



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

**MEMORANDUM**

TO: School Corporations requiring a Federal Single Audit for fiscal period ended June 30, 2019  
FROM: Mike Bozyski, CPA, Deputy State Examiner  
RE: Cost of Federal Audits  
DATE: October 28, 2019

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We will begin auditing school corporations in the near future; some but not all of you are due for your biennial audit. The elimination of our audit backlog has put us back on track to provide all school corporations with a timely audit. We expect to complete all Federal Single Audits of school corporations by the March 31 Federal deadline.

The cost of our services as it relates to your Federal Single Audit will be increasing this year. Time spent auditing your financial statements will continue to be billed at the statutory daily rate for taxing units of \$175 in addition to fees for technology and processing costs (IC 5-11-4-3).

The cost of our services as it relates to auditing your federal programs shall be charged the actual direct and indirect allowable cost under 2 CFR 200.425 (IC 5-11-4-3). This rate is currently set at \$95 per hour or \$712.50 per day. School corporations requiring a Federal Single Audit will see an increase in their audit bill due to this rate change. The cost of your audit will be discussed with you at the beginning of the audit.

Invoices for these audits will be sent out after issuance of the reports. Under the current process the cost of your audit will be billed to the county and withheld from your tax distribution. You will receive a statement of engagement cost listing the federal programs audited and the cost of that audit. Audit costs are an allowable cost for many federal programs. You may be able to recover some or all of these costs from federal funds. Additionally, audit costs can be paid from unappropriated local funds. Please look for the December School Bulletin for more information on charging audit costs to federal programs.

Please contact Mike Bozyski at 317-232-2507 should you have any questions.