REGIONAL TRAINING SCHOOLS

Pursuant to the provisions of Indiana Code 5-11-14, the State Board of Accounts will conduct a series of identical half-day training schools at five (5) locations across the State in April.

The meeting locations have been selected to provide greater access to officials without the need for overnight accommodations. Each location was selected to be accessible by car in less than two hours. Our goal with this series of meetings is to bring training closer to you at minimal or no cost. There is no registration fee for this training. Please see the attached memorandum for more information on how to register for this event.

Please Note: This set of Regional Training Schools is focused on accounting and compliance matters common to special districts. Seating is limited so please register early. If your desired location is full and you are unable to attend another location, please let us know so that we can explore other options for you.

Locations: The meeting dates and locations are as follows:

April 1, 2019
Pulaski Co. Highway Garage
1131 N. US 35
Winamac, IN 46996

April 9, 2019
Eaton Hall – Brownsburg
61 N. Green Street
Brownsburg, IN 46112

April 11, 2019
Greensburg City Hall
314 W. Washington Street
Greensburg, IN 47240

April 3, 2019
Huntington City-Twp Public Library
225 W. Park Drive
Huntington, IN 46750

April 10, 2019
501 Burkhart Drive
Washington, IN 47501 (gps = eastside park)
INVENTORIES OF CAPITAL ASSETS

Every district should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger, General Form 369. A complete inventory should be taken at least once a year for good internal control and for verifying account balances carried in the accounting records.

Capitalization Policy

The governing body should establish a capitalization policy that sets a dollar amount as a threshold to be used in determining which items will be recorded.

Land

The records of each district should reflect land owned, its location, its acquisition date and cost (purchase price).

Infrastructure

A capital asset account for the cost of infrastructure should reflect the location of each road, bridge, tunnel, drainage system, water, wastewater or stormwater system, dam, or lighting system.

Buildings

A capital asset account for buildings should reflect the location of each building and the cost value (being the purchase or construction cost) and, if improvements are made to the building, the cost of such improvements would be included. If a building is acquired by gift, the account would reflect its appraised value at the time of acquisition.

Improvement Other Than Buildings

A capital asset account should reflect the acquisition value of permanent improvements, other than buildings, which have been added to land. Examples of such improvements are fences, retaining walls, parking lots, and most landscaping. The improvements would be valued at the purchase or construction cost.

Equipment

Tangible property of a permanent nature, other than land, buildings and improvements, should be inventoried. Examples include machinery, trucks, cars, furniture, desks, safes, cabinets, etc. The value of such items should be carried in the inventory at the purchase cost.

Construction Work In Progress

Where construction work has not been completed in the current calendar year, the cost of the project should be carried as “construction work in progress.” When the project is completed, it will be placed on the inventory applicable to the assigned asset accounts.
ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS

When it is not possible to determine the historical cost of capital assets owned by a governmental unit, the following procedure should be followed.

Develop an inventory of all capital assets which are significant for which records of the historical costs are not available. Obtain an estimate of the replacement costs of these assets. Through inquiry determine the year or approximate year of acquisition. Then multiply the estimated replacement cost by the factor for the year of acquisition from the Table of Cost Indexes. The resulting amount will be the estimated cost of the asset.

In some cases estimated replacement cost can be obtained from insurance policies; however, if estimated replacement costs are not available from insurance policies, you should obtain or make an estimate of the replacement costs.

If the replacement cost is estimated to be $76,000.00 and the asset was constructed about 1930, then the estimated cost of the asset should be reported as $5,320.00.

\[
$76,000.00 \times 0.07 = 5,320.00
\]

TABLE OF COST INDEXES
1922 to 2017

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**APPROPRIATIONS OF FEDERAL AND STATE FUNDS**

When funds are provided by the federal government either directly to or through a state agency for any program or project, the following procedures should be followed:

**Advance Grants.** Advance grants should be handled as follows:

1. Where funds are "advanced" directly by the federal government for a specific purpose prior to making any disbursements, the money should be placed in a separate project fund and disbursements subsequently made from that fund. No appropriation of the federal funds is required.

2. Where federal funds are "advanced" through a state agency or department with no state funds added thereto prior to making any distributions, the money should be placed in a separate project fund and subsequent disbursements made from that fund. No appropriation of the federal funds is required.

3. Where federal funds are "advanced" by a state agency or department and state funds are included along with the federal funds in one check or voucher and the funds are for a specific purpose, the money should be placed in a separate project fund and disbursements made from that fund. Appropriation(s) must be obtained for the combined total (i.e., federal and state) prior to any disbursement being made from that project fund.

**Reimbursement Grants.** Reimbursement grants should be handled as follows:

Where a federal or state grant provides for payments to be made directly on a "reimbursement" basis after payment of expenses, the entire amount of the federal or state reimbursement may be appropriated by the district board without using the additional appropriation procedures under IC 6-1.1-18-5, if the funds are provided or designated by the state or the federal government as a reimbursement of expenditures. [IC 6-1-1.1-18-7.5].

No separate fund for the project or program is required unless the terms of the grant require one.

**Matching Grants.** Matching Grants should be handled as follows:

When a federal grant or program requires expenditures or "matching" funds to be provided from district funds, an appropriation must be obtained for the amount of such expenditures or local matching funds. Individual program requirements will dictate whether the appropriation should be obtained within the applicable district fund for expenditures there from or whether an appropriation should be obtained within the applicable district fund for a transfer to a required separate fund. This matter should be set out in the terms and conditions entered into between the district officials of the federal agency.

**Summary.** To summarize, no appropriations of federal funds are necessary:

1. when advanced directly from the federal government for a specific purpose prior to making disbursements, and the money is placed in a separate project fund with disbursements made from that fund; or

2. when federal funds are received in advance through a state agency for a specific purpose prior to making disbursements and the money is placed in a separate project fund with disbursements made from that fund and there is no state match.

Please keep in mind, if a district wishes to obtain an appropriation for all funds to be spent (i.e., federal, state, and local), there is certainly no prohibition in state statutes.
DISASTER RELIEF FUNDS – ACCOUNTING AND BUDGETING

Based upon language contained in Indiana Code 10-14-3-17(j)(5) which states that 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, the following procedures should be followed when disaster relief funds are received.

Money received or expected to be received from the Federal Emergency Management Agency (FEMA), the State Emergency Management Agency, or the State Lottery Commission for tornado, flood, ice storm, or other types of declared disasters should be accounted for in the following manner:

1. If the money is to be used to reimburse funds for expenditures already incurred and paid and the conditions of Indiana Code 10-14-3-12 have been met, the amount received may be added back to the appropriation balances from which the expenditures have been previously made.

2. If the money is to be used for future expenditures, a separate fund should be set up entitled “Disaster Relief Fund.” Such fund would not require appropriation or additional appropriation prior to spending the money in the fund.

It is recommended that all related expenditures records (claims, minutes, correspondence, contracts, damage survey report, etc.) be maintained in a separate file for future audits required by State and Federal agencies.

RECORD OF HOURS WORKED

For officers and employees who are employed by more than one (1) public agency or in more than one (1) position by the same public agency, detailed time records are to be maintained for the hours worked for each public agency or each position at the same public agency. (IC 5-11-9-4)

An employee who works for more than one (1) governmental unit should not be paid by more than one (1) governmental unit for the same period of time worked. Such employee should use his/her accumulated leave time from one (1) governmental unit while serving the other governmental unit when there is an overlap in a work schedule.

In governmental units where time cards are not used, this requirement can be met by preparing an endorsement on the payroll claim form showing the general work schedule and listing the specific affected employees who worked hours different from the general work schedule. Such endorsement should be reviewed and approved by the individual responsible for approving payroll claims.

Another alternative is to add a statement on each affected Employee’s Service Record, General Form 99A and/or Employee’s Earning’s Record, General Form 99B indicating the specific hours to be worked daily by that employee. (Example: 8 a.m. to 4 p.m.) Time cards should be reviewed and approved by the individual responsible for approving payroll claims.
GROUP HEALTH INSURANCE

Indiana Code 5-10-8-2.6(b) states:

“A public employer may provide programs of group insurance for its employees and retired employees. The public employer may, however, exclude part-time employees and persons who provide services to the unit under contract from any group insurance coverage that the public employer provides to the employer's full-time employees. A public employer may provide programs of group health insurance under this section through one (1) of the following methods:

(1) By purchasing policies of group insurance.

(2) By establishing self-insurance programs.

(3) If the local unit public employer is a school corporation, by electing to provide the coverage through a state employee health plan under section 6.7 of this chapter.

A public employer may provide programs of group insurance other than group health insurance under this section by purchasing policies of group insurance and by establishing self-insurance programs. However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.”

Indiana Code 5-10-8-1 defines an employee to mean:

(A) an elected or appointed officer or official, or a full-time employee;

(B) if the individual is employed by a school corporation, a full-time or part-time employee;

(C) for a local unit public employer, a full-time or part-time employee or a person who provides personal services to the unit under contract during the contract period; or

(D) a senior judge appointed under IC 33-24-3-7;

whose services have continued without interruption at least thirty (30) days.

Similar provisions for group insurance for public safety employees, surviving spouses, and dependents can be found in IC 5-10-8-2.2.

APPROVED DEPOSITORY LIST

The Indiana Board for Depositories' website contains the most recent listing of approved depositories. The list can be accessed at www.in.gov/tos/deposit/.
RECORD RETENTION

Indiana Code 5-15-6-3 states:

“No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

(1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.

(2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration.”

Indiana Code 26-2-8-111 states in part:

“(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

(1) Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and

(2) Remains accessible for later reference…

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a).”

More information on record retention is available on the Indiana Archives and Records Administration website at www.in.gov/iara, including retention schedules and electronic records management.

CLAIMS FOR PAYMENTS TO STATE AND FEDERAL AGENCIES

The State Board of Accounts’ audit position is that when statutory payments are due to state or federal agencies, there is no requirement for the state or federal agency to file an invoice or claim for such payments. This audit position would include payments for social security obligations, public employees’ retirement fund contributions, federal, state, or county taxes withheld, sales tax, utility receipts tax, and other such amounts due state or federal agencies. The disbursing officer should prepare an accounts payable voucher and attach any copies of payroll deduction reports, federal or state invoices, communications, etc., to document the payment. The accounts payable voucher will provide a posting media indicating to whom paid, fund on which drawn, accounts to be charged, and the approval by the proper boards.
MEMORANDUM

TO: All Special Districts Fiscal Officers
DATE: February 28, 2019
SUBJECT: Upcoming State Board of Accounts Training Opportunity

The State Board of Accounts will conduct a series of identical half-day training schools at five locations across the state in April for Special Districts. Our goal with this series of meetings is to bring training closer to you at minimal or no cost.

Topics: The training offered at this series of meetings will be geared toward accounting and compliance topics for special districts, including bank reconciliation, transaction recording, internal controls over receipting, disbursing, and financial reporting, fund sources and uses, capital assets, and the monthly upload process.

Registration: Please register on our website at www.in.gov/sboa by selecting Political Subdivisions > Special Districts > Hot Topics > Pre-Registration for State-Called Meeting.

Cost: There is no registration fee for this training.

Meeting Time: Each training location will begin at 1:00 p.m. local time and end at 4:30 p.m.

Locations: The meeting dates and locations are as follows:

April 1, 2019
Pulaski Co. Highway Garage
1131 N. US 35
Winamac, IN 46996

April 3, 2019
Huntington City-Twp Public Library
225 W. Park Drive
Huntington, IN 46750

April 9, 2019
Eaton Hall – Brownsburg
61 N. Green Street
Brownsburg, IN 46112

April 10, 2019
501 Burkhart Drive
Washington, IN 47501 (gps = eastside park)

April 11, 2019
Greensburg City Hall
314 W. Washington Street
Greensburg, IN 47240
Location Setting: Each location has different amenities – some will have tables and chairs, others will have auditorium-type seating with a lap desk, etc. When deciding on what to bring with you, please be mindful that your location may not have the traditional table and chair as workspace.

Special Accommodations: If you need special accommodations, please email specialdistricts@sboa.in.gov.

Refreshments: In order to keep costs minimal or nonexistent, refreshments will not be provided by the SBOA. Please plan accordingly. If you bring your own refreshments, please note that kitchen facilities are not available. Some locations may not permit food or drink inside the meeting space. If you bring a food or drink, we would recommend packing it in a type of cooler can leave in your car and retrieve during the break.

The State Board of Accounts will certify attendance for the school to each person attending. Mileage expenses and reimbursement for meals purchased while attending the training may be made in accordance with your special district’s approved travel policy.

You are cordially requested to attend the training which has been called in an effort to assist you in properly discharging the duties and responsibilities of your office.

Sincerely,

Paul D. Joyce, CPA
State Examiner

TEC/csc