we understand the Indiana Bond Bank provides guidance concerning any potential arbitrage requirements, and if the entire amount available is not drawn by a school corporation, the residual amount will be sent to a school corporation to be used to repay the total amount of the advance.

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MEALS PROVIDED

We have received inquiries concerning providing of meals for school corporation employees (school food program, in-service meetings, etc.).

IC 20-26-5-4(3) provides in part the authority for a board of school trustees: "To appropriate from the school corporation's general fund (before January 1, 2019) or the school corporation's operations fund (after December 31, 2018) an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's ADM of the previous year (as defined in IC 20-43-1-7), to promote the best interests of the school corporation through: A) the purchase of meals..."

IC 20-26-5-4(9) concerning travel and meals provides in part: "Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses..."

A school corporation may be able to, in a public meeting, pass a resolution (for instance concerning potential situations not listed in the two paragraphs above), for accomplishing something for which specific statutory authority is not known to exist (Home Rule IC 20-26-3). Additionally, a policy letter from the United States Department of Agriculture (in regards to the food service program) states in part, "...Meals served to adults who are directly involved in the operation and administration of the school nutrition programs may, at the discretion of the school food authority, be furnished at no charge. As such, their cost may be fully attributed to and supported by the non for profit food service operation. Meals served to these adults may not be claimed for reimbursement or counted towards the donated foods entitlement. The determination of individuals, positions involved, and the degree to which their services are attributed to the non for profit food service program operations is left to State and local officials."

Numerous important public policy questions could be raised if a school board were to pass a resolution providing for free meals for adult school corporation employees, i.e., the free meal might place a burden on the financing of the food service program by requiring students and other adults to fund the cost of free meals for nonpaying adults; students and parents being required to file an application for free or reduced priced meals when employees are not required to do so; potential income tax considerations, Operations fund deficits, (when providing meals other than a school food program) etc.... Therefore, a school board should be informed if the board is considering passing a resolution, that a public policy decision needs to be made and that any appearance of impropriety is a local policy for which a school board must accept all responsibility.

A school board's resolution regarding free meals should include (other than meals of employees in accordance with IC 20-26-5-4) each position eligible to receive the free meal. School Lunch Forms require a daily accounting of meals provided by individual for the school food program. (See Form SF-1, School Food Service Certification of Meals provided Per Home Rule). Other meals provided (other than the school food program) may require additional accounting. The Internal Revenue Service and State Revenue Department should also be contacted for written guidance on any possible reporting implications.

In-service meetings sometimes pertain to various Federal or State funded programs and accordingly could have various additional restrictions.

DISASTER RECOVERY AND BACKUPS

A disaster recovery is a written plan that contains detailed instructions on how the county will respond to incidents such as a natural disaster, cyber-attack, or other disrupting events. The plan will allow for continuity of service despite these events. This includes access to data as well as access to critical documents and resources. One of the key components for protecting data is adequate backup of the data.

A disaster recovery plan should include procedures for backing up financial data frequently, if not daily, and for storing those backups in a separate and secure location. Backups that are saved on the same server as the financial software will most likely be affected by the same malware as the main data, leaving the backup useless. Storing the backup in a secure location not connected to the main server is the safest option. The plan should also include procedures to test this data regularly to ensure that the backup system is working. Storage of back-ups may be on an isolated server, in the cloud or on a server maintained by your software vendor. Being able to quickly restore access to the financial and other data of the county will greatly aid the county's ability to continue to provide service. In addition, by statute, all transactions that occur in the accounting system must be recorded and accessible upon request whether for audit or a public records request.

Governmental entities also should keep their anti-virus software up-to-date and apply security patches in a timely manner. Additional training for staff in recognizing and avoiding malware would also be beneficial in avoiding a disruption to service from a cyber-attack. The Indiana State Office of Technology has a website with a wealth of information available on cyber security and can be a great resource. The website can be found at www.in.gov/cybersecurity/

SBOA - RESOURCE LIBRARY

The State Board of Accounts (SBOA) is pleased to present an online resource library for our clients and the citizens of Indiana. We have received many requests in the past to provide the information available on our website in a searchable format. The following information can now be searched in the resource library.

- SBOA Uniform Compliance Guidelines (including previously issued bulletin articles)
- State Examiner Directives
- Best Practice Documents
- Indiana Code Section Summaries
- Frequently Asked Questions
- Other Miscellaneous Materials

[SBOA Resource Library Home Page Link](#)

We highly recommend you review the short tutorial video linked below. This video addresses how to navigate the resource library and what information is included in the library. If you have questions for SBOA, we recommend first to search through the library before contacting SBOA personnel.

[SBOA Resource Library Tutorial Link](#)

If you have any questions about how to use this library or would like additional information on a topic you were unable to find, you can contact SBOA Government Technical Assistance & Compliance (GTAC) Directors for Schools at Schools.Townships@sboa.in.gov.

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