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STATE BOARD OF ACCOUNTS



State Board of Accounts

IASP ECA Seminar – March 5, 2025

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PAUL D. JOYCE, CPA STATE EXAMINER

Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.



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○○○ *ABOUT STATE BOARD OF ACCOUNTS*

- Created in 1909 in response to widespread corruption
- Mission Statement
 - We are dedicated to providing the citizens of the State of Indiana with confidence in the integrity and financial accountability of state and local government
- Responsibilities
 - Perform audit/exams of all governmental units
 - Prescribe forms and procedures used by governmental units
 - Various other duties including election recounts, providing training for local officials, etc.





SBOA STAFF

- Organizational Flowchart
 - SBOA Board (State Examiner, 2 Deputies)
 - Directors (2 per area)
 - Schools and Townships
 - Cities/Towns, Libraries and Special Districts
 - Counties
 - Audit Coordinators
 - Investigation Coordinators
 - Field Examiners



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INDIANA GATEWAY FOR GOVERNMENTAL UNITS (GATEWAY)

- Website - <https://gateway.ifionline.org/>
- User Guides - <https://gateway.ifionline.org/help.aspx>
- Submitter – ECA or Corporation Treasurer
- Gateway Help Desk - AnnualReports@sboa.in.gov





Indiana Gateway for government units

 [Home](#) [Report Builder](#) [Download Data](#) [Learn More](#) [Local Officials: Login Here »](#)

An Open Door into Local Government Finance

Gateway collects and provides access to information about how taxes and other public dollars are budgeted and spent by Indiana's local units of government.

[Find your units](#)[Public employee compensation](#)[When is your budget hearing?](#)

GATEWAY – LOGIN SCREEN

Home About User Guides

The Indiana Gateway for Government Units provides a central commons for local units to submit their financial forms to the State of Indiana.

This site works best in [Firefox](#) and [Chrome](#). Internet Explorer is not supported.

Authorized Personnel Login

User Name:
Password:
[Forgot your password?](#)

Please note: Passwords are CASE sensitive.
After 5 failed attempts to log in, your account will be locked—
notify ibrtech@iu.edu.

[Request Authorization to Access Gateway](#)

Announcements

Gateway Reporting Access Authorized User Policy

The local official login portion of Gateway is accessible only by authorized personnel. Authorized personnel are those individuals responsible for entering and submitting reports to the State. *the person who receives authorization.* [Read full policy »](#)



oooo GATEWAY APPLICATIONS

Welcome to the Indiana Gateway for Government Units

As an authorized user, you will have at least one application to use. Each of these applications enables a local unit to submit its required forms, reports or files to the appropriate state agency. Agencies currently include **Department of Local Government Finance**, **State Board of Accounts**, **Indiana Education Employment Relations Board** and **Indiana Gaming Commission**.

Select Application

Department of Local Government Finance (DLGF)	Deadline
Abstract	Details
Assessor Reports	Mar 31
Budgets	Details
Data Entry for CNAV and Form 22	Details
Debt Management	Details
Economic Development Reporting	Sep 30
File Transmission	Details
Other Post-Employment Benefits	Mar 1
SB 131 Reporting for SWMDs	Mar 1
State Board of Accounts (SBOA)	
Deadline	
100R	Jan 31
Annual Financial Report	Details
Monthly and Annual Engagement Uploads	Details
Conflict of Interest Disclosure	15 days after final action on the contract or purchase
E-1 Entity Annual Report	60 days after entity's fiscal year ends
ECA Risk Report	Aug 29



MONTHLY UPLOADS

- State Examiner Directive 2018-1
 - https://www.in.gov/sboa/files/Directive_2018-1_Monthly_Upsloads_10_30_2023.pdf
- More efficient and less costly audits
- Proactively identify problems



○○○ MONTHLY UPLOADS

- Dates of Submission – by the 15th of the second following month
 - Example – The January monthly upload files are required to be uploaded by March 15th



MONTHLY UPLOAD REQUIREMENTS

- Bank reconcilements, Bank Statements, and Outstanding Check Lists
- Funds Ledger summarizing total receipts, disbursements and balances by fund





ANNUAL UPLOAD REQUIREMENTS

- Due Date – August 29th
 - Annual Funds Ledger – Report showing the summary of the beginning balance, total receipts, total disbursements and ending balance of each fund for the year
 - Detail of Receipts – Transaction level listing of receipts, including receipt numbers, date received, amount of receipt, fund posted to and who it was received from
 - Detail of Disbursements – Transaction level listing of disbursements including check numbers, date disbursed, amount of disbursement, fund posted to, and vendor/payee names



○○○ ECA RISK REPORT

- Due Date – August 29th
 - Risk Assessment Questions
 - Annual Reporting – Schedule of Balances, Receipts and Expenditures, Cash Reconcilement, Detail of Receipts and Expenditures by Fund, and the Report Certificate



ECA RISK REPORT

ECA Risk Report

[Home](#) [About](#) [Account Settings](#) [User Guides](#) [Logout](#)

Select Unit > Select Year > Main Menu > Risk Assessment

County: Sboa Eca Unit 5
Unit: Sboa Eca Unit 5
School:
Corporation:
DOE
Corporation
number:
Year: 2023 - 2024

Risk Assessment

Please answer all questions. Certain questions may require documentation to be uploaded or additional information to be entered. To see a list of the files that you may need to upload or for more information before you begin, please see the User Guide. Click the SAVE FORM button at the top or the bottom of the screen to save what you have entered. You will see error messages if any items are not completed. You may leave the screen and finish it later. The data you have entered so far will be saved. **When all items have been entered, there will be a checkbox at the bottom of the screen that you must check to confirm that the form is completed.**

Note: This information is for the State Board of Accounts internal use only and will not be made available on the Gateway Public site.

[Click here to Save Form](#)

1. How is your ECA's ledger maintained?

Hand Posted [▼](#)

2. Was a financial report made within two weeks after the close of the school year and after each semester if your school has two (2) or more semesters in a school year, of all fund activity to the school board and superintendent of schools in accordance with IC 20-41-1-3 and IC 20-41-1-8?

Yes No

3. Was the ECA bank account balance reconciled to the ledger balances on a monthly basis?

Yes No

4. Does anyone review and approve the completed bank reconcilements?

Yes No

5. Does the ECA have any investments (certificates of deposit, etc.)?

Yes No

5a. If yes, list the name of the bank(s) where the investments are maintained.

Huntington/IU

6. Are any investments accounted for on the ECA ledger?

Yes No

7. Is a receipt issued for all monies received and at the time the money is received

Yes No

8. Please indicate how often deposits are made? Which best fits your situation?

Weekly [▼](#)

Yes No

9. When totaling the receipts issued for the day does the classification of the receipts (i.e. cash, checks, etc.) and the classification as shown on the deposit ticket (i.e. currency, checks, etc.) agree? This would include collections for items like textbook rental, fundraisers, ticket sales, etc.

 10. Is School Lunch accounted for in the ECA ledgers?

Yes No

11. Is Textbook rental accounted for in the ECA ledgers?

Yes No

12. Is a Purchase Order/Accounts payable voucher (Form SA-1) and/or Claim for Payment (Form SA-7) used for disbursements?

Yes No

 13. Are the Purchase Order/Accounts Payable Vouchers (Form SA-1) and/or Claim for Payment (Form SA-7) properly itemized?

Yes No

14. Are the Purchase Order/Accounts Payable vouchers (Form SA-1) and/or Claim for Payment (Form SA-7) signed by the appropriate officials?

Yes No

 15. Are prenumbered tickets used for sporting and other events for which an admission price is collected?

Yes No Not Applicable

16. Do any school personnel stock vending machines and remove money from the machine?

Yes No

17. The Summary collection Form (SA-8) is to be used when a teacher, class sponsor, or other personnel are in charge of collecting money (for a field trip, fundraiser, etc.) that is later turned over to the ECA treasurer. Was Form SA-8 used to transmit monies collected by teachers, class sponsors, etc. to the ECA treasurer?

Yes No

18. Are any outside organizations such as booster clubs, 4-H, Girl Scouts, PTO/PTA, etc. accounted for in the ECA ledgers?

Yes No Not Applicable

18a. If yes, please list those organizations.

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19. Are all fundraisers approved by the School Board?

Yes No

20. Does the ECA have a credit/debit card or local business charge accounts issued in the name of the school?

Yes No

[Click to Save Form](#)

In order to mark the form as complete, all required fields must be completed, and it must be saved by pressing the 'Click to Save Form' button.

I have completed all of these questions, and I am ready to submit this form.





ECA RISK REPORT – SCHEDULE OF BALANCES, RECEIPTS, AND EXPENDITURES

Schedule of Balances, Receipts, and Expenditures

Click below to Add a new fund or [Click here to upload Files](#) You can skip the entry process by uploading 3 individual files – Funds, Receipts, Expenditures. There is an excel template provided for each one – just click on the template, save it to your local machine, and enter the required information. Then follow the on-screen instructions to "Browse" for the file and then click on Upload File. The fund file must be uploaded before you can upload receipts or disbursements. If you find you made a mistake in the file you uploaded, correct it and then re-upload. **This will delete any previously entered or uploaded data.**

+ [Click here to Add a New Fund](#)

IS INCLUDED ON AFR	NAME OF FUND	BALANCE BEGINNING OF PERIOD	RECEIPTS DURING PERIOD	EXPENDITURES	BALANCE END OF PERIOD	
Edit	<input type="checkbox"/> school lunch	\$3,000.00	\$21,000.00	\$30,000.00	(\$6,000.00)	Delete
Edit	<input type="checkbox"/> textbook rental	\$2,000.00	\$31,000.00	\$8,000.00	\$25,000.00	Delete
Edit	<input type="checkbox"/> theatre	\$1,000.00	\$4,500.00	\$4,000.00	\$1,500.00	Delete
Edit	<input type="checkbox"/> band	\$4,000.00	\$2,800.00	\$6,500.00	\$300.00	Delete
Edit	<input type="checkbox"/> sports	\$5,000.00	\$7,800.00	\$5,000.00	\$7,800.00	Delete

\$15,000.00 \$67,100.00 \$53,500.00 \$28,600.00

○○○ ECA RISK REPORT - CASH RECONCILEMENT

Cash Reconcilement

Enter the depository balance, the cash on hand, deposits in transit and any reconciling items below. The bank statement used should be the same date as the closing date of the fund information.

Bank Statement Date:

Depository Balance:

Cash On Hand (ADD):

Deposits In Transit (ADD):

Other Reconciling Items (ADD/DEDUCT):

Total of Outstanding Check (DEDUCT):

Balance:

Outstanding Checks (optional upload)

+ Add new record				
	Date	Check Number	Amount	Delete
<input type="button" value="Insert"/>	<input type="text"/>	<input type="button" value="Calendar"/>	<input type="text"/>	<input type="button" value="Delete"/>
<input type="button" value="Cancel"/>				
No records to display.				
+ Add new record				

ECA RISK REPORT – REPORT CERTIFICATE

Bank and Bond Data

Prescribed by State Board of Accounts

The bank in which all monies of this account are deposited is :

Name of Bank

Location of Bank

Date school officially closed

BOND OF SCHOOL TREASURER

Name of Surety

Amount of Bond

Date of Expiration

Report Certificate

CERTIFICATE OF SCHOOL TREASURER/PRINCIPAL

I, , Treasurer, ,

Principal, of the , School Extra-Curricular
Account, hereby certify that the foregoing report of the said account is true and correct to the best of my knowledge and belief.
I further certify that copies of this report have been filed with the officers designated by law to receive copies of said report.

Treasurer

Principal

COPIES TO BE FILED AS FOLLOWS :

Township School: 1 copy to Township Trustee
1 copy to County Superintendent

School Corporation: 1 copy to Board of School Trustees or Board of School Commissioners
1 copy to Board of Superintendent of Schools

CERTIFICATE OF SCHOOL TREASURER/PRINCIPAL

○○○ ***CUSTODIAN RESPONSIBILITIES***

- ECA accounts may be used for athletic, social, class or other school functions
- ECA accounts may ***NOT*** be used for functions which are educational in nature
 - Accounts for educational functions must be maintained in the school corporation records
- ECA accounts may ***NOT*** be established for functions conducted by outside organizations
 - Examples – PTOs, Booster Clubs
- A report of the ECA account (**SA-5**) must be submitted within two weeks after the close of the school year to the school board
- This report is a public record open to inspection by any interested person at any reasonable time during office hours



ooo **REQUIREMENT OF TREASURER**

- IC 20-41-1-5
 - A public school (IC 20-18-2-15 defines a public school as a school maintained by a school corporation) must have a treasurer
 - A treasurer must be named immediately upon the opening of the school term or when the office of treasurer is vacated
 - A school corporation may appoint one(1) or more assistant or deputy treasurers
 - A treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in IC 20-41, **unless the act or omission constitutes gross negligence or an intentional disregard of the treasurer's duties**

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BONDING REQUIREMENTS – ECA TREASURER

- The treasurer shall give a bond in an amount fixed by the superintendent and principal of the school
- The amount of the bond should approximate the total amount of the anticipated funds that will come into the possession of the treasurer at any one time during the regular school year
- Bonds shall be filed with the board of school trustees
- The surety on the bond must be a surety company authorized to do business in Indiana
- The requirement may be fulfilled by providing a comprehensive bonding instrument, including a single blanket position bond, for all extracurricular treasurers.

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DEPOSITS AND ACCOUNTS

- The treasurer shall deposit all receipts in one bank account
- The receipts shall be deposited without unreasonable delay
- The account is known as the school extracurricular account
- The records of each organization, class or activity shall be kept separate so that the balance in each fund may be known at all times





DEPOSITS AND ACCOUNTS – INVESTMENTS

- The money in the school extracurricular account may be invested under the conditions specified in IC 5-13-10 and IC 5-13-10.5 for investment of state money
- Investments are at the discretion of the principal
- The interest earned from any investment may be credited to the school extracurricular account and need not be credited proportionately to each separate extracurricular fund



○○○ *DEPOSITS AND ACCOUNTS – ECA INTEREST*

- The interest earned from the investment may be used for any of the following:
 - (1) A school purpose approved by the principal
 - (2) An extracurricular purpose approved by the principal
- Receipts shall be deposited in the same form in which they are received
- All disbursements from ECA funds must be made by check, EFT, or credit card (if the school board has adopted a credit card policy)

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FORMS

- All ECA forms and records shall be prescribed or approved by the SBOA
- Form Approval Process
 - <https://www.in.gov/sboa/files/ECMAN05-2023Updated.pdf>
- The cost of prescribed or approved ECA forms/records and the bond of the ECA treasurer shall be paid from the **Operations** fund of the school corporation
- Separate funds are required for each class or activity





OVERDRAWN FUNDS

- No funds shall be overdrawn
- The ECA treasurer should provide the activity sponsor with the monthly transactions and balances of their respective funds. The bank reconciliation should be prepared prior to providing the reports to ensure the correctness of the fund transaction and balances
- If reconcilements are performed monthly, comparisons can be made and differences reconciled before transactions become past due and particulars are difficult to recall





EXTRACURRICULAR MILEAGE CLAIMS

- Individuals requesting reimbursement for driving personal vehicles for extra-curricular purposes should properly complete a mileage claim, General Form 101, prior to receiving reimbursement
- Reimbursed mileage shall not include travel to and from the officer's or employee's home and the governmental office in which the employee works, unless otherwise authorized by statute
- Mileage reimbursement shall be reimbursed at a rate approved by the school board in the travel policy



MILEAGE CLAIM

(GOVERNMENTAL UNIT)

TO _____

(OFFICE, BOARD, DEPARTMENT OR INSTITUTION)

ON ACCOUNT OF APPROPRIATION NO. _____ FOR _____

+SPEEDOMETER READING columns are to be used only when distance between points cannot be determined by fixed mileage or official highway map.

Pursuant to the provisions and penalties of Chapter 155, Acts 1953, I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits and that no part of the same has been paid.

Date

ooo *ACCOUNTING FOR GIFTS AND DONATIONS*

- Cash donation that are extracurricular in nature may be accounted for in the extracurricular account
- Any school corporation donations shall be accounted for in the school corporation's records
- The acceptance of these donations shall have prior approval of the school board
- Either the school corporation treasurer or the extracurricular treasurer will be responsible for the accounting of these funds as applicable

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FUNDRAISERS

- In the absence of a local policy, SBOA audit opinion is that each fundraising activity need to be looked at individually to determine if the school corporation is running the activity or if an outside organization is running the activity
- Things to keep in mind is that if school employees are participating in the fundraising activity on school time, then the fundraiser activity should be in the school records, or there is risk of ghost employment issues





DONATIONS TO OUTSIDE ORGANIZATIONS

- SBOA will not take audit exception to clubs/organizations donating money to an outside organization based on a majority vote of its members
- Documentation must be retained to provide approval of a majority of the members
- The warrant/check should be written to an organization and **not an individual**





APPROVAL OF EXPENDITURES

- Expenditures by the treasurer of the extracurricular account are limited to those approved by the principal of the school and they should be in accordance with the general administrative policies of the school corporation since the law provides that all expenditures shall be subject to review by the local school board
- Distribution of extracurricular funds to students, teachers, or others should not occur unless authorized by statute





○○○ **TRANSFERS**

- Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and treasurer of the organization, class or activity
- Approval of the transfer of athletic funds must be made by the principal, treasurer, and the athletic director, who is regarded as the sponsor; participating students are not considered members
- All expenditures of the funds are subject to review by the governing body of the school corporation





REIMBURSEMENT PROCEDURES

- Two Options – (Determined by Policy)
 1. Provide ECA Treasurer with invoices/bills for costs associated with the event
 2. Pay the cost and submit documentation for reimbursement
 - Documentation must be itemized





STAFF FUNDS

- SBOA will not take audit exception to a staff fund being accounted for within the extracurricular account
- This does not affect SBOA's position on outside organizations, such as booster groups, and parent teacher organizations
 - **There should not be any outside organizations' funds accounted for in the extracurricular records**
- IC 20-41-1-7 states in part: "The treasurer has charge of the custody and disbursement of any funds... incurred in conducting any athletic, social or other school function (other than functions conducted solely by any organization of parents and teachers..."





GENERAL FUND (STUDENT ACTIVITY FUND)

- State Board of Accounts consistently has been of the audit position to not take audit exception to a school extra curricular account having a general fund if the fund consists for revenues received from functions (vending machines or sales of a similar nature, etc.) not generated by students for a specific class or organization (for which a fund should be established)
- SBOA audit position has been with the provision that the functions for which the expenditures are made benefit the student body as a whole (as opposed to a select group of students, school employees or administrators)
- Examples of appropriate expenditures would be convocations, field trips which the entire student body has the opportunity to take during the course of the school year, etc.





GENERAL FUND (STUDENT ACTIVITY FUND)

- Inquiries have questioned the use of general fund or student activity fund for educational expenditures (copy machines, computers, educational materials, supplies, etc.) which would normally be made from school corporation funds
- State Board of Accounts' audit position is as stated above. However, we will not take audit exception to a school having disbursements from an extracurricular "general fund" or "student activity fund" for authorized school corporation type expenditures, such as equipment, supplies, etc. with the following conditions:
 - 1. A policy has been adopted by the school board in a public meeting authorizing these type of expenditures
 - 2. Providing there are no objections from a majority of an applicable student body to these type of expenditures
 - 3. Equipment purchases would still require separate approval from the local school board





GENERAL FUND (STUDENT ACTIVITY FUND)

- Since alternatives exist for funding educational expenditures (i.e., taxes, authorized investment income expenditures, etc.) and other alternatives for the use of a general fund are available (i.e., reducing the cost of items to students and/or parents), we must emphasize the adoption of the aforementioned public policy would be a decision for which the local school board must accept any and all responsibility.





GENERAL FUND (STUDENT ACTIVITY FUND)

- We have received questions on if Spell Bowl fees can be paid out of the ECA General Fund
- SBOA will not take audit exception to the membership fee to the Department of Student Programs, which includes participation in academic competitions, art contests, Student Day at the Legislature, etc. being paid from the Student Activity Fund
- The entry fee for the specific competition should be paid from the school corporation general (Operations) fund or by the participants in the competition





GIFT CARDS

- SBOA will not take audit exception to the use of gift cards by an extracurricular unit provided the following criteria are observed:
 1. The school board must authorize gift card purchases through a resolution, which has been approved in the board minutes
 2. The purpose for which gift cards may be issued must be specifically stated in the resolution
 3. Purchase and issuance of gift cards should be handled by an official or employee designated by the school principal
 4. The designated responsible official or employee shall maintain an accounting system or log which would include the name of the business from which gift cards were purchased, the amounts, fund and account numbers to be charged, date the card was issued, person gift card was issued to, and proof that the gift card was received by the person it was issued to





GIFT CARDS (CONTINUED)

5. Gift cards shall not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the school board and other officials with timely and accurate accounting information and monitoring of the accounting system

6. Procedures for payments should be no different than for any other claim. The school principal must approve the expenditure and supporting documents such as paid bills and receipts must be available. Additionally, any purchase or issuance of gift cards without proper documentation may be the responsibility of that officer or employee





VENDING MACHINES AND CONCESSIONS

- Internal controls over vending operations, concessions, or other sales should include, at a minimum, a regular reconcilement of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received
- Any discrepancies noted should be immediately documented in writing to the proper officials
- The reconcilement should provide an accurate accounting
- Persons with access to vending should be properly designated and access should be limited to those designated



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VENDING MACHINE COMMISSIONS/PROFITS

- There should be a clearly defined procedure adopted by the school corporation concerning placement, use, maintenance, and commissions and/or profits of vending machines on school property
- All revenues generated and costs incurred in operating vending machines located on the school corporation's premises should be accounted for through the governmental unit's records
- If vending machines are located in restricted areas (areas other than those available to the public) and if the school board wishes for these revenues to be restricted for the use and benefit of those employees who use the machines and generate the revenues, State Board of Accounts will not take audit exception to this action

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VENDING MACHINE COMMISSIONS/PROFITS

- The decisions must be authorized by resolutions of the school board
- If vending machines are located in areas where the public makes use of the machines and generates the resulting revenues, we advise officials to place the revenues in the general fund for the benefit of the machine users
- Any alternative procedure should be authorized by resolution of the school board

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VENDING MACHINE COMMISSIONS/PROFITS

- In the event personnel other than the school corporation's personnel maintain, stock, and clean up around vending machines, SBOA will not take audit exception when such persons are paid for these services
- A written agreement should be entered into listing the service to be rendered, the amount to be paid for such services, timing of payments, and any other areas deemed necessary by the school corporation

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VENDING MACHINE COMMISSIONS/PROFITS

- If a vending machine is accessible to the students or the public, the proceeds from that machine should be receipted into the student activity fund
- If a school has a vending machine that is only accessible by the faculty/staff and wishes to allow the faculty/staff to benefit from the proceeds, then SBOA would not take audit exception if these proceeds are receipted into the staff fund
- If the vending company will only issue one check to the school, SBOA has suggested that the ECA Treasurer receipt the proceeds into the ECA fund that has been designated and receipt the portion of proceeds received from the vending in the area restricted to faculty/staff to the Staff fund

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REIMBURSING SALES TAX

- Follow Local Reimbursement Policies
- SBOA's audit position is that there are situations when the school may reimburse individuals the full amount of the purchase and there are situations when the school corporation should reimburse for the item purchases (total less sales tax). The determining factor is if the school corporation could have purchased the item directly and avoided paying sales tax, then the school corporation should not reimburse for sales tax.
- Reach out to Indiana Department of Revenue



ooo *ACCOUNTING FOR BOOK FAIRS*

- ECA Accounts
 - Money raised is going to be used for student activities outside the classroom, incentive awards
- Corporation Accounts
 - Money raised is going to be used for library books, subscriptions, media equipment

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SCHOOL LUNCH AND CURRICULAR MATERIALS

- Effective January 1, 2024 School Lunch and Curricular Materials funds are prohibited from being accounted for at the extracurricular accounts level
 - SBOA will not take audit exception to an ECA treasurer initially collecting and accounting for receipts turned in by a student at the building level
 - Collections for the school lunch or curricular materials program must be remitted to the school corporation on a timely basis
 - The balance of each of these funds must be \$0 at the end of each calendar and fiscal year





INTERNAL CONTROLS

- A system designed to provide government reasonable assurance that objectives will be achieved
- Designed to prevent or detect situations in which government has failed to achieve an objective
- Preventive controls are those such as requiring dual signatures on checks or having password-protected files. This type of control protects and limits access to business assets
- Detective controls include reconciling the bank account or inventory counts
 - Performed periodically to determine if anything needs to be corrected
 - Often turns up internal errors or problems, as well as any external errors (such as bank errors)





INTERNAL CONTROLS - ECA

- Why are internal controls important?
 - Promote government accountability and transparency
 - Essential tool in the government's ability to make proper decisions
 - Internally – quickly evaluated, inefficiencies addressed and corrected
 - Externally – encourage efficient use of government time and resources
 - Conveys to citizens commitment to detect fraud, waste, abuse
 - Better internal controls may result in lower audit costs
- How are internal controls implemented
 - Identify areas of risk
 - Develop policies and procedures to address the areas of risk
 - Monitor that policies and procedures adopted are being followed and identified risks have been addressed





INTERNAL CONTROLS - ECA

- Segregation of Duties
 - One of the biggest obstacles for a sufficient internal control system
 - The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position, to **initiate, approve, undertake, and review** the same action.
 - Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions. It also reduces the risk of management override
 - In very small governmental units, such segregation may not be practical. In this case, compensating activities should be implemented which may include additional levels of review for key operational processes, random and/or periodic review of selected transactions





SEGREGATION OF DUTIES

- Duties that “should” be separated
 - **Receiving roles** – collecting, depositing, recording, and reconciling functions
 - **Purchasing roles** – ordering, receiving, claim creation/approval, payment and reconciling functions
 - **Inventory roles** – requisition, receipt, disbursement, conversion to scrap and receipt of scrap proceed functions





INTERNAL CONTROLS - DOCUMENTATION

- Key element of internal control for audit purposes that is often forgotten is documenting the process
 - Who does what and when
 - Proof the procedures and policies are being followed
 - Evaluation of how effective the policies and procedures are
 - Corrective actions taken to address identified problems





INTERNAL CONTROLS

- Common areas to address:
 - Collections
 - Athletic Events
 - School Dances
 - School Plays
 - Vending Machines
 - Fundraisers
 - Asset Protection
 - Cash Balances
 - Purchase of Goods
 - Inventory of Goods
 - Information Technology





INTERNAL CONTROLS

- 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



**PURCHASE ORDER
ACCOUNTS PAYABLE VOUCHER**

No. _____

SCHOOL EXTRA-CURRICULAR ACCOUNT

PAID BY CHECK:

No. _____ Date _____

DATE

Purchased From _____

Address _____

Purchased For _____

Deliver To _____

Send Invoice To _____

TO THE DISBURSING OFFICER:

The following expense is proposed, payable from the _____ Fund.

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Quantity	Description	Unit	Price	Total
SAMPLE				
Total This Order				

Signed: _____
Person Authorized to Purchase

I hereby certify that there is an unobligated balance in the applicable fund sufficient to pay the above order.

Date: _____

Treasurer _____

Prescribed Form SA 2 (Rev 1970)

CHECK

HRS WORKED	GROSS PAY	FEDERAL WITH.TAX	SOCIAL SECURITY	STATE WITH.TAX	INSURANCE				PERIOD ENDING	EMPLOYEE DETACH BEFORE CASHING

PREScribed BY STATE BOARD OF ACCOUNTS

FORM No. SA-2 (Rev. 1970)

SCHOOL EXTRA-CURRICULAR ACCOUNT
(NAME OF SCHOOL) _____ No. _____

Fund _____
Purpose _____, Indiana
P.O. No. _____
Claim No. _____
Invoice No. _____

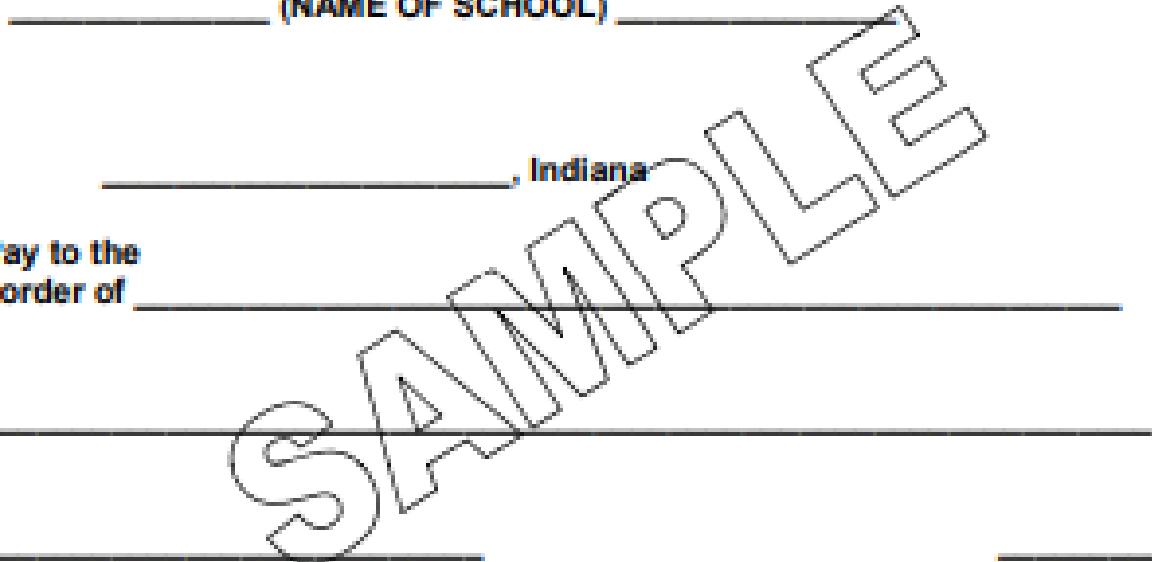
Pay to the order of _____ \$ _____ Dollars

Payable at (Bank) _____

Superintendent or Principal _____ Treasurer _____

SPACE FOR M.I.C.R.

ORIGINAL





Prescribed by State Board of Accounts

Form No. SA-3 (Revised 1997)

RECEIPT
SCHOOL EXTRA-CURRICULAR ACCOUNT

SCHOOL _____
No. _____
IN _____

Payment Type and Amount					
Cash Amount	Check/Draft Amount	MO Amount	Credit Card/ Bank Card Amount	EFT Amount	Other

RECEIVED FROM _____ \$ _____

THE SUM OF _____ DOLLARS

FOR DEPOSIT TO THE CREDIT OF _____ FUND

SOURCE _____

TREASURER

ORIGINAL



(Form SA-4) Prescribed by State Board of Accounts

No

TICKET SALES

SCHOOL _____
GAME _____
OTHER _____

TOWN OR CITY _____
DATE _____
ACTIVITY _____

Made by _____
(Title)

Verified and Approved by _____
(Official or Sponsor)

ORIGINAL

CLAIM FOR PAYMENT

No. _____

SCHOOL EXTRA-CURRICULAR ACCOUNT**PAID BY CHECK:**

No. _____ Date _____
Purchased From _____
Address _____
Purchased For _____
Delivered To _____
Invoice Handed To _____

DATE _____**TO THE DISBURSING OFFICER:**

The following expense is proposed, payable from the _____ Fund.

No payment is to be made for this order until the SA-7 Form is properly filed and the items have been received.

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Quantity	Description	Unit	Price	Total
SAMPLE				\$
Total This Order				\$

Approved for Payment _____
Signature _____

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except _____

Date _____, _____

Signed: _____
Signature _____

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.

Date _____, _____

Treasurer _____

Date: _____

ACCOUNTABLE ITEMS REVIEW

Number: _____

School

Time Frame of Report: _____

DESCRIPTION: _____

Beginning Inventory

Purchases

Subtotal

Complimentary Distributions

Per School Board Policy:

Athletic Teams

Staff Meetings

Awards

Other

Total

Total Eligible for Sale

Ending Inventory

Items Sold

Sale Price

\$

Projected Revenue (Items Sold @ Sale Price)

\$ _____

Actual Amount Received

\$ _____

Difference

\$ _____

Signed: _____

Title: _____

SAMPLE

Date: _____

SUMMARY COLLECTION FORM

NUMBER _____

School

Deposit To: _____
(Fund)

Time Frame of Fundraiser: _____

Reason for Receipts: _____
(Fundraiser, Field Trip)

Sponsor: _____, Title: _____
(Please Print Name)

RECEIPT DETAIL:

CASH: _____

Coin: _____

CHECKS: _____
(See Detail Below)

Money Orders: _____
(See Detail Below)

TOTAL: _____

NOTE: All receipts for deposit must be accurately counted before turning in to the Treasurer. Any summary found to have a discrepancy will be returned. Please face bills and roll change when possible. The Extra-Curricular Treasurer is to provide an Official Receipt, Form SA-3, at the time the Summary Collection Form is turned in.

I CERTIFY I HAVE ACCURATELY ACCOUNTED FOR ALL FUNDS
AND REPORTED THE SAME HEREIN
(Signature of Fund Representative, Name is Printed Above)

Detail Checks/Money Orders
(Attach Additional Information As Needed)

Number	Amount	Number	Amount	Number	Amount	Number	Amount
Subtotal	\$	Subtotal	\$	Subtotal	\$	Subtotal	\$
Amount From Additional Sheets				\$ _____			
Grand Total				\$ _____			

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THANK YOU

OFFICE



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