

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines ISSUED BY STATE BOARD OF ACCOUNTS

Volume 205

March 2014

ITEMS TO REMEMBER

March

- 1 Prove the Fund Ledger and Ledger of Receipts for the month of February 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.
- 20 Last day to report and make payment of state and county income tax withheld during February to the Department of Revenue.
- 31 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(e))

April

- 1 Prove all ledgers for the month ending March 31 as outlined for the month of February.
- 15 Last day for the governing body of the school corporation located entirely or partially within the county, which has the greatest taxable valuation of any school corporation of the county to appoint a member of the governing body to serve as a member of the county board of tax adjustment. (IC 6-1.1-29-1) IC 6-1.1-29-9 provides that the county council may adopt an ordinance to abolish the county board of tax adjustment. The ordinance must be adopted by July 1 and may not be rescinded in the year it is adopted.
- 18 Good Friday - Legal Holiday (IC 1-1-9-1)
- 20 Last day to report and make payment of state and county income tax withheld during March to the Department of Revenue.
- 30 Last day to file Employer's Quarterly Federal Tax Return (Form 941) with the Internal Revenue Service for federal and social security taxes for the first quarter.

Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending March 31.

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(e))

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 2

March 2014

ITEMS TO REMEMBER, continued

May

- 1 Prove all ledgers for the month ending April 30 as outlined for the month of February.
- 20 Last day to report and make payment of state and county income tax withheld during April to the Department of Revenue.
- 26 Memorial Day - Legal Holiday (IC 1-1-9-1)
- 31 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(e))

On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications) 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)

SALE OF UNNEEDED PROPERTY

IC 20-26-7-1(b) states: "*Except as otherwise provided in this section*, if a governing body of a school corporation determines that any real or personal property:

- (1) is no longer needed for school purposes; or
- (2) should, in the interests of the school corporation, be exchanged for other property;

the governing body may sell or exchange the property in accordance with IC 36-1-11."

IC 20-26-7-1 (c) states: "Money derived from the sale or exchange of property under this section shall be placed in any school fund:

- (1) established under applicable law; and
- (2) that the governing body considers appropriate."

The State Board of Accounts is of the understanding that the phrase "any school fund established under applicable law" includes the tax supported school corporation funds; General, Debt Service, Capital Projects, Transportation, School Bus Replacement.

Additionally IC 20-26-7-1 states in part:

"(d) A governing body may not make a covenant that prohibits the sale of real property to another educational institution.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 3

March 2014

SALE OF UNNEEDED PROPERTY, Continued

(e) This subsection does not apply to a school building that on July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body. Except as provided in subsections (k) through (n), a governing body shall make available for lease or purchase to any charter school any school building owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, that:

(1) either:

(A) is not used in whole or in part for classroom instruction at the time the charter school seeks to lease the building; or

(B) appears on the list compiled by the department under subsection (f); and

(2) was previously used for classroom instruction;

in order for the charter school to conduct classroom instruction.

(f) Not later than August 1 each calendar year, each governing body shall inform the department if a school building that was previously used for classroom instruction is closed, unused, or unoccupied. The department shall maintain a list of closed, unused, or unoccupied school buildings and make the list available on the department's Internet web site. Each school corporation shall provide a list of closed, unused, or unoccupied buildings to the department by the date set by the department. The department must update the list each year before August 31.

(g) A school building that appears for the first time on the department's list under subsection (f) shall be designated as "Unavailable until (a date two (2) years after the school building first appears on the list)" if the governing body of the school corporation that owns the school building indicates to the department, on a form prescribed by the department, that the school building may be reclaimed during that period for classroom instruction. If a governing body does not indicate that a school building may be reclaimed, the governing body shall designate the school building as "Available" on the department's list. The governing body may change the designation of a building from unavailable to available at any time. If a school building that is designated as unavailable on the department's list remains unused for classroom instruction one (1) year after being reclaimed under this subsection, the governing body shall designate the school building as "Available" on the department's list. A governing body may reclaim a school building only one (1) time under this subsection.

(h) If a charter school wishes to use a school building on the list created under subsection (f), the charter school shall send a letter of intent to the department. Within thirty (30) days after receiving a letter from a charter school, the department shall notify the school corporation of the charter school's intent, and, within thirty (30) days after receiving notification from the department, the school corporation that owns the school building shall lease the school building to the charter school for one dollar (\$1) per year for as long as the charter school uses the school building for classroom instruction or for a term at the charter school's discretion, or sell the school building to the charter school for one dollar (\$1). The charter school must begin to use the school building for classroom instruction not later than two (2) years after acquiring the school building. If the school building is not used for classroom instruction within two (2) years after acquiring the school building, the school building shall be placed on the department's list under subsection (f). If during the term of the lease the charter school closes or ceases using the school building for classroom instruction, the school building shall be placed on the department's list under subsection (f). If a school building is sold to a charter school under this subsection and the charter school or any entity related to the charter school subsequently sells or transfers the school building to a third party, the charter

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 4

March 2014

SALE OF UNNEEDED PROPERTY, Continued

school or related entity must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the school building) to the school corporation that initially sold the vacant school building to the charter school. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.

(i) During the term of a lease under subsection (h), the charter school is responsible for the direct expenses related to the school building leased, including utilities, insurance, maintenance, repairs, and remodeling. The school corporation is responsible for any debt incurred for or liens that attached to the school building before the charter school leased the school building.

(j) Notwithstanding anything to the contrary in this section, and with the sole exception of a waiver provided in subsection (n), when a school building is designated as "Available" under subsection (g), the school building must remain designated as "Available" and may not be sold or otherwise disposed of for at least two (2) years. When the two (2) year period has elapsed, the school corporation may sell or otherwise dispose of the school building in accordance with IC 36-1-11.

(k) Notwithstanding subsection (e), a governing body may request a waiver from the department from the requirements of subsection (e). In order for a governing body to receive a waiver under subsection (n), the governing body must apply to the department, on a form prescribed by the department, for the waiver. The application must include a statement that the governing body believes that a charter school would not be interested in leasing or purchasing the vacant or unused school building.

(l) If the department receives a waiver request under subsection (k), the department, within five (5) days after receiving the waiver request under subsection (k), shall notify each charter school sponsor and statewide organization representing charter schools in Indiana by certified mail of the waiver request received under subsection (k). The notice must include a copy of the governing body's waiver request.

(m) Not later than thirty (30) days after a charter school sponsor or statewide organization representing charter schools in Indiana receives a notice described in subsection (l), the charter school sponsor or a statewide organization representing charter schools may submit a qualified objection to the governing body's request for a waiver under subsection (k). The qualified objection must be submitted to the department in writing. In order for an objection to be considered a qualified objection by the department, the objection must include:

- (1) the name of the charter school that is interested in leasing or purchasing the vacant or unused school building; and
- (2) a time frame, which may not exceed one (1) year from the date of the objection, in which the charter school intends to begin providing classroom instruction in the vacant or unused school building.

(n) If the department receives a qualified objection under subsection (m), the vacant or unused school building shall remain on the department's list under subsection (f) with the designation with which the building is listed under subsection (g) at the time the department receives the waiver request. If the department does not receive a qualified objection, the department shall grant the governing body's request for a waiver. A governing body that receives a waiver under this subsection may sell or otherwise dispose of the unused or vacant school building in accordance with IC 36-1-11."

SALE OF UNNEEDED PROPERTY, Continued

Sale or Transfer of Real Property

IC 36-1-11-4 states:

"(a) A disposing agent who wants to sell or transfer real property must comply with this section, except as permitted by section 4.1, 4.2, 5, 5.5, 5.7, 5.9, 8, 14, 15, or 18 of this chapter.

(b) The disposing agent shall first have the property appraised by two (2) appraisers. The appraisers must be:

- (1) professionally engaged in making appraisals;
- (2) licensed under IC 25-34.1; or
- (3) employees of the political subdivision familiar with the value of the property.

(c) After the property is appraised, the disposing agent shall publish a notice in accordance with IC 5-3-1 setting forth the terms and conditions of the sale and, when subsection (e) is employed, may engage an auctioneer licensed under IC 25-6.1 to advertise the sale and to conduct a public auction. The advertising conducted by the auctioneer is in addition to any other notice required by law and shall include a detailed description of the property to be sold stating the key numbers, if any, of the tracts within that property. If the disposing agent determines that the best sale of the property can be made by letting the bidders determine certain conditions of the sale (such as required zoning or soil or drainage conditions) as a prerequisite to purchasing the property, the disposing agent may permit the bidders to specify those conditions. The notice must state the following:

- (1) Bids will be received beginning on a specific date.
- (2) The sale will continue from day to day for a period determined by the disposing agent of not more than sixty (60) days.
- (3) The property may not be sold to a person who is ineligible under section 16 of this chapter.
- (4) A bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:
 - (A) beneficiary of the trust; and
 - (B) settlor empowered to revoke or modify the trust.

(d) A bid must be open to public inspection. A bidder may raise the bidder's bid, and subject to subsection (e), that raise takes effect after the board has given written notice of that raise to the other bidders.

(e) The disposing agent may also engage an auctioneer licensed under IC 25-6.1 to conduct a sale by public auction. The auction may be conducted either at the time for beginning the sale in accordance with the public notice or after the beginning of the sale. The disposing agent shall give each bidder who has submitted a bid written notice of the time and place of the auction.

(f) The disposing agent may, before expiration of the time set out in the notice, sell the property to the highest and best bidder. The highest and best bidder must have complied with any requirement under subsection (c)(4). However, the disposing agent may sell the property for less than ninety percent (90%) of the average of the two (2) appraisals of the tracts only after an additional notice stating the amount of the bid to be accepted is published in accordance with IC 5-3-1. The disposing agent may reject all bids. If the disposing agent rejects all bids, the disposing agent must make a written determination to reject all bids explaining why all bids were rejected.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 6

March 2014

SALE OF UNNEEDED PROPERTY, Continued

(g) If the disposing agent determines that, in the exercise of good business judgment, the disposing agent should hire a broker or auctioneer to sell the property, the disposing agent may do so and pay the broker or auctioneer a reasonable compensation out of the gross proceeds of the sale. A disposing agent may hire a broker to sell real property directly rather than using the bid process under subsections (c) through (f) if:

- (1) the disposing agent publishes a notice of the determination to hire the broker in accordance with IC 5-3-1; and
- (2) the property has been up for bid for at least sixty (60) days before the broker is hired, and either no bids were received or the disposing agent has rejected all bids that were received.

The disposing agent may hire one (1) of the appraisers as the broker or auctioneer.

(h) The following apply if a broker is hired under subsection (g):

- (1) The property may not be sold to a person who is ineligible under section 16 of this chapter.
- (2) If the property is sold to a trust (as defined in IC 30-4-1-1(a)), the following information must be placed in the public record relating to the sale:
 - (A) Each beneficiary of the trust.
 - (B) Each settlor empowered to revoke or modify the trust."

IC 36-1-11-5.5 also contains a special provision for the sale or transfer of real property for no compensation or a nominal fee to a not-for-profit corporation created for educational or recreational purposes. Additionally, other possible applicable provisions exist in IC 20-23-6-9 and IC 20-26-7-5.

Disposition of Surplus Personal Property by a Governmental Body

Personal property subject to disposal (buses, trucks, mowers, desks, tables, chairs and/or other moveable equipment), is governed by IC 5-22-22.

Use of auctioneer

IC 5-22-22-4 states:

"(a) If the property to be sold is:

- (1) one (1) item, with an estimated value of one thousand dollars (\$1,000) or more; or
- (2) more than one (1) item, with an estimated total value of five thousand dollars (\$5,000) or more;

the purchasing agency may engage an auctioneer licensed under IC 25-6.1 to advertise the sale and conduct a public auction.

(b) The advertising by an auctioneer under this section must include a detailed description of the property to be sold.

(c) The purchasing agency shall pay an auctioneer who conducts a sale under this section from the gross proceeds of the sale received before other expenses and liens are paid."

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 7

March 2014

SALE OF UNNEEDED PROPERTY, Continued

Internet sales

IC 5-22-22-4.5 states:

"(a) The purchasing agency may sell surplus property using an Internet auction site that satisfies both of the following:

- (1) The site is approved by the office of technology established by IC 4-13.1-2-1.
- (2) The site is linked to the electronic gateway administered under IC 4-13.1-2-2(a)(5) by the office of technology.

(b) The purchasing agency's posting of the sale on the Internet auction site must include a detailed description of the surplus property to be sold.

(c) The purchasing agency may pay the costs of conducting the auction on the Internet site as required by the person maintaining the auction site."

Public sale or sealed bids

IC 5-22-22-5 states:

"(a) If:

- (1) an auctioneer is not engaged under section 4 of this chapter; or
- (2) the surplus property is not sold through an Internet auction site under section 4.5 of this chapter;

the purchasing agency shall sell the property at a public sale or by sealed bids delivered to the office of the purchasing agency before the date of sale.

(b) Advertisement of the sale shall be made in accordance with IC 5-3-1.

(c) All sales shall be made to the highest responsible bidder."

Public or private sale or transfer without advertising

IC 5-22-22-6 states:

"If the property to be sold is:

- (1) one (1) item, with an estimated value of less than one thousand dollars (\$1,000); or
- (2) more than one (1) item, with an estimated total value of less than five thousand dollars (\$5,000);

the purchasing agency may sell the property at a public or private sale or transfer the property, without advertising."

Sale or transfer of recyclable property

IC 5-22-22-7 states:

"If the property to be sold is material that:

- (1) may be recycled; and
- (2) has been collected in conjunction with a recycling program;

the purchasing agency may, without advertising, sell the property at a public or private sale or transfer the property."

SALE OF UNNEEDED PROPERTY, Continued

Worthless property

IC 5-22-22-8 states:

"(a) If the property is worthless, it may be demolished or junked.

(b) For purposes of this section and IC 5-22-21-6(4)(B), property may be considered worthless or of no market value if the value of the property is less than the estimated costs of the sale and transportation of the property."

Exchange of property between purchasing agency and governmental body

IC 5-22-22-10 states:

"(a) A purchasing agency may exchange property with another governmental body upon terms and conditions agreed upon by the governmental bodies as evidenced by adoption of a substantially identical resolution by each entity.

(b) A transfer under this section may be made for any amount of property or cash as agreed upon by the governmental bodies."

The governing board should seek written advice of the school corporation attorney for interpretation of any of the provisions relating to selling or other disposition of property no longer needed by the school corporation.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 9

March 2014

COMPUTER CONSORTIUM/EDUCATION TECHNOLOGY ADVANCEMENTS

School Technology Advancements can be approved from the State's School Technology Advancement Account established within the Common School Fund in accordance with IC 20-49-4.

The accounting procedure for these advancements is the following:

1. A special fund titled "Computer Consortium/Education Technology Advancements" and numbered 3190 for reporting on the Form 9 should be set up on your records when any money is received in support of the approved advancement. The money is to be receipted to the fund in Receipt Account Number 3220 "Computer Consortium Advancements", totaled and posted to the receipt side of the fund.
2. The proper procedures, after following the provisions of the Public Purchase Law are, the items are received, payment is approved and the check is written and should be recorded in Expenditure Account Number 22250 "Computer Assisted Instruction Services: of the above new fund. The amount must be included in the total for the posting period which is carried to Account Number 22000 of the fund and to the disbursement side of the fund to reduce the balance remaining.
3. Repayment to the State of the advancement is to be handled in the same manner as Common School Fund advancements for school construction; that is, withheld from distributions by the State of tuition support for the school corporation's General Fund. The school corporation may budget for these annual repayments as part of its Debt Service Fund tax rate and levy in Account Number 54200. The amount when collected in the Debt Service Fund may be paid to the General Fund, Account Number 3113, to replace the amount withheld from the State support distribution for the General Fund.
4. Money received in support of these advancements as approved; receipted to a special fund as described herein; and, disbursed for the designated purpose as defined in the authorizing statute, IC 20-49-4, does not require appropriation before expenditure.

Please note that the provision for expenditure from the Fund without an appropriation being required applies only to the money advanced by the State for the purchases and does not include any General Fund or Capital Projects Fund money.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 10

March 2014

OMB CIRCULAR A-133 REQUIREMENTS

The Single Audit Act and the Office of Management and Budget (OMB) Circular A-133 set out the responsibilities of entities receiving federal awards. Subrecipient monitoring is required by the governmental entity receiving the federal funds which are passed through to governmental and nongovernmental subrecipients.

We recommend that the school corporation have a formal subrecipient monitoring plan, in written form, for all federal programs which pass federal monies through to subrecipients. The monitoring plan should identify the procedures the school corporation has in place to monitor the activities of the subrecipient to ensure that the program requirements are being met. Such monitoring plans should include for instance, formal procedures to request subrecipients to provide written documentation supporting requests for reimbursements and the procedure the school corporation will use to review such documentation, the nature, timing, and extent of on-site visits, etc., and should also:

1. Identify federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R & D and the name of federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
2. Advise subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
3. Monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
4. Ensure that subrecipients expending \$500,000 or more in federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year.
5. Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
6. Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
7. Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with the Circular.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 11

March 2014

APPROVAL OF ACCOUNTING FORMS AND SYSTEMS

The State Board of Accounts is charged by law with the responsibility of prescribing and installing a system of accounting and reporting which shall be uniform for every public office and every public account of the same class and contain written standards that an entity that is subject to audit must observe. The system must exhibit true accounts and detailed statements of funds collected, received, obligated and expended for or on account of the public for any and every purpose. It must show the receipt, use and disposition of all public property and the income, if any, derived from the property. It must show all sources of public income and the amounts due and received from each source. Finally it must show all receipts, vouchers, contracts, obligations, and other documents kept, or that may be required to be kept, to prove the validity of every transaction. [IC 5-11-1-2]

The system of accounting prescribed is made up of the uniform compliance guidelines and the prescribed forms. A prescribed form is one which is put into general use for all offices of the same class.

Computer hardware, software and application systems can now produce exact replicas of the forms prescribed by the State Board of Accounts. An exact replica of a prescribed form is a computerized form that incorporates all of the same information as the manual prescribed form. Prescribed form replication is the preferred approach from the State Board of Accounts' position. These exact replicas are the equivalent of the prescribed form and require no further action for the school corporation to install the form within their accounting system.

Governments are required by law to use the forms prescribed by this department. However, if it is desirable to use a form other than the prescribed manual form, that is not an exact replica; the new form must be approved by State Board of Accounts.

All forms previously approved by sending copies to State Board of Accounts and receiving a form approval letter are approved with the conditions contained with the letter. All forms previously approved by the adoption of a resolution as allowed by the School Administrator article on the Forms Approval Process, published in Volume 173, page 4 are also considered approved.

After April 1, 2014, if a government implements, consistent with the provisions of Indiana Code and Uniform Compliance Guidelines, an automated accounting system that is to be considered for approval, the responsible official is not required to maintain the prescribed forms replaced by the automated system while awaiting the approval. New forms must be in place during at least one (1) State Board of Accounts audit and must not be an element of an audit finding or audit result and comment that is responsible or partially responsible for an exception found during an audit to be considered approved. The government is responsible for placing on new forms the year of installation in the upper right corner. This reference should be similar to "Installed in _____ School Corporation, (Year)." The School Corporation must maintain and present for audit a log of forms installed after April 1, 2014 with the year installed for all forms that replace forms prescribed by State Board of Accounts.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 12

March 2014

APPROVAL OF ACCOUNTING FORMS AND SYSTEMS. Continued

The government agrees to comply with the following conditions, if applicable, for any new forms installed.

1. The forms and system installed are subject to review and/or recommendations during audits of the government to ensure compliance with current statutes and uniform compliance guidelines.
2. The government shall continue to maintain all prescribed forms not otherwise covered by an approval.
3. All transactions that occur in the accounting system must be recorded and accessible upon proper request. Transactions can be maintained electronically, with proper backups, microfilmed, or printed on hardcopy. These transactions include, but are not limited to, all input transactions, transactions that generate receipts, transactions that generate checks, master file updates, and all transactions that affect the ledgers in any way. The system must be designed so that changes to a transaction file cannot occur without being processed through an application.
4. The ability must not exist to change data after it is posted. If an error is discovered after the entry has been posted, then a separate correcting entry must be made. Both the correcting entry and the original entry must be maintained.
5. If the government owns the source code, sufficient controls must exist to prevent unauthorized modification. If the government does not own the source code, the vendor shall provide representatives of the State Board of Accounts with access to all computer source codes for the system upon request for audit purposes. In addition, the vendor shall provide representatives of the State Board of Accounts with a document describing the operating system used, the language that the source code is written in, the name of the compiler used, and the structure of the data files including data file names, data file descriptions, field names, and field descriptions for the system.
6. Any receipts, checks, purchase orders, or other forms that require numbering shall be either pre-numbered by an outside printing supplier or numbered by the government's computer system with sufficient controls installed in the system to prevent unauthorized generation of the form or duplication of numbers.
7. All receipts must be either in duplicate or recorded in a prescribed or approved register of receipts.
8. All checks must be either in duplicate or recorded in a register of checks generated by the computer.
9. Recap sheets for each deposit for deposit advices, if applicable, will be maintained indicating direct deposits. Individual wage assignment agreements will be kept on file to support direct deposit.
10. "Installed by _____ School Corporation, (Year)" shall be printed, in the upper right corner, on each approved form furnished by a printing supplier and, when practical, on those printed from accounting systems at the unit. Upon the installation of a new form the form will be entered on a log for this purpose with the date of installation; and the name and number of the prescribed form replaced. The log must be available for audit.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 205, Page 13

March 2014

APPROVAL OF ACCOUNTING FORMS AND SYSTEMS. Continued

11. The government officials are responsible to ensure that forms and accounting systems installed comply with the uniform compliance guidelines for information technology services published in the School Administrator and accounting manuals. This includes ensuring that customization of the system done by the vendor for implementation at the government is done in such a manner that the system remains compliant.

12. In the event a change is required due to the passage of a State or Federal law, the government agrees to implement the change in a timely manner.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

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 1926, then the estimated cost of the asset should be reported as \$6,080.00.

$$\$76,000.00 \times .08 = \$6,080.00$$

TABLE OF COST INDEXES
1913 to 2013

<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>
2013	1.00	1985	.46	1961	.13	1937	.06
2012	.99	1984	.45	1960	.13	1936	.06
2011	.97	1983	.43	1959	.12	1935	.06
2010	.94	1982	.41	1958	.12	1934	.06
2009	.92	1981	.39	1957	.12	1933	.06
2008	.92	1980	.35	1956	.12	1932	.06
2007	.89	1979	.31	1955	.12	1931	.07
2006	.87	1978	.28	1954	.12	1930	.07
2005	.84	1977	.26	1953	.11	1929	.07
2004	.81	1976	.24	1952	.11	1928	.07
2003	.79	1975	.23	1951	.11	1927	.07
2002	.77	1974	.21	1950	.10	1926	.08
2001	.76	1973	.19	1949	.10	1925	.08
2000	.74	1972	.18	1948	.10	1924	.07
1999	.72	1971	.17	1947	.10	1923	.07
1998	.70	1970	.17	1946	.08	1922	.07
1997	.69	1969	.16	1945	.08	1921	.08
1996	.67	1968	.15	1944	.08	1920	.09
1995	.65	1967	.14	1943	.07	1919	.07
1994	.64	1966	.14	1942	.07	1918	.07
1993	.62	1965	.14	1941	.06	1917	.05
1992	.62	1964	.13	1940	.06	1916	.05
1991	.58	1963	.13	1939	.06	1915	.04
1990	.56	1962	.13	1938	.07	1914	.04
1989	.53					1913	.04
1988	.51						
1987	.49						
1986	.47						