



IASBO Regional Meeting

Muncie Community Schools

January 14, 2016

Delay in Audit Report Issuance

- Effecting audit reports covering July 1, 2013 to June 30, 2014
- Meeting between SBOA and IDOE Special Ed
- Learned that Special Ed Grants are given to Schools with Co-Ops being named fiscal agents
- Changed who would be required to report the grant money on their SEFA

New Official Bond Requirements

- Amended IC 20-26-4-5
- Now includes requirements to bond: the Treasurer, the Deputy Treasurer, and any individual whose duties include receiving, processing, depositing, disbursing, or having access to funds that belong to a school corporation
- Can now purchase a blanket bond as long as it is endorsed to include faithful performance of all required bond holders and includes aggregate coverage for all of the specified amounts of the required bond holders

New Official Bond Requirements (continued)

- SBOA Audit position on Bonding Requirements
 - Update issued October 22, 2015 and included in the December 2015 School Bulletin
- Further SBOA will not take exception to coverage via a crime insurance policy as long as it is authorized by resolution and endorsed to cover faithful performance and includes aggregate coverage
- SBOA will not take exception to not obtaining a bond for individuals who receive, process, deposit, disburse, or have access to less than \$100 of funds per event or duty
- Will be required to submit a copy of the official bonds to the SBOA on subsequent submissions of the Gateway Annual Report

School Reporting Materiality Policy

- State Examiner Directive 2015-6 requires each school to develop their own materiality policy in regards to IC 5-11-1-27(j)
 - Should include steps taken in the event of a variance, loss, shortage, or theft
 - Should include a threshold at which point the school will report the event to the SBOA
 - Threshold should distinguish between incidents involving cash and those involving other types of assets
 - Should include the retainage of documentation detailing the event and the solution that was determined
- If a school does not adopt a policy, then the threshold to report to the SBOA will be considered \$0 and every variance, loss, shortage, or theft would be required to be reported.

School Reporting Materiality Policy (continued)

- Procedures to report a material variance, loss, shortage, or theft
 - SBOA website contains a notification link which reports via email
 - Incidents may be reported via telephone conversations
 - Incidents may be reported via in person contact
- SBOA will gather sufficient information and evaluate to determine the action that needs to be taken for the event
- IC 5-11-1-27(l) still requires school officials that have actual knowledge or reasonable cause that a misappropriation of public funds has occurred to send written notice immediately to the SBOA and the County Prosecuting Attorney

School Lunch Findings

- **Cash Management**
 - School Lunch fund balance should not exceed a three month average of expenditures
- **Internal Controls for Eligibility**
 - School should have internal controls to ensure that initial eligibility determinations were accurate and documented
- **Internal Controls for Reporting**
 - School should have internal controls to ensure the School Lunch Annual Financial report, monthly claims reimbursements, and verification reports are filed accurately and timely

Website Resources

- www.in.gov/sboa
- **Political Subdivisions —→ Schools**
 - **Uniform Compliance Guidelines**
 - State Examiner Directives
 - Manuals
 - Bulletins
 - **Indiana Codes**
 - **Gateway**

Website Resources (continued)

- Electronic Forms
- Calendar
- Meeting Materials
- Best Practices
- Resources
- Audit Reports
- Comments Regarding SBOA Staff
- Responsibilities under IC 5-11-1-27(j)

Website Resources (continued)

- IC 5-11-1-27(g)
 - After June 30, 2016, the legislative body shall ensure:
 - (1) adoption of minimum level of internal controls
 - (2) personnel receive training concerning internal controls and the procedures adopted by the board
- About Us
 - Internal Control Standards
 - Uniform Internal Control Standards for Indiana Political Subdivisions Manual
 - Training
 - Webinar

Prepaid School Meal Accounts

- The School Bulletin, September 2015 – Volume 211, Page 5
(http://in.gov/sboa/files/scb2015_211.pdf)
 - Fund 8400
 - Transfer to 800 when student charges
 - School Board policy on students charging when they don't have a positive balance

SBOA Gateway Reminders

- 100R – Employee compensation report
 - Due January 31, 2016

- Conflict of Interest Disclosures
 - https://gateway.ifionline.org/sboa_coi/

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