

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines ISSUED BY STATE BOARD OF ACCOUNTS

Volume 199

September 2012

ITEMS TO REMEMBER

September

- 1 Prove the Fund Ledger and Ledger of Receipts for the month of August to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.

Last day for school corporations to submit proposed 2013 budgets, rates, and levies to the county council for review and recommendation. (IC 6-1.1-17-3.5)

- 3 Legal Holiday - Labor Day (IC 1-1-9-1)

- 13 Last day for first publication of proposed 2013 tax levy, budget, and notice to taxpayers of public hearing (Form 3). The first publication must be at least 10 days before the date fixed for the public hearing. (IC 6-1.1-17-3).

- 14 The count for Average Daily Membership (ADM) shall be taken on this date. Various forms and procedures are required, including DOE-ME submitted by individual student record via the STN Application Center. The signed DOE-ME report must be mailed to the Department of Education, Office of School Finance, as soon as possible after September 14, 2012, and no later than October 10, 2012. Please contact the Department of Education, Office of School Finance, for detailed instructions.

- 20 Last date for second publication of proposed 2013 tax levy, budget, and notice to taxpayers of public hearing (Form 3). (IC 6-1.1-17-3)

Last day to report and make payment of state and county income tax withheld during August to the Department of Revenue.

- 30 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

October

- 1 Prove all ledgers for the month of September as outlined for the month of August.

- 8 Legal Holiday - Columbus Day (IC 1-1-9-1)

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ITEMS TO REMEMBER

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October

- 15 Last day to submit quarterly report and payment of employee and employer contributions for the quarter ending September 30 for school corporations participating in the Indiana Public Retirement System (INPRS).
- 19 Last day for units to file excessive levy appeals for school transportation operating fund, annexation/consolidation/extension of services, three (3) year growth factor, emergency levy appeal, and correction of error with the Department of Local Government Finance. (IC 20-46-4-10; IC 6-1.1-18.5-12; IC 6-1.1-18.5-13(1), (3), (13); IC 6-1.1-18.5-14)
- 20 Last day to report and make payment of state and county income tax withheld during September to the Department of Revenue
- 22 Last possible day for taxing units to hold a public hearing on the 2013 budget. Public hearing must be held at least ten (10) days before budget is adopted (except in Marion County and in second class cities.) In other words, this deadline is subject to the scheduling of the adoption hearing, which could be held before November 1. (IC 6-1.1-17-5)
- In Marion County and second class cities, public hearing may be held any time after introduction of 2013 budget. (IC 6-1.1-17-5(a)). Note that November 1 is the last date for adoption of the budget.
- 28 Last possible day ten (10) or more taxpayers may object to a 2013 budget, tax rate, or tax levy of a political subdivision. Objection must be filed not more than seven (7) days after the public hearing. In other words, this deadline is subject to the scheduling of the adoption hearing, which could be held before November 1. (IC 6-1.1-17-5(b))
- 31 Last day to file Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal and social security taxes for the third quarter.

Requests for textbook reimbursements should coincide with the required collection/sign off period beginning October 1, 2012 and ending October 31, 2012 and required sign-off period ending November 8. The information is required to be filed per instructions provided by the Department of Education, Office of School Finance.

All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending September 30.

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November

- 1 Prove all ledgers for the month of October as outlined for the month of August.

Deadline for all taxing units to adopt 2013 budgets, rates, and levies. (IC 6-1.1-17-5(a))

If a taxpayer objection petition is filed, the fiscal body of the political subdivision shall adopt with its 2013 budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing. (IC 6-1.1-17-5(c))

Last day for schools to adopt their 2013 Capital Projects Fund (CPF) Plan and Bus Replacement Plan (IC 20-46-6-8.1; IC 20-46-5-6.1)
- 5 Last day for units to submit their 2013 budgets with the Department of Local Government Finance through Gateway.

Last day for school corporations to file adopted 2013 budgets with the county auditor. (IC 6-1.1-17-5)
- 6 Legal Holiday – Election Day (IC 1-1-9-1)
- 8 Textbook and Summary Claim Form required sign-off period ends. Contact the Department of Education, Office of School Finance, for instructions.
- 11 Legal Holiday – Veterans’ Day (IC 1-1-9-1)
- 20 Last day to report and make payment of state and county income tax withheld during October to the Department of Revenue.
- 22 Legal Holiday - Thanksgiving Day (IC 1-1-9-1)
- 30 On or before June 1 and December 1 of each year the school corporation shall certify to the county treasurer a list of the names and addresses of each person who has money due from the school corporation. (IC 6-1.1-22-14)

All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

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GHOST EMPLOYMENT

Indiana Code 35-44.1-1-3 states:

"(a) A public servant who knowingly or intentionally: (1) hires an employee for the governmental entity that the public servant serves; and (2) fails to assign to the employee any duties, or assigns to the employee any duties not related to the operation of the governmental entity; commits ghost employment, a Class D felony.

(b) A public servant who knowingly or intentionally assigns to an employee under the public servant's supervision any duties not related to the operation of the governmental entity that the public servant serves commits ghost employment, a Class D felony.

(c) A person employed by a governmental entity who, knowing that the person has not been assigned any duties to perform for the entity, accepts property from the entity commits ghost employment, a Class D felony.

(d) A person employed by a governmental entity who knowingly or intentionally accepts property from the entity for the performance of duties not related to the operation of the entity commits ghost employment, a Class D felony.

(e) Any person who accepts property from a governmental entity in violation of this section and any public servant who permits the payment of property in violation of this section are jointly and severally liable to the governmental entity for that property. The attorney general may bring a civil action to recover that property in the county where the governmental entity is located or the person or public servant resides.

(f) For the purposes of this section, an employee of a governmental entity who voluntarily performs services: (1) that do not: (A) promote religion; (B) attempt to influence legislation or governmental policy; or (C) attempt to influence elections to public office; (2) for the benefit of: (A) another governmental entity; or (B) an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code; (3) with the approval of the employee's supervisor; and (4) in compliance with a policy or regulation that: (A) is in writing;(B) is issued by the executive officer of the governmental entity; and (C) contains a limitation on the total time during any calendar year that the employee may spend performing the services during normal hours of employment; is considered to be performing duties related to the operation of the governmental entity."

The State Board of Accounts recommends that all public school corporations, as governmental entities, carefully maintain accurate prescribed or approved employment, service and other records for all persons employed so that documentation is available to substantiate all duties assigned and all amounts paid to each.

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NAMES OF STUDENTS NO LONGER ENROLLED

Indiana Code 20-33-2-22 states:

"(a) Not later than fifteen (15) school days after the beginning of each semester, the principal of a public high school shall send to the superintendent with jurisdiction over the school a list of names and last known addresses of all students: (1) not graduated; and (2) not enrolled in the then current semester who were otherwise eligible for enrollment.

(b) Each superintendent immediately shall make available all lists received under this section to an authorized representative of: (1) Ivy Tech Community College of Indiana; and (2) an agency whose purpose it is to enroll high school dropouts in various training programs.

(c) Each representative authorized to receive a list prepared under subsection (b) shall stipulate in writing that the list will be used only to contact prospective students or prospective trainees. If a list is used for any other purpose, the college or agency that the recipient represents is ineligible to receive subsequent lists for five (5) years."

TEXTBOOK RENTAL

Indiana Code 20-26-12-1 states:

"(a) Except as provided in subsections (b) and (c) and notwithstanding any other law, each governing body shall purchase from a publisher, either individually or through a purchasing cooperative of school corporations, the textbooks selected by the proper local officials, and shall rent these textbooks to each student enrolled in a public school that is: (1) in compliance with the minimum certification standards of the state board; and (2) located within the attendance unit served by the governing body.

(b) This section does not prohibit the purchase of textbooks at the option of a student or the providing of free textbooks by the governing body under sections 6 through 21 of this chapter.

(c) This section does not prohibit a governing body from suspending the operation of this section under a contract entered into under IC 20-26-15."

Indiana Code 20-26-12-2 states:

"(a) A governing body may purchase from a publisher, any textbook selected by the proper local officials. The governing body may rent these textbooks to students enrolled in any public or nonpublic school that is: (1) in compliance with the minimum certification standards of the state board; and (2) located within the attendance unit served by the governing body. The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the textbooks.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of a textbook that has been: (1) extended for usage by students under section 24(e) of this chapter; and (2) paid for through rental fees previously collected.

(c) This section does not limit other laws."

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TEXTBOOK RENTAL

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IC 20-41-2-5(a) states:

"A governing body in operating a textbook rental program under IC 20-26-5-4(12) may use either of the following accounting methods: (1) The governing body may supervise and control the program through the school corporation account, establishing a textbook rental fund. (2) If textbooks have not been purchased and financial commitments or guarantees for the purchases have not been made by the school corporation, the governing body may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-41-1."

Therefore, we are of the audit position if any school corporation funds have been used to purchase the textbooks or financial commitments or guarantees have been made by the school corporation, the textbook rental program must be operated through the textbook rental fund of the school corporation in the corporation records.

GUARANTEED ENERGY SAVINGS CONTRACTS

IC 36-1-12.5-5 states:

"(a) The governing body may enter into an agreement with a public utility to participate in a utility efficiency program or enter into a guaranteed savings contract with a qualified provider to increase the political subdivision's billable revenues or reduce the school corporation's or the political subdivision's energy or water consumption, wastewater usage costs, or operating costs if, after review of the report described in section 6 of this chapter, the governing body finds:

- (1) in the case of conservation measures other than those that are part of a project related to the alteration of a water or wastewater structure or system, that the amount the governing body would spend on the conservation measures under the contract and that are recommended in the report is not likely to exceed the amount to be saved in energy consumption costs and other operating costs over twenty (20) years from the date of installation if the recommendations in the report were followed;
- (2) in the case of conservation measures that are part of a project related to the alteration of a water or wastewater structure or system, that the amount the governing body would spend on the conservation measures under the contract and that are recommended in the report is not likely to exceed the amount of increased billable revenues or the amount to be saved in energy and water consumption costs, wastewater usage costs, and other operating costs over twenty (20) years from the date of installation if the recommendations in the report were followed; and
- (3) in the case of a guaranteed savings contract, the qualified provider provides a written guarantee as described in subsection (d)(3).

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GUARANTEED ENERGY SAVINGS CONTRACTS

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(b) Before entering into an agreement to participate in a utility efficiency program or a guaranteed savings contract under this section, the governing body must publish notice under subsection (c) indicating: (1) that the governing body is requesting public utilities or qualified providers to propose conservation measures through: (A) a utility efficiency program; or (B) a guaranteed savings contract; and (2) the date, the time, and the place where proposals must be received.

(c) The notice required by subsection (b) must:

(1) be published in two

(2) newspapers of general circulation in the county where the school corporation or the political subdivision is located; (2) be published two (2) times with at least one (1) week between publications and with the second publication made at least thirty (30) days before the date by which proposals must be received; and

(3) meet the requirements of IC 5-3-1-1.

(d) An agreement to participate in a utility efficiency program or guaranteed savings contract under this section must provide that:

(1) in the case of conservation measures other than those that are part of a project related to the alteration of a water or wastewater structure or system, all payments, except obligations upon the termination of the agreement or contract before the agreement or contract expires, may be made to the public utility or qualified provider (whichever applies) in installments, not to exceed the lesser of twenty (20) years or the average life of the conservation measures installed from the date of final installation;

(2) in the case of conservation measures that are part of a project related to the alteration of a water or wastewater structure or system, all payments, except obligations upon the termination of the agreement or contract before the agreement or contract expires, may be made to the public utility or qualified provider (whichever applies) in installments, not to exceed the lesser of twenty (20) years or the average life of the conservation measures installed from the date of final installation;

(3) in the case of the guaranteed savings contract: (A) the: (i) savings in energy and water consumption costs, wastewater usage costs, and other operating costs; and (ii) increase in billable revenues; due to the conservation measures are guaranteed to cover the costs of the payments for the measures; and (B) the qualified provider will reimburse the school corporation or political subdivision for the difference between the guaranteed savings and the actual savings; and

(4) payments are subject to annual appropriation by the fiscal body of the school corporation or political subdivision and do not constitute an indebtedness of the school corporation or political subdivision within the meaning of a constitutional or statutory debt limitation.

(e) An agreement or a contract under this chapter is subject to IC 5-16-7."

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STATE DISTRIBUTIONS – ELECTRONIC FUND TRANSFERS SCHOOL LUNCH

We understand from the Division of School and Community Nutrition Programs, Indiana Department of Education (IDOE) that the Auditor of State requires school food distributions be made to one bank account at the school corporation central office. Accordingly, please account for school food receipts and subsequent distributions to individual school buildings, if applicable, as provided below.

School lunch reimbursements should be receipted to School Lunch Fund 0800 by using appropriate Receipt Accounts in the 4290 series. Disbursements to the individual buildings would be charged to expenditure account, 31500, Distribution of School Lunch Reimbursements.

Consequently, in preparation of the Form 9 report, the school corporation treasurer will need to take steps to ensure that all individual school buildings school lunch receipts and disbursements are added together for inclusion in the Form 9 report, and that the receipts and expenditures are not added twice.

Therefore, school corporations with extra-curricular school lunch funds will only report on the Form 9, the total receipts and disbursements of the individual schools and not report the reimbursement received through the State which is transferred to the school buildings.