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 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.

1 Last day for applicable units under IC 6-1.1-17-3.5 and IC 6-1.1-17-20 to submit proposed 2016 budgets, tax rates, and tax levies to county fiscal body or other appropriate fiscal body for review and recommendation or adoption.

7 Labor Day – Legal Holiday (IC 1-1-9-1)

14 Last day to submit notice to taxpayers of proposed 2016 budgets and tax levies and notice to taxpayers of public hearing (Budget Form 3) to the Department of Local Government Finance (DLGF) through Gateway. (IC 6-1.1-17-3)

18 The Fall ADM data will be reported on the DOE-ME (Membership) for the 2015-2016 school year and will be submitted by individual student record via the STN Application Center. The fall count of students for ADM will occur on Friday, September 18, 2015. The required collection period for the count is September 18, 2015, 8:00 a.m., EDT, through October 2, 2015, 11:59 p.m. EDT, which is the final date for submission. The clean-up and restricted period will begin on October 3, 2015, 8:00 a.m. and end on October 9, 2015, 11:59 p.m. EDT. The signoff only period will begin on October 10, 2015, at 8:00 a.m. EDT and end on October 14, 2015 at 11:59 p.m. EDT. You will not be able to obtain a report for signature until the signoff only period opens.

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

2 Bargaining Status Form: Pre-Impasse must be completed by both parties in Gateway.

9 All Collective Bargaining Agreements must be signed and ratified by both parties and uploaded on Gateway.

12 Legal Holiday – Columbus Day (IC 1-1-9-1)
ITEMS TO REMEMBER

October (Continued)

19 Last day for units to file excessive levy appeals for school transportation fund, annexation/consolidation/extension of services, three year growth factor, emergency 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)

23 Last possible day for taxing units to hold a public hearing on their 2016 budget. Public hearing must be held at least ten days before budget is adopted (except in Marion County and in second class cities). This deadline is subject to the scheduling of the adoption meeting. (IC 6-1.1-17-5)

In Marion County and second class cities, the public hearing may be held any time after introduction of the 2016 budget. (IC 6-1.1-17-5(a))

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

30 Last possible day ten (10) or more taxpayers may object to a proposed 2016 budget, rate, or levy of a political subdivision. Objection must be filed not more than seven days after the public hearing. The deadline is subject to the scheduling of the public hearing. (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 tax withheld.

31 Requests for textbook reimbursements should coincide with the required collection period beginning October 1, 2015, and ending October 31, 2015, and the required sign-off period beginning November 1, 2015, and ending November 7, 2015. The information is required to be filed per instructions provided by the Department of Education, Office of School Finance.

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)

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

November

1 Prove all ledgers for the month of October.

2 Last day for schools to adopt their 2016 Capital Projects Fund (CPF) Plan and Bus Replacement Plan. (IC 20-46-6-8.1; IC 20-46-5-6.1)

2 Deadline for all taxing units to adopt 2016 budgets, rates, and levies. (IC 6-1.1-17-5(a))

If a taxpayer objection petition is filed, the fiscal body shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption meeting. (IC 6-1.1-17-5(c))
ITEMS TO REMEMBER
(Continued)

November (Continued)

2  Last day for the County Tax Adjustment Board or county auditor to complete review of tax rates for the 2016 budget year. In Marion County or a county containing a second class city, this action must be completed by December 1. (IC 6-1.1-17-9)

4  Last day for units to submit their 2016 budgets, rates, and levies to the Department of Local Government Finance through Gateway as prescribed by the Department.

7  Last day to print, sign, and mail the completed form DOE-TB for textbook reimbursement to DOE. Contact the Department of Education, Office of School Finance, for instructions.

11  Legal Holiday – Veterans Day (IC 1-1-9-1)

17  Last possible date for first publication of notice to taxpayers of public hearing notice on budgets and tax levies for two schools participating in a reorganization approved in a general election effective for property taxes payable in the immediate following year. (IC 36-1.5-4-7)

17  Only if the proposed 2016 budgets, rates, or levies are modified by the County Tax Adjustment Board or county auditor, the county auditor is required – within fifteen days of the modification – to publish a notice of the adopted tax rates for the various funds in each taxing district (“TAB chart”). For Marion County and counties containing a second class city, this publication must occur by December 16. (IC 6-1.1-17-12)

24  Last possible day for second publication of notice to taxpayers of public hearing notice on budgets and tax levies for two schools participating in a reorganization approved in a general election effective for property taxes payable in the immediate following year. (IC 36-1.5-4-7)

26  Legal Holiday – Thanksgiving Day (IC 1-1-9-1)

27  Deadline for public hearing on budgets, tax rates, and tax levies for two schools participating in a reorganization approved in a general election effective for property taxes payable in the immediate following year. (IC 36-1.5-4-7)

27  Ten or more taxpayers or one taxpayer that owns property that represents at least 10% of the taxable assessed valuation in the political subdivision may appeal the County Tax Adjustment Board or county auditor’s modification of a political subdivision’s budget, tax rate, or tax levy by filing an objection with the county auditor. The statement must be filed not later than ten days after the publication of the “TAB chart”. For Marion County and counties containing a second class city, this appeal must occur by December 28. (Unit may appeal TAB Chart to the Department of Local Government Finance for increase in its tax rate or levy as modified by County Tax Adjustment Board or county auditor) (IC 6-1.1-17-13)

30  On or before June 1 and December 1 of each year the school corporation shall certify to the county treasurer the name and address of each person who has money due from the school corporation. (IC 6-1.1-22-14)

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)

30  Last day to report and make payment of state and county income tax withheld during October to the Department of Revenue.
STATE EXAMINER DIRECTIVE 2015-5 – SCHOOL FEES AND TEXTBOOK ASSISTANCE

Effective August 19, 2015, the state examiner issued a directive to help clarify the ability of public school corporations to charge and collect fees from students that meet the eligibility standards for financial assistance that are set in IC 20-33-5-3. Please go to http://www.in.gov/sboa/files/SBOA_Directive_2015_5.pdf to see the details of the directive.

OFFICIAL BOND OF TREASURERS

During the past legislative session, Public Law 230, Senate Enrolled Act 393 was passed and the public official bond requirements for School Corporation Treasurers and Extra-Curricular Treasurers were changed. We have been asked by several governmental units to provide an audit opinion of the new official bond requirements. Included below is the portion of our audit opinion that pertains to schools.

A. School Treasurers. School treasurers, deputy treasurers, and “any individual whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to a school corporation or the governing body of a school corporation” must be bonded. IC 20-26-4-5(a).

1. The bond amount is determined by the school corporation’s governing body. IC 20-26-4-5(a).

2. The term of the bond is one year commencing on July 1.

3. The bond may be an individual bond, or a blanket bond if (1) the blanket bond is endorsed “to cover the faithful performance of all employees and individuals acting on behalf of the governing body or the governing body’s school corporation,” and (2) “includes aggregate coverage sufficient to provide coverage amounts specified for each individual required” to be bonded. IC 20-26-4-5(b).

4. The governing body must determine who must be bonded under the statute. The term “official duties” is not defined. It is our position that “official duties” may include duties set forth in a job description, duties that are customary or routinely performed, or duties that are assigned but not frequently performed. For example, cafeteria cashiers, teachers who routinely collect lunch money from students and employees who collect textbook rental fees must be bonded. The statute does not require the individual to be an employee of the school corporation. So, for example, parents volunteering in the school lunchroom or at an extracurricular sporting event must be bonded if their official volunteer duties include receiving public funds such as lunch money or admission fees.

5. There is no dollar threshold or de minimis exception in the statute. Thus, it is our position that all individuals whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to public funds—regardless of the dollar amount—are required to be bonded. For example, a teacher who collects $1.20 per day for milk from each student in her kindergarten class is required to be bonded.

6. We recommend that all bonds be filed with and kept by the trustee or board of school trustees. Copies of the bonds must also be submitted to the State Board of Accounts electronically via Gateway with the school’s Annual Financial Report.
OFFICIAL BOND OF TREASURERS (continued)

B. Extracurricular Treasurers. Extracurricular account treasurers must be bonded if they handle funds in excess of $300 during the school year. IC 20-41-1-6(a).

1. The bond amount is determined by the superintendent and principal of the school approximating the total “anticipated funds that will come into the possession of the treasurer at any one time during the regular school year.” IC 20-41-1-6(a). If school lunch or textbook rental fees are handled by an extracurricular treasurer, then the governing body must set the amount of the bond “sufficient to protect the account for all funds coming into the hands of the treasurer of the account.” IC 20-41-2-6(b).

2. The term of the bond is not specified, but an extracurricular treasurer must be designated “immediately upon the opening of the school term….” Thus, we recommend an annual bond commencing on July 1.

3. The bond may be an individual bond or a blanket position bond for all extracurricular account treasurers. IC 20-41-1-6(b).

4. The bond must be filed with the trustee or board of school trustees. IC 20-41-1-6(a). A copy of the bond must also be submitted to the State Board of Accounts electronically via Gateway with the school’s Annual Financial Report.

PREPAID SCHOOL MEAL ACCOUNTS

During our recent run of school training presentations, we have included our opinion on the proper treatment of student meal deposits. Our opinion is that money a student puts into their individual meal account should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while it is in the student’s individual account the balance should not be included in Fund 800 School Lunch. Our recommendation is that you set up a clearing account with the fund number of 8400. Our suggestion is when a student brings in a deposit the receipt would be recorded to fund 8400 using receipt account number 1630. Periodically, after the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 and receipt it into fund 800 using receipt accounts 1611-1623. At this point it is considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis the balance of the 8400 fund should be reconciled with the total of the individual meal accounts. We will update the chart of accounts to reflect these suggestions when the School Manual is updated.

Along with recording student meal deposits properly, we have been discussing the need of the school board to set a policy that would dictate how situations are treated when it comes to student meal accounts. The school board should adopt a policy if they want to allow accounts to be able to accrue negative balances, to be written off at any point, what the process is for collecting balances owed, etc. We will audit to the policy set by the school board, but in the absence of a policy we will audit to the requirements noted in Chapter 9 of the Accounting and Uniform Compliance Guidelines Manual for Indiana School Corporations.

SBOA GATEWAY REPORTING REQUIREMENTS REMINDER

We wanted to remind you that you are required to complete both the Gateway Annual Financial Report and the Gateway ECA Risk applications in order to meet the reporting requirements of IC 5-11-1-4. If you have not signed on or notified the Gateway Help Desk as to the ECAs in your school system, then please send an email to gateway@sboa.in.gov and include the name of your ECAs (for example ABC Elementary School; ABC Jr/Sr High School), the name of each ECA Treasurer, and their email address. Please see the June 2015 School Bulletin for information about the new ECA Risk application.
GRANT REPORTING ON GATEWAY ANNUAL FINANCIAL REPORT

We have received many inquiries about the correct information that needs to be reported in the Grant section of the Gateway Annual Financial Report. The information that you input into this section will be used during your next audit to compile the Schedule of Expenditures of Federal Awards (SEFA). The main question we have gotten is what to include in the receipts and disbursements columns. For most grants you will simply include the actual receipts and disbursements from your records for the period covered. Your selection in the “Grant Type” column will dictate to our SEFA macro which column to pull for inclusion on the SEFA, receipts for reimbursement grants and disbursements for advance grants. For schools there are two exceptions that we know of for the Child Nutrition Cluster grants and the Special Education grants.

Child Nutrition Cluster grant activity is recorded in the School Lunch fund, 800, along with other program transactions. Therefore, you should input into the receipt column only the federal grant reimbursements that you have actually received from July to June. In most cases, it is hard to segregate which expenses are attributable and paid for federal expenses and which expenses are paid or partially paid with local dollars. Therefore, our suggestion is to use a federal in, federal out theory. Meaning that the first money you use to pay for expenses was the federal grant money that you received. So, for the period you would include the same amount in the disbursements column as you did in the receipts column. I would also remind you that many schools participate in the commodities program. So, you would have to obtain an amount that you would input into the “Amount of Federal Noncash Assistance for the Year” column. To get the commodities information you will have to access the School Nutrition portal (scnweb.doe.state.in.us). After you have logged in, you will click the green puzzle piece labeled “Food Distribution Program” and click continue at the bottom of the Welcome page. You select the program year and then you click “Summary Menu” near the top of the next page. Click “R/A Summary” and then search for your school corporation’s name. This will take you to the School Corporation’s page and you will want to go to the “Entitlement” tab. When you get to the entitlement tab you will add the amounts in the following columns “Entitlement Used”, “No Charge Used”, and “Bonus Used”. The sum will be included in the School Lunch Program grant line.

For the schools that participate in a Special Ed Cooperative, we have been made aware of some additional information that will probably change how Special Ed grant funds have been reported in the past. We met with IDOE officials and learned that the grant awards for the past few years have actually been given to member schools and not any Special Ed Co-ops. Therefore, our opinion is that for a school’s SEFA to be correct, they would have to include the Special Ed grant money on their schedule and not a Co-Op schedule. We have been told that local Co-Op relationships are handled in a number of different ways throughout the state. Here are three basic relationships that we are aware of and how to handle including the Special Ed grants in your grant section.

1. Grants are awarded to member schools, a Co-Op is named the fiscal agent, and all grant reimbursements are sent to Co-Op. Schools pay Special Ed program expenses like salaries, and equipment and apply for reimbursement to the Co-Op. The Co-Op reimburses the member school, who records the receipt in a Special Ed fund. Since all the receipts and disbursements are included in the member school’s records, then they would just include those amounts in their grant section.

2. Similar to situation #1 where the member school pays expenses and receives reimbursements from the Co-Op, but the Co-Op retains an administrative fee from the grant funds. The Co-Op should allocate how much of the administrative fee retained is attributable to each member school. The allocation could be based on the local agreement, percentage of total grant awards for the member schools, percentage of students served for each member school, etc. As long as there is a reasonable basis for the allocation, IDOE has indicated they do not have an issue. For the grant section, each member school would have to add the reimbursements they received to their allocation of the administrative fee the Co-Op provided.
GRANT REPORTING ON GATEWAY ANNUAL FINANCIAL REPORT (continued)

3. In this situation grants are awarded to member schools, a Co-Op is named the fiscal agent, and all the grant reimbursements are sent to the Co-Op. The difference is that the Co-Op pools all the money and pays for the expenses of the Special Ed programs. Because both receipts and disbursements are running through the Co-Op, the member schools do not show any Special Ed transactions in their records. So, the Co-Op with have to do a similar allocation as mentioned in #2, but it will have to be based on all the grant reimbursements and expenses for the period. They should provide the member schools with their total allocation and that is what each member school should include in the grant section of their Gateway AFR.

TEACHER AIDES AND OTHER NON-INSTRUCTIONAL EMPLOYEES

The General School Powers Act, (IC 20-26-5-4) provides authority in the specific powers of the governing body. Subsection (8) states in part: "To do the following: (A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts… and other personnel or services as the governing body considers necessary for school purposes. (B) Fix and pay the salaries and compensation of persons and services described in this subdivision that are consistent with IC 20-28-9-1.5. (C) Classify persons or services described in this subdivision and to adopt a compensation plan with a salary range that is consistent with IC 20-28-9-1.5. (D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision. (E) Determine the nature and extent of the duties of the persons described in this subdivision."

We are not aware of a statutory requirement for a written contract for the salary of each teacher aide performing noninstructional duties. The governing board may wish to enter into a written contract with these teacher aides and has permissive authority to do so. We also are not aware of a statute requiring a written contract with non-instructional employees except IC 20-27-8-8 which requires a written contract with non-instructional employees who are assigned as school bus drivers to drive School Corporation owned school buses. If a contract is not entered into, then the non-instructional position and the salary/wage should be included on the Salary Resolution/Schedule that is approved by the School Board.

TEACHER INSURANCE AND ANNUITY

IC 20-28-9-18 requires the board of school trustees, upon written request of any teacher, to withhold a requested amount from the teacher's salary and to pay that amount, in accordance with the direction of such teacher, to a designated insurance company or other agency or organization in the State of Indiana which provides, extends, supervises or pays for insurance or other protection or for the establishment of or payment on an annuity account for the teacher. Deductions for these purposes may be handled on the records of the school corporation in the same manner as other payroll deductions.

IC 20-28-9-18 further provides that if there is any dividend accruing on any policy or policies, such dividend shall be paid or credited to such teacher.

Furthermore, IC 20-28-9-18 provides the governing body upon written request of a beneficiary of the Indiana State Teacher's Retirement Fund, may receive from such beneficiary a given amount of money to be held and paid, in accordance with the direction of such beneficiary, to an insurance company or other agency or organization in the State of Indiana which provides, extends, supervises or pays for insurance or other protection or
TEACHER INSURANCE AND ANNUITY (continued)

for the establishment or payment of an annuity account. Money received from said beneficiaries for such purposes may be handled on the records in the same manner as teacher deductions. Monies so received shall be receipted to and paid from the clearing accounts without appropriation.

Finally, IC 20-28-9-18(d) states, “If less than twenty percent (20%) of the teachers employed by a governing body request payment of the amounts described in subsection (c) to a single recipient, withholding the amounts of money for insurance, dues, or other purposes is discretionary with the governing body.”

TEACHER'S ACCUMULATED SICK LEAVE

IC 20-28-9-9 states in part: "(a) Each teacher may be absent from work with pay: (1) on account of illness or quarantine for ten (10) days the first year and seven (7) days in each succeeding year (referred to as "sick days" in this chapter); and (2) for death in the teacher's immediate family for a period extending not more than five (5) days beyond the death. (b) If the teacher does not use all the teacher's sick days in a school year, the unused days accumulate up to a total of ninety (90) days."

IC 20-28-9-10 states, "(a) This section applies whenever a teacher accumulates at least one (1) sick day and then is employed in another school corporation. (b) Beginning in the teacher's second year, the teacher's employer shall add up to three (3) sick days each year to the number of sick days to which the teacher is entitled under section 9(a) of this chapter until the accumulated sick days to which the teacher was entitled in the teacher's last employment are exhausted."

A Deputy Attorney General issued an unofficial opinion on November 23, 1966, concerning teacher's accumulated sick leave from the school corporation of last employment. The opinion provided if a teacher signed a contract with another school corporation or began teaching in the other school corporation after July 8, 1965 (the effective date of Ch 215, Acts of 1965) such teacher could have sick leave certified to the corporation of new employment for accumulation on the basis of the statute referred to previously in IC 20-28-9.

A teacher with accumulated sick leave days earned in another Indiana public school corporation who signs a contract as a new teacher with your school corporation is entitled to ten (10) days sick leave for the first year of employment in your corporation. The teacher is entitled to seven (7) days sick leave from your school corporation for each year employed thereafter in your school corporation, plus three (3) days of leave accumulation in the public school corporation which was the last place of employment, until such accumulation of sick leave is exhausted. You should immediately contact the school corporation of last employment when a teacher follows employment in another Indiana public school corporation with a contract to teach in your school corporation, and request a certification of the number of accumulated sick leave days on the teacher's record. You only need to contact the school corporation of last employment since the teacher is not authorized to claim credit for sick leave from other school corporations of prior employment.

Since the statute identifies the teacher's contract with a school term and has been interpreted that the ten (10) days or seven (7) days accumulate with the signing of a regular teacher's contract; and since the statute also identifies the accumulation of the ten (10) days and seven (7) with the first year and each succeeding year respectively, there would be no provision for further accumulation of sick leave based on a supplemental service teacher's contract. Although the interpretation would not provide for accumulating sick leave for summer teaching service, we would not take audit exception if a teacher has accumulated sick leave on record, and such teacher desires to use such days of accumulated sick leave to provide compensation for days of summer school service lost because of illness.

A Deputy Attorney General stated in an unofficial opinion dated October 4, 1961, that a teacher could claim leave for absence or incapacity resulting from pregnancy, occurring either before or after birth of the child. A later provision in (now IC 20-28-10-2) provides that leave of absence taken by a teacher because of temporary disability caused by pregnancy may be charged, at her discretion, to her available sick leave.
Concerning sick leave for part-time teachers, in Official Opinion 120 of 1945 the Indiana Attorney General provided: (1) The word year as used in connection with teacher contracts and sick leave refers to the school year rather than the calendar year; (2) If a teacher is employed part-time by two or more school corporations, such teacher would not be entitled to a greater number of sick leave days than a full-time teacher who is employed by a school corporation would receive; and (3) The several school corporations employing one teacher part-time would be required to apportion the sick leave days the teacher taught in such school corporation during the school year.

Official Opinion of the Attorney General Number 8 of 1962 provided each teacher may be absent from work with pay on account of illness or quarantine for ten days the first year of employment in a school corporation and seven days in each succeeding year. Unused sick leave days shall be accumulated to a total of ninety days (now IC 20-28-9). Sick leave provisions under this section constitute a minimum and additional sick leave, both as to the number of days per year or total accumulated days, may be increased by proper official action of the school corporation which must be consistent with the salary schedule adopted by the school board.

A Deputy Attorney General stated in an unofficial opinion dated February 3, 1969, that since sick leave benefits are a part of the minimum salary schedule it would seem that a teacher who is employed on a contract specifically providing for a term of only one-half of a school year, should be allowed only one-half of the first year’s required sick leave.

IC 20-28-9-13 states, “A school corporation may establish a voluntary sick day bank: (1) to which a teacher may contribute unused sick days; and (2) from which a contributing teacher may draw sick days when the contributing teacher’s accumulated sick days are exhausted.”

**EVALUATION COMMITTEES**

Frequently the governing board and administrators of a school corporation elect to accept the services of an evaluation committee to make an inspection and evaluation of the curricula, building efficiency, equipment, etc. of the school corporation. We understand in some situations the committee does not charge a fee or other flat amount for such appraisal, but does require the school corporation to pay various expenses (meals, lodging, etc.) of the members of the committee while making inspection and evaluation.

IC 20-26-5-4(8) authorizes the governing body of the school corporation to employ and discharge educational and other professional consultants and such other personnel or services as the board considers necessary for school purposes and to pay the cost thereof. Therefore, we will not take audit exception to a contract for such service and the necessary expenses of the members of the committee may be paid by the school corporation.

The board may also determine the number of persons so employed or the amount of services for which contracts are awarded and determine the nature and extent of duties or services required. Expenditures for the services of such an evaluation committee should be paid from the school corporation General Fund, Account Number 23190.