



IASBO Annual Meeting SBOA Updates

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Accounting for Federal Stimulus Grants



- **Established Funds 7940 -7949**
 - 7940 – Federal Stimulus – 18002 Governor’s Emerg. Educ. Relief
 - 7941 – Federal Stimulus – 18003 Educ. Stab Relief
 - 7942 – Federal Stimulus – 18004 Supplemental
 - 7943 – COVID Paycheck Protection Program
 - 7944 – 7949 used for other federal stimulus funds

Accounting for Reimbursement Grants



- Each grant must be accounted for in a **separate fund**.
- **Supporting Documentation** must be kept.
- IC 10-14-3-17(j)(5) 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

What If I Spent Out of a Non-COVID Fund?



- Ex: purchased COVID item from Operations Fund
- Option 1: Correction of error.
 - **Reverse entry** to reinstate fund balance and re-appropriate.
 - **Post disbursement** in COVID grant fund

What If I Spent Out of a Non-COVID Fund?



- Option 2: Claim created
 - **Deposit reimbursements** into COVID grant fund.
 - **Create Claim** against COVID grant fund in favor of Operations fund.
 - **Pay back** Operations Fund.

COVID Grants Misc



- Will not take exception to a **negative grant fund** IF you show reimbursement documentation equaling the negative balance of the fund.
- Reimbursements must be claimed on a timely basis.
- Be careful to only spend funds on allowable items. **Read the grant agreement!**

Audit Costs Charged to Federal Grants



- Title 2 CFR, Part 200 Section 200.425
- Portion of the associated audit costs may be allocated to some or all grants
- Recommend checking with grantor agencies during the grant application process

New Audit Positions - Medicaid



- All Federal Medicaid Reimbursements should be reported on the SEFA.
- Individualized Education Programs (IEP) and Medicaid Administrative Claiming (MAC) should be reported on the SEFA.

New Audit Positions – Self-Insurance



- Self-Insurance – Technology Equipment
 - IC 20-40-12-5 provides purposes of self-insurance funds
 - IC 20-26-5-4(a)(15) provides additional guidance to purchase insurance or establish and maintain a program of self insurance
 - Our audit opinion is that the language in IC 20-40-12-5 and IC 20-26-5-4(a)(15) does not allow for the self-insurance fund to be used to pay for repairs to technology equipment

New Audit Positions – Debt Payments



- Debt Payment from the Operations Fund
 - IC 20-40-18-5 Uses of Operations fund
 - (1) Carry out capital projects plan
 - (2) Pay transportation costs
 - (3) Carry out a school bus replacement plan
 - (4) Pay expenses allocated to overhead and operational expenditures
 - (5) Provide funds to an art association or a historical society
 - (6) Establish, maintain, and equip public playground
 - Our audit opinion is that debt other than those expenses included in the capital project plan cannot be paid from the operations fund

School Audit Cycle



- 188 schools to be audited this round.
- Audit Period: 7/1/18 to 6/30/20
- 144 will be federal audits.

Remote Audits



- Most of the work will be done offsite.
- Please be sure to file monthly uploads.
- Please respond to audit requests promptly.

Virtual Meeting Platforms



- Microsoft Teams

- www.microsoft.com/en-us/microsoft365/microsoft-teams/group-chat-software

- Cisco WebEx

- www.webex.com



- Financial Data By Fund
 - 2019-2020 Only fund numbers and names required to be uploaded
 - 2020-2021 Beginning balance, receipts, disbursements, and ending balance is to be reported under Financial Data by Fund

Gateway Updates (OPEB)



- **OPEB**
 - SBOA responsible for collection OPEB information
- Terms:
 - Other Post Employment Benefits (OPEB)
 - OPEB plan
 - Active Employees
 - Inactive Employees
 - Covered Payroll

Gateway Updates (OPEB Continued)



- Contribution Rates (as a percentage of payroll).
 - Employer
 - Total amount of contributions for the year from the school / covered payroll for the year
 - Employee
 - Total amount of contributions/premiums for the year from all plan members / covered payroll for the year

Gateway Updates (ECA Closure)



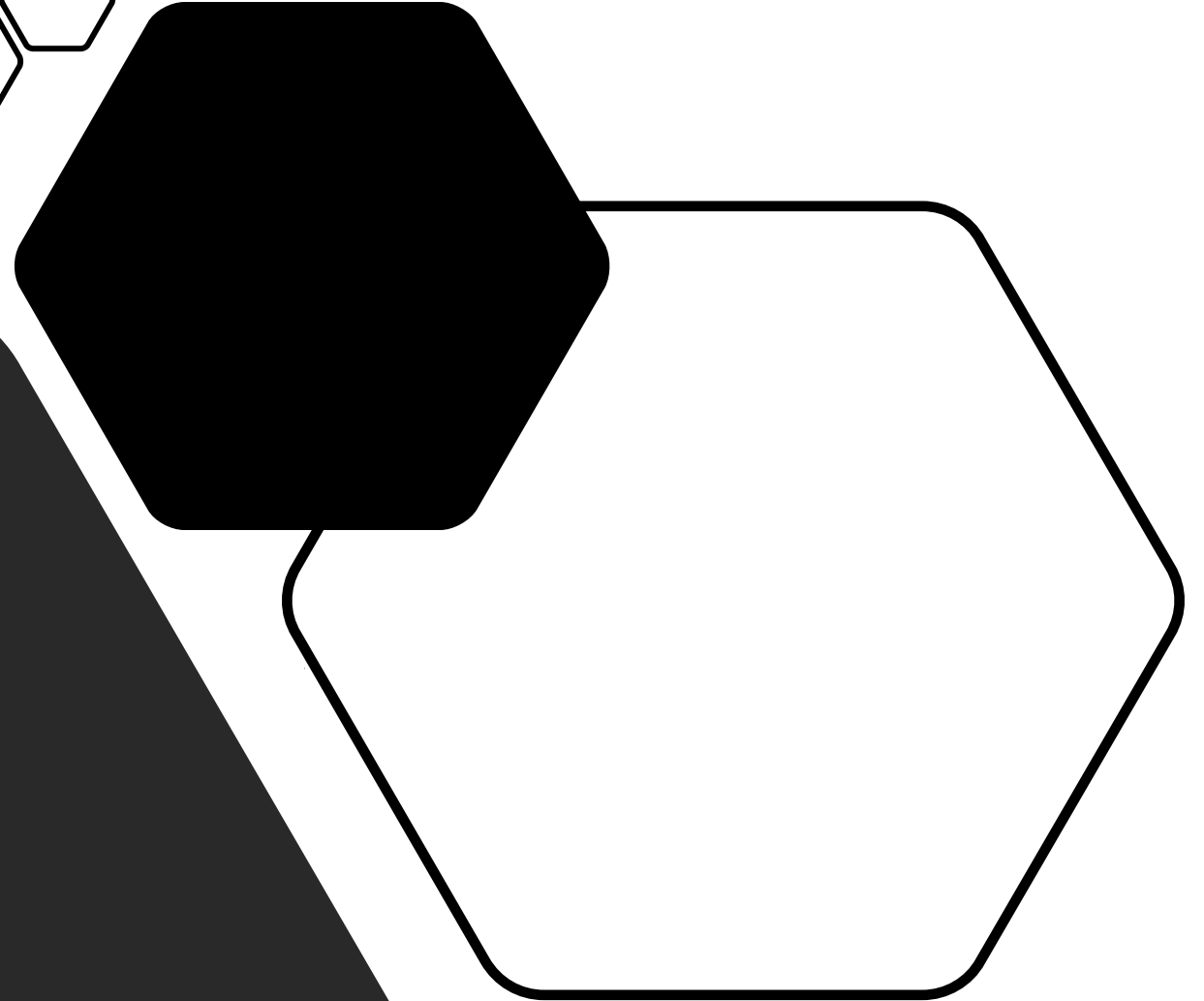
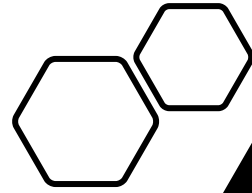
- If an ECA is combined or closed, you must notify SBOA.
- ECA Risk Reports should be filed for each year financial activity occurred.
- In the final year of operation, **the ECA should report \$0 cash balances in every fund in Gateway.**

Average Daily Membership (ADM)



- We will be testing this at every school.
- Please ensure documentation orderly.
 - Rosters, reporting forms/reports, enrollment cards etc...
- Follow all IDOE guidance – especially **Virtual students due to COVID.**

Frequently Asked Questions



Electronic Tickets



- IC 36-1-8-11
- Allows for credit card and electronic payments if properly authorized
- Internal controls must be established and implemented over the collection of and proper receipting of electronic tickets

Use of Online Payment System for Payment to Athletic Officials



- Following Requirements must be in place:
 1. The School Board must authorize the use of the online payment system through a resolution, which has been approved in minutes.
 2. The School Board must implement and ensure that proper internal controls are in place.
 3. The athletic director shall provide the ECA treasurer with a detailed list of athletic officials that have been scheduled to officiate each contest. A Purchase Order/Accounts Payable Voucher (SA-1) must be completed with a copy of the detailed list attached.

Use of Online Payment System for Payment to Athletic Officials (Continued)



4. The ECA treasurer shall transfer the appropriate rate of payment of each official on the detailed list and the estimated transaction fees for the corresponding payments to the trust account.
5. After the officials have officiated a contest, the athletic director must validate that the contest was held and services were provided through the online payment system.
6. Once the contest validated by the athletic director, payments to the officials are initiated by the ECA treasurer through the online payment system.
7. The ECA treasurer shall print and retain a report of all payments and transaction fees paid from the trust account. This listing should be attached to the SA-1, supporting the disbursements from the trust account. Any payment without proper documentation may be the responsibility of that officer or employee.

Use of Online Payment System for Payment to Athletic Officials (Continued)



8. The trust account must be reconciled by the ECA treasurer on a monthly basis.
9. The ECA treasurer is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue
10. At the end of the school year, all funds remaining in the trust account must be receipted back into the extra-curricular Athletic Fund and deposited into the ECA bank account.

Proper Accounting – Cashless Transactions



- Since ECAs are on a cash basis
 - Record all receipts / disbursements as they occur.
 - Any **fees charged should be recorded separately.**
 - Maintain documentation of all receipts to correspond with deposit, including electronic ticket “stubs” or a sales report.

Fees – SBOA Audit Position



- IC 20-26-12-2 allows for rental charge for items that meet the definition of a “curricular material”.
- The school corporation would also be allowed to charge an educational fee for items that meet the Indiana Department of Education’s definition of “consumable curricular” material.
- **PPE** does not meet the definition of curricular materials under IC 20-18-2-2.7

Fees – SBOA Audit Position: Continued



1. *The school would be able to establish a rental charge based on the requirements of IC 20-26-12-2 for items that meet the definition of a “curricular material”.*

- *IC 20-18-2-2.7 states, “Curricular materials means systematically organized material designed to provide a specific level of instruction in a subject matter category, including:
 - (1) **books**;
 - (2) **hardware** that will be consumed, accessed, or used by a single student during a semester or school year;
 - (3) **computer software**; and
 - (4) **digital content.**”*

Fees – SBOA Audit Position: Continued



- *IC 20-26-12-2 states in part: “...The annual rate **may not exceed twenty-five (25%)** of the retail price of the curricular materials. (b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than twenty-five percent (25%) of the retail price of curricular materials that have been:
 - (1) *extended for usage by students under section 24(e) of the chapter; and*
 - (2) *paid for through rental fees previously collected.”**

Fees – SBOA Audit Position: Continued



2. The school would be able to establish an educational fee for items that meet IDOE’s definition of “consumable curricular material”.

- IDOE has defined “consumable curricular materials” as **a consumable core instructional curricular material used by students for no more than one (1) school year**. In addition, consumable kit materials that are part of an adopted curricular material are considered part of this category.
- Allowable costs include, but are not limited to:
 - Standard workbooks; activity logs; practice sets; manipulatives; authentic literature; materials used for laboratory courses; instructional materials used for high ability or special education; and high ability or special education books selected locally.

Fees – SBOA Audit Position: Continued



3. The school would be able to establish an educational fee for items in which they receive a **written legal opinion that the fee would not violate the Indiana Constitution.**

- *IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds . . ."* Therefore, **all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund.** The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions.
- The school can only charge rental and educational fees **to students that receive the good/service** in which the fee was based.

Field Trip Cancellations



- Follow normal refund policy
- Receipts should support the amounts refunded
- Refunds shall be by check **and not cash.**

Funds Raised Through Fundraisers



- Not aware of specific statutes that govern fundraiser
- Consult with school attorney
- Follow policies adopted by the school board
- Treat consistently
- May apply general policy guidance memo regarding Coronavirus - <https://www.in.gov/sboa/files/Policy%20Regarding%20Coronavirus%203.12.2020.pdf>

School Enrollment Incentives



- IC 20-19-3-15(c) prohibits such activity
- This section does not apply to a school promotional item that has minimal monetary value

Ghost Employment



- IC 35-44.1-1-3 Generally an individual **cannot be paid for two jobs during the same time period**
- Will verify pay according to approved salary resolution or contracts for certified staff.
- Could be paid a stipend if approved by the board.

Scholarships



- Never write a check to an individual!
- School Corporation Records IC 20-40-14
 - 2700-2799 Scholarships in Chart of Accounts

SBOA Communications



- Will come from either:
 - Indiana@subscriptions.in.gov
 - Schools.Townships@subscriptions.in.gov
- Website to sign up:
 - <https://www.in.gov/sboa/7130.htm>

Website Overview



<https://www.in.gov/sboa/4449.htm>



Questions?