
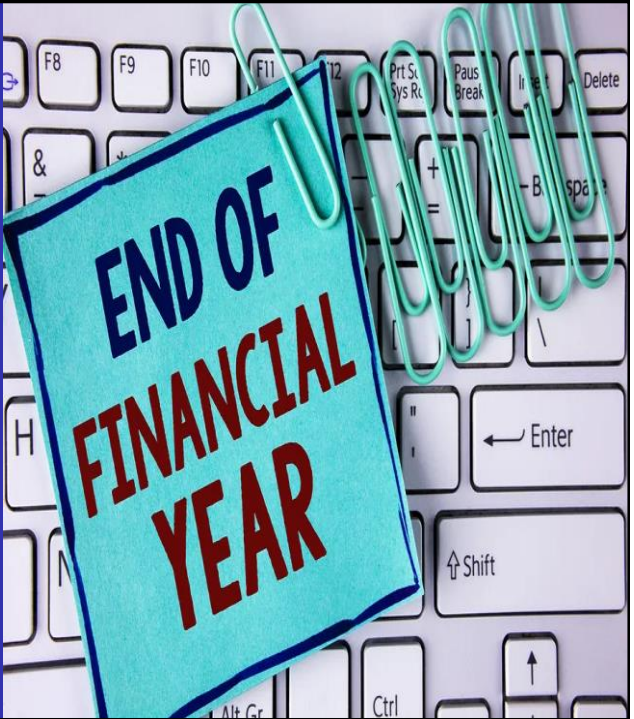


YEAR-END CONSIDERATIONS



Annual Report & Bookkeeping Workshop
Indiana State Library
November 9, 2021



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What's On Tap



- ✓ **Salary Schedules**
- ✓ **Appropriations**
- ✓ **Encumbrances**
- ✓ **Payroll**
- ✓ **Cancellation of Warrants**
- ✓ **Names & Addresses to County Treasurer**
- ✓ **Internal Controls**
- ✓ **Miscellaneous**



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Salary Schedules

IC 36-12-2-22 Board sets compensation of Treasurer


IC 36-12-2-24(a) Board sets compensation of Director

IC 36-12-2-24(b) Board adopts schedules of salaries of Librarians & other employees



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Salary Schedules

Considerations:

- Number of pays in 2022
- Has enough been appropriated
- Bonuses
- Longevity
- Benefits (leave, insurance, HSA's, deferred comp)



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Appropriations

Budget Field Representative County Assignments



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Check for line items that are overspent

- Transfer from other line items if necessary
- From one major classification to another; board approval by resolution [IC 6-1.1-18-6]

Need an additional??

- There still may be time
 - <https://gateway.ifonline.org/AdditionalAppropriations/SelectUnit.aspx>
- Contact DLGF if you have questions
 - www.in.gov/dlhf/files/Budget_Field_Reps.pdf



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Encumbrances

Unpaid approved purchase orders & contracts

- Can be encumbered – or carried forward – to 2022
- Show as separate amount on 2022 appropriation ledger
- You'll have the amount approved for a line item as one amount + the amount encumbered for that line item, which will equal what you can spend in 2022.

		2022	
	Encumbered	Approved Budget	New Total
Operating Fund			
Other Services & Charges			
Subscription Services	\$ 987.65	\$ 2,500.00	\$ 3,487.65

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Encumbrances

By carrying out this procedure, the 2022 budget will not be expected to incur any expense not anticipated in preparing the budget

We recommend making a list of encumbered appropriations

- List part of meeting minutes
- Not 'required' to be approved by the board, but wouldn't hurt
- Last meeting of the year
- Have copy ready if DLGF requests it



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Encumbrances



The appropriations encumbered and carried forward can be used for no other purpose other than the purchase order or contract for which they were appropriated.



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Payroll

Reporting

- W-2s
- 1099s
- Plan ahead

Contact IRS with Questions

- www.irs.gov



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Cancellation of Warrants

Indiana Code 5-11-10.5: Cancellation of Warrants

Old Outstanding Checks

- All checks outstanding and unpaid for a period 2 years as of December 31 of each year shall be declared cancelled.


Example – At December 31, 2021;

- Check #1234 was written on February 27, 2019 and has not cleared the bank and is on the outstanding check list. At 12/31/21, it would be considered “void”.
- Check #9876 was written on November 2, 2020 and has not cleared the bank and is on the outstanding check list. At 12/31/21, this check would *not* be considered “cancelled” and should remain on the outstanding check list.



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Cancellation of Warrants

Indiana Code 5-11-10.5: Cancellation of Warrants

- March 1 – fiscal officer prepares list of all outstanding checks for 2 years or more
- File list of checks with council
- Fiscal officer keeps a copy



“Old” (or stale) checks are receipted back to your ledger into the fund(s) from which they were originally drawn and removed from the outstanding check list. If fund(s) can’t be determined – put in Operating fund.



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Names & Addresses to County Treasurer

IC 6-1.1-22-14

- June 1 & December 1
- Disbursing officer shall certify
 - ✓ name
 - ✓ address
 of each person who has money due to them from the library.
- County Treasurer shall search their records to ascertain if anyone on the list is delinquent in payment of property taxes



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Names & Addresses to County Treasurer

IC 6-1.1-22-15 –

If the county treasurer finds that a person whose name is certified is delinquent in the payment of taxes, the treasurer shall certify the name of that person and the amount of delinquency to the official of the political subdivision who is to make payment to the person.

The disbursing officer *shall* periodically make deductions from money due the person and *shall* pay the amount of these deductions to the county treasurer. (*our emphasis*).



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Internal Controls

Internal Controls



docplayer.net/7494109-Internal-controls-a-short-presentation-from-your-internal-audit-department.html



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Internal Controls

Indiana Code 5-11-1-27(g)

- "After June 30, 2016, the legislative body of a political subdivision shall ensure that:
 - 1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
 - 2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."



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Internal Controls


Indiana Code 5-11-1-27(c) defines "personnel":

"As used in this section, "personnel" means an officer or employee of a political subdivision whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the federal government, state government, a political subdivision, or another governmental entity."



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Internal Controls

Things to remember:

- ✓ Board should adopt minimum standards - if they haven't already
- ✓ Training for any new employees in 2021
- ✓ Certify on the AFR in Gateway correctly




www.amreading.com/2016/08/16/video-how-to-remember-what-you-read/



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Internal Controls

AFR Unit Questions ?

The following must be filed with the Annual Report per IC 5-11-1-27 (h).	
I certify that my unit has adopted the minimum internal control standards as required per IC 5-11-1-27(e).	<input checked="" type="radio"/> Yes <input type="radio"/> No
If yes, I certify that all personnel defined by IC 5-11-1-27(c) received training concerning the internal control standards adopted by my unit.	<input checked="" type="radio"/> Yes <input type="radio"/> No

Make sure you answer these questions correctly





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Miscellaneous



Bank Reconciliations
Monthly / Annual Uploads
Debt Payments
Capital Assets
Accounts Receivable / Payable



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ANY QUESTIONS?



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American Rescue Plan Act (ARPA) Funding

State Library disbursing sub-grants to Indiana libraries

- Can request between \$5,000-\$100,000
- More info: <https://www.in.gov/library/arpa-grants/>

Reporting to the State:

- Interim report due March 1, 2022
- Program ends; all funds spent by July 30, 2022
- Last day for reimbursement requests = August 15, 2022
- Final report due September 30, 2022

Questions for State Library:

- ✓ ARPA@library.in.gov

Dreamstime.com

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Component Units

- Does not affect everyone!
- What is a “component unit”?
 - A legally separate organization for which the elected official of the primary government (county, city, town) officials are financially accountable.
 - In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. [GASB 14, paragraph 20]
- What does that mean?

Library’s finances are reported in and audited as part of a county, city, or town’s financial statements when that unit presents its financial statements on the GAAP (Generally Accepted Accounting Principles) basis.

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Component Units

- In evaluations, how is a library be determined to be a component unit of another government?
 - Starts with application of GASB standards.
 - Involves the make-up of your board and how those member were appointed and by whom.
- How will being a component impact a library?

The library will a have request made from the primary government for items associated with GAAP presentation. Some are:

 - ✓ *Capital Assets & Accumulated Depreciation*
 - ✓ *Accounts Receivable & Accounts Payable*
 - ✓ *Pension liability*
 - ✓ *Post employment benefits*

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Component Units

- Can a component unit library still have an audit by SBOA?
 - Yes – our intent is to provide an audit for all public libraries when they need it (but at least once every 4 years by statute).
 - If you need one for a bond issuance or other requirements, let us know as soon as possible for our planning and scheduling.



<https://elements.envato.com/completing-jigsaw-puzzle-with-one-pieces-ENQX7SS>

A library that is a component unit of a primary government is still a legally separate library.

From an accounting standpoint, however, it's a piece of a larger puzzle and without it, the puzzle would be incomplete.

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