What is going on with ECAs?

IASBO ECA Conference
November 3, 2017
State Board of Accounts
CONTACT INFORMATION

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GATEWAY ECA RISK REPORT

Who is responsible for completing and submitting the ECA Risk Report?

The fiscal officer for the school corporation, usually the school corporation treasurer/controller, is responsible for submitting the ECA Risk Report. This is the same person that is responsible for submitting the Annual Financial Report on Gateway for the school corporation. The fiscal officer can assign edit rights to ECA Treasurers or other users to specific ECAs by completing the ECA Delegation of Authority Form found on our website. Edit rights gives the user access to enter, change and delete data as well as generate the various reports within the ECA Risk Report. However, they will not be able to submit the report. The fiscal officer must submit the report. If changes need to be made after the report is submitted, the fiscal officer must un-submit the report.

What happens if the ECA Risk Report is not submitted via Gateway?

SBOA will only recognize submission of the ECA Risk Reports through Gateway. SBOA will not accept the report in paper form or in any other format. If it is not submitted through Gateway, as prescribed, the extra-curricular account (ECA) will be considered high risk and the Department of Local Government Finance (DLGF) may not approve the budget of the school corporation in accordance with IC 5-11-1-4.
Risk Report Gateway Application

State Board of Accounts

2017
<table>
<thead>
<tr>
<th>NAME OF FUND</th>
<th>BALANCE BEGINNING OF PERIOD</th>
<th>RECEIPTS DURING PERIOD</th>
<th>EXPENDITURES</th>
<th>BALANCE END OF PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>3010 Student Activity</td>
<td>$75,070.51</td>
<td>$0.00</td>
<td>$42,884.71</td>
<td>$32,185.80</td>
</tr>
<tr>
<td>3020 Student Trip</td>
<td>$18,194.86</td>
<td>$0.00</td>
<td>$43,652.41</td>
<td>$(25,457.55)</td>
</tr>
<tr>
<td>3030 Book Rental</td>
<td>$216.31</td>
<td>$0.00</td>
<td>$8,449.74</td>
<td>$(8,233.43)</td>
</tr>
<tr>
<td>3031 Lab Fees</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$122.50</td>
<td>$(122.50)</td>
</tr>
<tr>
<td>3032 Technology Fees</td>
<td>$20.00</td>
<td>$0.00</td>
<td>$89.38</td>
<td>$(69.38)</td>
</tr>
<tr>
<td>3033 Consumables</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$11,674.77</td>
<td>$(11,674.77)</td>
</tr>
<tr>
<td>3034 Curricular</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$5,252.75</td>
<td>$(5,252.75)</td>
</tr>
<tr>
<td>Materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3040 Office</td>
<td>$1,464.68</td>
<td>$0.00</td>
<td>$3,407.41</td>
<td>$(1,942.73)</td>
</tr>
<tr>
<td>3050 Library</td>
<td>$3,662.12</td>
<td>$0.00</td>
<td>$11,676.36</td>
<td>$(8,014.24)</td>
</tr>
<tr>
<td>3080 Investments</td>
<td>$435.86</td>
<td>$0.00</td>
<td>$127.61</td>
<td>$(308.25)</td>
</tr>
</tbody>
</table>

**Total:**

- Balance Beginning of Period: $99,812.21
- Receipts During Period: $0.00
- Expenditures: $127,843.27
- Balance End of Period: $(28,031.06)

[Click here to Continue to Cash Reconciliation]
### Cash Reconciliation

Enter the depository balance, the cash on hand, deposits in transit and any reconciling items below.

<table>
<thead>
<tr>
<th><strong>Field</strong></th>
<th><strong>Value</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Statement Date:</td>
<td>5/31/2017</td>
</tr>
<tr>
<td>Depository Balance:</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Cash On Hand (ADD):</td>
<td>$110.00</td>
</tr>
<tr>
<td>Deposits In Transit (ADD):</td>
<td>$200.00</td>
</tr>
<tr>
<td>Other Reconciling Items (ADD/DEDUCT):</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total of Outstanding Check (DEDUCT):</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Balance</td>
<td>$4,310.00</td>
</tr>
</tbody>
</table>

#### Outstanding Checks (optional upload)

<table>
<thead>
<tr>
<th>Date</th>
<th>Check Number</th>
<th>Amount</th>
<th>Delete</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/28/2016</td>
<td>44444</td>
<td>$400.00</td>
<td>✗</td>
</tr>
<tr>
<td>12/10/2016</td>
<td>33333</td>
<td>$300.00</td>
<td>✗</td>
</tr>
<tr>
<td>12/05/2016</td>
<td>22222</td>
<td>$200.00</td>
<td>✗</td>
</tr>
<tr>
<td>12/01/2016</td>
<td>12345</td>
<td>$100.00</td>
<td>✗</td>
</tr>
</tbody>
</table>

Total: $1,000.00
Student Activity (SA) 5 Form

- 4 Part form showing:
  - 1. Schedule of Balances, Receipts, Expenditures.
  - 2. Cash Reconciliation with Outstanding Checks.
  - 3. Detail of Receipts and Expenditures by Fund.
  - 4. Bank account and bond information to be certified by Treasurer and Principal.

- Copies of this form are to be filed with the School Board and the Superintendent.

- IC 20-41-1-3(a)(2) – Gateway designed to prevent school from having to report twice
- IC 20-41-1-8(b)
New for 2017

Risk Assessment

The Risk Assessment form can be saved even though it is partially completed. A checkbox will appear at the bottom of the form after all questions have been answered. You will have a submission error if the risk assessment is not completed and the box is not checked.

Cash Reconcilement

An option has been added to upload an Excel spreadsheet of the outstanding check list.
AUDIT POSITIONS

Statute requires the ECA Risk report to be reported from July 1\textsuperscript{st} to June 30\textsuperscript{th}.

- We will not take exception to ECAs entering information from June 1\textsuperscript{st} to May 31\textsuperscript{st} if reports are consistent.

IC 20-41-1-4 an ECA fund should be established for a specific organization, class, or group of students.

- Only used for functions NOT educational in nature.
- Outside organizations should NOT be included in the ECA (staff only vending machines, booster clubs, etc...).

Official Pay for sporting events should be ran through the School Corporation’s payroll.

- Usually payment run through school corporation and the ECA Athletic fund reimburses school.
Extra-Curricular Account Engagements

SBOA preliminary plan

◦ ECA with receipts greater than $1,000,000 will be examined during the school corporation audit by the assigned field examiners
  ◦ For 2016 Report 76 ECAs

◦ ECA with receipts between $1,000,000 - $100,000 will be examined by a centralized compliance process
  ◦ For 2016 Report 682 ECAs
  ◦ Will be done on a 4 year rotation coinciding with the School Corporation audit

◦ ECA with receipts less than $100,000 and not having a specific risk identified will have Centralized review process
  ◦ Approximately 10% of total statewide ECA activity
ECA INTERNAL CONTROLS

What are Internal Controls?
◦ A system designed to provide government reasonable assurance that objectives will be achieved

Why are they important?
◦ Promote government accountability and transparency
◦ Essential tool in government’s ability to make proper decisions
◦ Designed to prevent or detect situations in which government has failed to achieve an objective
◦ Help identify and correct inefficiencies in governments processes

How do you implement them?
◦ Identify areas of Risk
◦ Develop policies and procedures to address the areas of risk
◦ Monitor that policies and procedures are being followed and have addressed the risks identified
Common areas to address:
Collections –
  School Lunch
  Athletic Events
  Curricular Materials Rental
  School Dances
  School Play
  Vending Machines
  Fundraisers

Asset Protection –
  Cash Balances
  Purchase of Goods
  Inventory of Goods
  Information Technology
Risks identified for Athletic Event collections:
- Skimming of cash collections
- Admission without payment
- Charging incorrect admission
- Not depositing collections intact
- Destroying or not retaining accountable items (tickets, lists, deposit ticket, etc.)
- Making cash payments out of collections
Event Ticket Taking Activity
**SA-4 TICKET SALES FORM**

Form SA-4 prescribed by State Board of Accounts. No __________

**TICKET SALES**

<table>
<thead>
<tr>
<th>SCHOOL</th>
<th>TOWN OR CITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAME</td>
<td>DATE</td>
</tr>
<tr>
<td>OTHER</td>
<td>ACTIVITY</td>
</tr>
</tbody>
</table>

**TICKETS**

<table>
<thead>
<tr>
<th>KIND</th>
<th>ISSUED SERIAL NO</th>
<th>AMT.</th>
<th>RETURNED SERIAL NO</th>
<th>AMT.</th>
<th>TICKETS SOLD</th>
<th>PRICE</th>
<th>TOTAL AMOUNT SALES</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

**TOTAL**

Made by __________ (Title)  
Verified and Approved by __________ (Official or Sponsor)  

ORIGINAL  

State Board of Accounts  
2017
Possible Event Admissions Procedures

- Training for key individuals or individuals that will oversee the application of the internal control activities
- ECA Treasurer provides tickets and cash change box to Athletic Director, document transfer
- Prior to event Athletic Director completes initial portion of Ticket Sale report (SA-4), including starting numbers of all ticket series
- Athletic Director provides ticket taker with tickets, cash change, list for sign-ins, and SA-4 form
- During the event the ticket taker receives payments, retains ticket stubs, documents sport pass attendees and ensures sign-ins list names and organizations
- During the event the Athletic Director completes any established internal control activities; could include observing ticket taker, noting/estimating number of attendees, etc.
Possible Event Admissions Procedures cont.

- After the event the ticket taker will complete the SA-4; include documenting last ticket sold, counting ticket stubs, counting cash change box, documenting any explanations for differences, and finally signing the “Made by” section on the SA-4 form.

- After the ticket taker signs the SA-4 form, the Athletic Director would verify the information on the report, include verifying last ticket sold, recounting ticket stubs and cash change box, and finally signing the “Verified and Approved by” section on the SA-4 form.

- Within 24 hours the Athletic Director would remit the SA-4 form, ticket stubs, and cash change to the ECA Treasurer.

- The ECA Treasurer would review the SA-4 form, retain the ticket stubs, issue an ECA Receipt (SA-3) to the Athletic Director, deposit the funds with the Bank without unreasonable delay, and post the receipt to the Athletic Fund in the ECA records.
Other helpful prescribed forms for internal control activities

- SA-6 – fund balance and activity of each ECA fund
- SA-1 and SA-7 – purchases of goods and services
- SA-8 – collections for fundraisers, field trips, etc.
- SA-9 – items sold and inventor remaining; curricular materials, concessions, vending machines
- SF series – School Lunch Activities
CONTACT INFORMATION

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(317) 232-2513

www.in.gov/sboa/4449.htm