



**Indiana State Board of Accounts
Extra-Curricular Workshop
for The Indiana Association of School
Principals**

Contact Information



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State Board of Accounts



- Created in 1909 in response to widespread political corruption
- Mission Statement
 - We are dedicated to providing the citizens of the State of Indiana with complete confidence in the integrity and financial accountability of state and local government.
- Responsibilities
 - Perform audit/exams of governmental units
 - Prescribe forms and procedures used by governmental units
 - Various other duties including recounts, providing training for local officials, consulting services, etc.

State Board of Accounts



Organizational Flowchart

- SBOA Board (State Examiner, 2 Deputies)
- Directors (2 per area)
 - Schools and Townships
 - Cities/Towns and Special Districts
 - Counties
- Audit Coordinators (5)
- Investigation Coordinators (2)
- Field Examiners (230)

Website Resources



- Filed audit and examination reports
- Accounting Uniform Compliance Guidelines Manual for Extra-Curricular Accounts
- Accounting Uniform Compliance Guidelines Manual for Indiana Public School Corporations
- Accounting Uniform Compliance Guidelines Manual for Indiana Charter Schools
- The School Bulletin
- The Charter School Bulletin



<https://www.in.gov/sboa/4449.htm>

Important Websites



- Indiana Public Access Counselor
www.in.gov/pac
- Indiana Commission on Public Records
www.in.gov/icpr
- Indiana Department of Revenue
www.in.gov/dor
- Indiana Department of Education
www.in.gov/doe
- Internal Revenue Service
www.irs.gov

Extra-Curricular Risk Report Gateway Application



Main Menu - Google Chrome
 https://gateway.ifonline.org/ECA/Menu.aspx

Gateway INDIANA for government units

ECA Risk Report [Home](#) [About](#) [Account Settings](#) [Help](#) [Logout](#)

Select Unit > Select Year > Main Menu

County: Sboa Eca Unit
 Unit:
 School:
 Corporation:
 Year: 2014 - 2015

Main Menu

The sections below are required to complete your report. To change any of the fields on the report, click on the link option on the menu below.

		Status
Risk Assessment	Complete the Risk Assessment questions.	Completed.
Annual Reporting	Schedule of Balance, Receipts and Expenditures, Cash Reconciliation, Detail of Receipts and Expenditures by Fund and the Report Certificate.	1 Fund(s) have been added.
Report Output	View reports as PDFs or Excel spreadsheets.	
Submit	Review and submit ECA Risk Report to SBOA.	Not Submitted

Indiana Gateway for Government Units is the collection platform for local units of government to submit required data to the State of Indiana, as well as a public access tool for citizens. It represents a unique partnership between the State of Indiana and the [Indiana Business Research Center](#) at IU's Kelley School of Business, with initial support from the Lilly Endowment and sustainable support from the State of Indiana.

Participating state agencies currently include the [Indiana Department of Local Government Finance](#), the [State Board of Accounts](#), the [Indiana Education Employment Relations Board](#) and the [Indiana Gaming Commission](#).

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Risk Assessment



https://gateway.ifonline.org/ECA/Risk.aspx - Google Chrome

https://gateway.ifonline.org/ECA/Risk.aspx

Corporation:
Year: 2014 - 2015

Risk Assessment

Please answer all questions. Certain questions may require documentation to be uploaded or additional information to be entered.

[Click here to Save Risk Assessment](#)

1. How is the ECA's ledger maintained? Yes No
2. Was a financial report made within two weeks after the close of the school year and after each semester if your school had two (2) or more semesters in a school year, of all fund activity to the school board and superintendent of schools accordance with IC 20-41-1-3 and IC 20-41-1-8. Yes No
3. Was the ECA bank account balance reconciled to the ledger balances on a monthly basis? Yes No
4. Does anyone review and approve the completed bank reconcilements? Yes No
5. Does the ECA have any investments (certificates of deposit, savings accounts, etc.)? Yes No
6. Are any investments accounted for on the ECA ledger? Yes No
7. Is a receipt issued for all monies received and at the time the money is received? Yes No
8. Please indicate how often deposits are made. Yes No
9. When totaling the receipts issued for the day does the classification of the receipts (i.e. cash, checks, etc.) and the classification as shown on the deposit ticket (i.e. currency, checks, etc.) agree? This would include collections for items like textbook rental, fundraisers, ticket sales, etc. Yes No
10. Is School Lunch accounted for in the ECA ledgers? Yes No
11. Is Textbook rental accounted for in the ECA ledgers? Yes No
12. Is a Purchase Order/Accounts Payable Voucher (Form SA-1) and/or Claim for Payment (Form SA-7) used for disbursements? Yes No
13. Are the Purchase Order/Accounts Payable Vouchers (Form SA-1) and/or Claim for Payment (Form SA-7) properly itemized? Yes No
14. Are the Purchase Order/Accounts Payable Vouchers (Form SA-1) and/or Claim for Payment (Form SA-7) signed by the appropriate officials? Yes No
15. Are Ticket Sales (Form SA-4) reports used at events for which an admission price is collected? Yes No
16. Are prenumbered tickets used for sporting and other events for which an admission price is collected? Yes No
17. Do any school personnel stock vending machines and remove money from the machine? Yes No
18. The Summary Collection Form (SA-8) is to be used when a teacher, class sponsor, or other school personnel are in charge of collecting money (for a field trip, fundraiser, etc.) that is later turned over to the ECA treasurer. Was Form SA-8 used to transmit monies collected by teachers, class sponsors, etc. to the ECA treasurer? Yes No
19. Are any outside organizations such as booster clubs, 4-H, Girl Scouts, PTO/PTA, etc. accounted for in the ECA ledgers? Yes No
20. Have items included as comments in the most recent State Board of Accounts review been adequately corrected? Yes No

[Click here to Save Risk Assessment](#)

Once the form has been completed and saved, return to the main [Menu](#).

Annual Reporting



Schedule of Balances, Receipts, and Expenditures - Google Chrome
https://gateway.ifonline.org/ECA/ECA_1.aspx

Schedule of Balances, Receipts, and Expenditures

Click below to Add a new fund or [Click here to upload Files](#). You can skip the entry process by uploading 3 individual files – Funds, Receipts, Expenditures. There is an excel template provided for each one – just click on the template, save it to your local machine, and enter the required information. Then follow the on-screen instructions to "Browse" for the file and then click on Upload File. The fund file must be uploaded before you can upload receipts or disbursements. If you find you made a mistake in the file you uploaded, correct it and then re-upload. **This will delete any previously entered or uploaded data.**

+ Click here to Add a New Fund

NAME OF FUND	BALANCE BEGINNING OF PERIOD	RECEIPTS DURING PERIOD	EXPENDITURES	BALANCE END OF PERIOD
Edit tes	\$3.00	\$6.00	\$8.00	\$1.00 Delete

Please make sure to scroll down to see the complete form.
Click the "Save the Fund and the Detail" button at the bottom or the top to Save the Fund once completed

[Save the Fund and the Detail](#) [Cancel](#)

Detail of Fund
Please fill in all the fields:
Name of the Fund:
Balance Beginning of Period:

Detail of Receipts By Fund

Source of Receipts	Nature of Receipts	Amount	
Edit Receipt test 4	test 5	\$6.00 Delete	
\$3.00	\$6.00	\$8.00	\$1.00

[Click here to Continue to Cash Reconciliation](#)
** Please make sure to save **

[Select Unit](#) > [Select Year](#) > [Main Menu](#) > [Schedule of Balance, Receipts and Expenditures](#) > [Cash Reconciliation](#) > [Report Certificate](#) > [Review](#)

Indiana Gateway for Government Units is the collection platform for local units of government to submit required data to the State of Indiana, as well as a public access tool for citizens. It represents a unique partnership between the State of Indiana and the [Indiana Business Research Center](#) at IU's Kelley School of Business, with initial support from the Lilly Endowment and sustainable support from the State of Indiana.

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Need Help? Email: [Technical Support](#) or the [State Board of Accounts](#)

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Annual Report Cont.



https://gateway.ifonline.org/ECA/ECA_2.aspx - Google Chrome

https://gateway.ifonline.org/ECA/ECA_2.aspx

Year: 2014 - 2015

Cash Reconciliation

Enter the depository balance, the cash on hand, deposits in transit and any reconciling items below. The bank statement used should be the same date as the closing date of the fund information.

Depository Balance:	\$10,142.00
Cash On Hand (ADD):	\$0.00
Deposits In Transit (ADD):	\$0.00
Other Reconciling Items (ADD/DEDUCT):	(\$61.00)
Total of Outstanding Check (DEDUCT):	\$862.00
Balance:	\$9,219.00

[Save and Calculate Total of Outstanding Check and Balance](#)

Outstanding Checks

	Date	Number	Amount	Delete
Edit	5/05/2015	555	\$555.00	X
Edit	3/03/2015	123	\$5.00	X
Edit	4/30/2015	333	\$30.00	X
Edit	5/15/2015	222	\$50.00	X
Edit	5/02/2015	111	\$222.00	X
			Total : \$862.00	

[Click here to Continue to Report Certificate](#)

** Please make sure to save **

[Select Unit](#) > [Select Year](#) > [Main Menu](#) > [Schedule of Balance, Receipts and Expenditures](#) > [Cash Reconciliation](#) > [Report Certificate](#) > [Review](#)

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for Indiana

Annual Report Cont.



https://gateway.ifonline.org/ECA/ECA_3.aspx - Google Chrome
https://gateway.ifonline.org/ECA/ECA_3.aspx

Update Report Certificate

Prescribed by State Board of Accounts
The bank in which all monies of this account are deposited is :

Report Certificate

test
Name of Bank

Indianapolis, IN
Location of Bank

Date school officially closed 6/1/2015

BOND OF SCHOOL TREASURER

Name of Surety test
Amount of Bond \$111.00
Date of Expiration 5/1/2015

CERTIFICATE OF SCHOOL TREASURER/PRINCIPAL

I, test, Treasurer, test,
Principal, of the test School Extra-Curricular
Account, hereby certify that the foregoing report of the said account is true and correct to the best of my knowledge and belief.
I further certify that copies of this report have been filed with the officers designated by law to receive copies of said report.

Treasurer
Principal

COPIES TO BE FILED AS FOLLOWS :

Township School: 1 copy to Township Trustee
1 copy to County Superintendent

School Corporation: 1 copy to Board of School Trustees or Board of School Commissioners
1 copy to Board of Superintendent of Schools

Update Report Certificate

[Click here to Continue to Review](#)

Monthly Uploads



<https://gateway.ifionline.org/lgin.aspx>

Submission



- “Submission Rights” have been assigned to the fiscal officer of the school corporation because that is who is required to submit the Gateway Annual Report to the State Examiner.
- “Edit Rights” can be assigned to whomever the School Corporation wants to assign them. We suggest completing the ECA Delegation of Authority Form (http://www.in.gov/sboa/files/Gateway_ECA_Delegation_Form.pdf). You can complete the form, scan it, and email to gateway@sboa.in.gov.
- After inputting information the ECA Treasurer will have the ability to produce and print the required SA-5 via the Report Output section.

Custodian Responsibilities



IC 20-41-1-3 states:

- (a) A person who has charge of the collection, custody, and disbursement of funds collected and expended to pay expenses incurred in conducting any athletic, social, or other school function, the cost of which is not paid from public funds, shall:
- (1) keep an accurate account of all money received and expended, showing the:
 - (A) sources of all receipts;
 - (B) purposes for which the money was expended; and
 - (C) balance on hand; and
 - (2) file a copy of the account with the township trustee, board of school trustees, or board of school commissioners within two (2) weeks after the close of each school year.
- (b) An account filed under subsection (a)(2) is a public record open to inspection by any interested person at any reasonable time during office hours.

Custodian Responsibilities



- ECA accounts may be used for athletic, social, class, or other school functions.
- ECA accounts may not be used for functions which are educational in nature.
- Accounts for educational functions must be maintained in the school corporation records.

Custodian Responsibilities



- ECA accounts may not be established for functions conducted by outside organizations, for example PTOs, Booster Clubs, Staff groups.
- ~~If the faculty wishes to have a staff fund, then we recommend that each school's faculty group designate a person to control the money.~~
- A report of the ECA account (SA-5) must be submitted within two weeks after the close of the school year to the school board.
- This report is a public record open to inspection by any interested person at any reasonable time during office hours.

Staff Funds



- Our prior audit position disallowed **staff funds to be accounted for in the extracurricular records**. We have recently revised our opinion and we will **not take exception** to an extracurricular account established for staff funds.
- This change in position **does not affect our position on outside organizations**, such as booster groups, parent teacher organizations etc... There should not be any outside organizations' funds accounted for in the extracurricular records.
- IC 20-41-1-7 states in part: "The treasurer has charge of the custody and disbursement of any funds . . . incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers) . . ."

FINANCIAL REPORT
SCHOOL EXTRA-CURRICULAR ACCOUNT

School _____

SCHEDULE OF BALANCES
RECEIPTS AND EXPENDITURES OF
SCHOOL EXTRA-CURRICULAR ACCOUNT

From _____

To _____

NAME OF FUND	BALANCE BEGINNING OF PERIOD	RECEIPTS DURING PERIOD	EXPENDITURES	BALANCE END OF PERIOD
	1	2	3	4
	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	\$	\$



SAMPLE

CASH RECONCILEMENT

LOCATION		
DEPOSITORY BALANCE	_____	\$
CASH ON HAND (ADD)		
TOTAL CASH ON HAND AND IN DEPOSITORY		\$
TOTAL OF OUTSTANDING CHECKS (DEDUCT)		\$
BALANCE		

OUTSTANDING CHECKS

DATE	NUMBER	AMOUNT	DATE	NUMBER	AMOUNT
		\$	BROUGHT FORWARD		\$
CARRIED FORWARD		\$	TOTAL		\$

STATE BOARD

ACCOUNTS

SAMPLE

DETAIL OF RECEIPTS AND EXPENDITURES
BY FUNDS

_____ FUND
RECEIPTS

SOURCE OF RECEIPTS	NATURE OF RECEIPTS	AMOUNT
		\$
TOTAL RECEIPTS		\$

NOTE: TOTAL RECEIPTS MUST AGREE WITH RECEIPTS OF THIS FUND AS SHOWN IN COLUMN 2, PAGE 1.

EXPENDITURE

PURPOSE OF EXPENDITURE	AMOUNT
	\$
TOTAL EXPENDITURES	\$

The bank in which all moneys of this account are deposited is:

Name of Bank

Location of Bank

Date school officially closed _____, _____

BOND OF SCHOOL TREASURER

Name of Surety _____
Amount of Bond \$ _____
Date of Expiration _____

CERTIFICATE OF SCHOOL TREASURER/PRINCIPAL

I, _____, Treasurer, _____,
Principal, of the _____ School Extra-Curricular
Account, hereby certify that the foregoing report of the said account is true and correct to the best
of my knowledge and belief. I further certify that copies of this report have been filed with the
officers designated by law to receive copies of said report.

Treasurer

Principal

Forms



IC 20-41-1-4 states:

- (a) All forms and records for keeping the accounts of the extracurricular activities in school corporations shall be prescribed or approved by the state board of accounts. The records and affairs of the extracurricular activities may be examined by the state board of accounts when the state examiner determines an examination is necessary. The forms prescribed or approved for keeping these accounts must achieve a simplified system of bookkeeping and shall be paid for, along with the bond required in this chapter, from the general fund.
- (b) The funds of all accounts of any organization, class, or activity shall be accounted separately from all others. Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and treasurer of the organization, class, or activity. However, in the case of athletic funds:
- (1) approval of the transfer must be made by the athletic director, who is regarded as the sponsor; and
 - (2) participating students are not considered members.

All expenditures of the funds are subject to review by the governing body of the school corporation.

Forms



- All ECA forms and records shall be prescribed or approved by the SBOA.
- As of April 1, 2014, there is a new form approval process detailed in the March 2014 School Administrator.
- The cost of prescribed or approved ECA records and the bond of the ECA treasurer shall be paid for from the General (**Operations**) Fund of the School Corporation.
- Separate funds are required for each class or activity.
- ECA records shall be examined by SBOA as determined by the State Examiner.

ECA Audits



- Extra-Curricular engagements
 - ECA with Receipts > \$1,000,000 will be examined during the School Corporation audit.
 - FOR 2016 REPORT = 76 ECAS
 - ECA with receipts between \$100,000 - \$1,000,000 will be examined in our office in a centralized compliance engagement.
 - FOR 2016 REPORT = 682 ECAS
 - Will be done on a 4 year rotation coinciding with the school corporation audit.
 - ECA with receipts < \$100,000 and not having a specific risk identified will be examined in a centralized review process
 - Approximately 10% of Statewide Activity
- ECA reviews performed by outside contractors will be considered a management tool

Transfers



- Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor, and treasurer of the organization, class, or activity.
- Approval of the transfer of athletic funds must be made by the principal, treasurer, and the athletic director, who is regarded as the sponsor; participating students are not considered members.
- All expenditures of the funds are subject to review by the governing body of the school corporation.

Requirement of Treasurer



IC 20-41-1-5 states:

(a) A public school must have a treasurer for the purposes of this chapter. The treasurer must be:

- (1) the superintendent or principal of the particular school;
- (2) a clerk of the school corporation; or
- (3) a member of the faculty appointed by the superintendent or principal.

This designation must be made immediately upon the opening of the school term or the vacating of the office of treasurer. Claims shall be filed and paid under sections 7 and 8 of this chapter. The employing or appointing officials of a school may appoint and engage a school treasurer or clerk.

(b) A school corporation may appoint one (1) or more assistant or deputy treasurers.

(c) A treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in this chapter, unless the act or omission constitute gross negligence or an intentional disregard of the treasurer's duties.

Requirement of Treasurer



- A public school (IC 20-18-2-15 defines public school as a school maintained by a school corporation) must have a treasurer.
- A treasurer must be named immediately upon the opening of the school term or when the office of treasurer is vacated.
- Claims shall be filed and paid under 20-41-1-7 and 20-41-1-8.

Requirement of Treasurer



- The employing or appointing officials of a school may appoint and engage a school treasurer or clerk.
- A school corporation may appoint one (1) or more assistant or deputy treasurers.
- A treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in 20-41, unless the act or omission constitute gross negligence or an intentional disregard of the treasurer's duties.

Treasurer Bonding Requirements



IC 20-41-1-6 states:

(a) The treasurer shall give a bond in an amount fixed by the superintendent and principal of the school approximating the total amount of the anticipated funds that will come into the possession of the treasurer at any one (1) time during the regular school year. Bonds shall be filed with the trustee or board of school trustees. The surety on the bonds must be a surety company authorized to do business in Indiana. However, the requirement for giving the bond and the requirement to deposit the receipts in a separate bank account, as required in section 9 of this chapter, do not apply to any school for which the funds, as estimated by the principal, will not exceed three hundred dollars (\$300) during a school year.

(b) The requirements of this chapter may be fulfilled by providing a comprehensive bonding instrument, including a single blanket position bond, for all extracurricular treasurers. A comprehensive bonding instrument is acceptable instead of individual separate personal position bonds

Treasurer Bonding Requirements



- The treasurer shall give a bond in an amount fixed by the **superintendent** and **principal** of the school.
- The amount of the bond should approximate the total amount of the anticipated funds that will come into the possession of the treasurer at any one time during the regular school year.
- Bonds shall be filed with the trustee or board of school trustees.
- The surety on the bonds must be a surety company authorized to do business in Indiana.

Treasurer Bonding Requirements



- The requirement for giving the bond and the requirement to deposit the receipts in a separate bank account, as required in IC 20-41-1-9, do not apply to any school for which the funds, as estimated by the principal, will not exceed three hundred dollars (\$300) during a school year.
- The bonding requirements may be fulfilled by providing a comprehensive bonding instrument, including a single blanket position bond, for all extracurricular treasurers. A comprehensive bonding instrument is acceptable instead of individual separate personal position bonds.
- If either school lunch funds or textbook rental funds are handled through an extra-curricular account, the governing body of the school corporation shall approve the amount of the bond of the treasurer (IC 20-41-2-6)

Additional Bonding Requirements



- P.L. 188-2016 HEA 1372 amended IC 20-26-4-5 effective July 1, 2016 to state:
 - (a) For each school year commencing July 1: (1) the treasurer of each governing body and the governing body's school corporation; (2) a deputy treasurer, if so appointed; and (3) any individual whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds: (A) that belong to a school corporation or the governing body of a school corporation; and (B) in an amount that exceeds five thousand dollars (\$5,000) per year; shall give a bond for the faithful performance of the treasurer's, deputy treasurer's, or individual's duties written by an insurance company licensed to do business in Indiana, in an amount determined by the governing body. The treasurer shall be responsible under the treasurer's bond for the acts of a deputy treasurer appointed as provided in section 1 of this chapter.
 - (b) A governing body may authorize the purchase of a blanket bond that: (1) is endorsed to include faithful performance to cover the faithful performance of all employees and individuals acting on behalf of the governing body or the governing body's school corporation, including the individuals described in subsection (a); and (2) includes aggregate coverage sufficient to provide coverage amounts specified for each individual who is required to give a bond under this section.

Additional Bonding Requirements



- 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 assuming they will collect over the *de minimis* amount.
- There is a dollar threshold or *de minimis* exception in the statute. If an individual whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to public funds are required to be bonded if the amount involving their duties exceeds \$5,000 per year. For example, an athletic director and/or athletic secretary who handles tens of thousands of dollars per year is required to be bonded. However, a teacher who collects field trip money from her kindergarten class is not required to be bonded unless she will collect over \$5,000 per year.
- We recommend that all bonds be filed with and kept by the trustee or board of school trustees.

Responsibilities of Treasurer



IC 20-41-1-7 states:

- (a) The treasurer has charge of the custody and disbursement of any funds collected by a collecting authority and expended to pay expenses:
- (1) approved by the principal or teacher in charge of the school;
 - (2) incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers);
 - (3) that cost more than twenty-five dollars (\$25) during the school year; and
 - (4) that are not paid from public funds.
- (b) The principal or teacher in charge of the school shall designate a collecting authority to be in charge of the collection of any funds described in this section. Upon collection of any funds, the collecting authority shall deliver the funds, together with an accounting of the funds, to the custody of the school treasurer. The principal may designate different collecting authorities for each separate account of funds described in this section.

Responsibilities of Treasurer



- The treasurer has charge of the custody and disbursement of any funds collected by a collecting authority and expended to pay expenses:
 - (1) approved by the principal;
 - (2) incurred in conducting any athletic, social, or other school function
 - (3) that cost more than (\$25) during the school year; and
 - (4) that are not paid from public funds.
- The principal shall designate a collecting authority to be in charge of the collection of any funds.

Responsibilities of Treasurer



- Upon collection of any funds, the collecting authority shall deliver the funds, together with an accounting of the funds, to the custody of the school treasurer. The principal may designate different collecting authorities for each separate account of funds.
- Functions conducted solely by any organization of parents and ~~teachers~~ shall not be accounted for in the ECA records. Therefore, activities and organizations which are not extra-curricular in nature should be responsible for their own accounting and cash handling systems.
- The extra-curricular account should not collect, receipt, remit, or disburse outside organization's monies.



Collecting Authority Example

_____ School

Deposit To: _____ (Fund) Time Frame of Fundraiser: _____

Reason for Receipts: _____
(Fundraiser, Field Trip . . .)

Sponsor: _____ (Please Print Name) Title: _____

RECEIPT DETAIL:

CASH: _____

Coin: _____

CHECKS: _____
(See Detail Below)

Money Orders: _____
(See Detail Below)

TOTAL: _____

NOTE: All receipts for deposit must be accurately counted before turning in to the Treasurer. Any summary found to have a discrepancy will be returned. Please face bills and roll change when possible. The Extra-Curricular Treasurer is to provide an Official Receipt Form SA-3, at the time the Summary Collection Form is turned in.

I CERTIFY I HAVE ACCURATELY ACCOUNTED FOR ALL FUNDS
AND REPORTED THE SAME HEREIN
(Signature of Fund Representative, Name is Printed Above)

Detail Checks/Money Orders
(Attach Additional Information As Needed)

Number	Amount	Number	Amount	Number	Amount	Number	Amount
Subtotal	\$	Subtotal	\$	Subtotal	\$	Subtotal	\$

Amount From Additional Sheets \$ _____

Grand Total \$ _____

Treasurer – Duties



IC 20-41-1-8 states:

(a) The treasurer shall keep an accurate account of all money received by the collecting authority and expended, showing:

- (1) the sources of all receipts;
- (2) the purposes for which the money was expended; and
- (3) the balance on hand.

A copy of the report, together with all records and files of extracurricular activities, shall be filed as required under section 3 of this chapter.

(b) However, in a school that has two (2) or more semesters in any one (1) school year, the treasurer of the school shall file a copy of the treasurer's financial report of receipts and disbursements with the township trustee, board of school trustees, or board of school commissioners not more than two (2) weeks after the close of each semester. Records and files of extracurricular activities for the entire school year shall be filed with the last financial semester report of any one (1) school year.

(c) A copy of the report shall be filed with and kept by the city superintendent having jurisdiction and the county superintendent where the superintendent has jurisdiction.

(d) The records under this section shall be kept for five (5) years, after which they may be destroyed.

Treasurer – Duties



- The treasurer shall keep an accurate account of all money received by the collecting authority and expended, showing:
 - (1) the sources of all receipts;
 - (2) the purposes for which the money was expended; and
 - (3) the balance on hand.
- A copy of the report, together with all records and files of extracurricular activities, shall be filed as required in IC 20-41-1-3.

SCHOOL EXTRA-CURRICULAR ACCOUNT

_____ FUND

NO. _____

	DATE	ITEM	RECEIPT OR CHECK NO.	~	RECEIPTS DEBIT	DISBURSEMENTS CREDIT	BALANCE
1							1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

STATE BOARD OF ACCOUNTS

STATE BOARD OF ACCOUNTS

SAMPLE

Treasurer – Duties



- In a school that has two or more semesters in any one school year, the treasurer of the school shall file a copy of the treasurer's financial report of receipts and disbursements (SA5-1) with the board of school trustees not more than two weeks after the close of each semester. Records and files of extracurricular activities for the entire school year shall be filed with the last financial semester report of any one school year.
- A copy of the report shall be filed with and kept by the superintendent of schools.
- The records under this section shall be kept for five years, after which they may be destroyed.

Deposits and Accounts



IC 20-41-1-9 states:

- (a) The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay. The account is known as the school extracurricular account. The records of each organization, class, or activity shall be kept separate so that the balance in each fund may be known at all times.
- (b) The money in the school extracurricular account may be invested under the conditions specified in IC 5-13-10 and IC 5-13-10.5 for investment of state money. However, investments under this section are at the discretion of the principal. The interest earned from any investment may be credited to the school extracurricular account and need not be credited proportionately to each separate extracurricular fund. The interest earned from the investment may be used for any of the following:
 - (1) A school purpose approved by the principal.
 - (2) An extracurricular purpose approved by the principal.
- (c) Amounts expended under this section for the purposes described in this section are in addition to the appropriation under IC 20-26-5-4(3).

Deposits and Accounts



- The treasurer shall deposit all receipts in one bank account.
- The receipts shall be deposited without unreasonable delay.
- The account is known as the school extracurricular account.
- The records of each organization, class, or activity shall be kept separate so that the balance in each fund may be known at all times.

Prescribed by State Board of Accounts

Form No. SA-3 (Revised 1997)

**RECEIPT
SCHOOL EXTRA-CURRICULAR ACCOUNT**

_____ SCHOOL

No. _____

_____, IN _____, _____

Payment Type and Amount					
Cash Amount	Check/Draft Amount	MO Amount	Credit Card/ Bank Card Amount	EFT Amount	Other

RECEIVED FROM _____ \$ _____

THE SUM OF _____ DOLLARS

FOR DEPOSIT TO THE CREDIT OF _____ FUND

SOURCE _____ (Activity)

TREASURER

ORIGINAL

EST. 1909

Deposits and Accounts



- The money in the school extracurricular account may be invested under the conditions specified in IC 5-13-10 and IC 5-13-10.5 for investment of state money.
- Investments are at the discretion of the principal.
- The interest earned from any investment may be credited to the school extracurricular account and need not be credited proportionately to each separate extracurricular fund.

Deposits and Accounts



- The interest earned from the investment may be used for any of the following:
 - (1) A school purpose approved by the principal.
 - (2) An extracurricular purpose approved by the principal.
- Receipts shall be deposited in the same form in which they are received.
- All disbursements from ECA funds must be made by check or credit card, if you have a board approved policy.

Funds, Records, Accounts, Reports



- The ledger forms prescribed for use by the school extra-curricular account treasurers include a control account.
- All receipts, disbursements and the balance of all activity funds combined should be recorded in the control.
- Posting to the control should be made each day from the receipt and check registers in individual amounts or accumulated by receipt and check number.

Funds, Records, Accounts, Reports



- Subsidiary ledgers shall also be kept of the transactions of each activity, showing each receipt, each disbursement and the balance of each particular fund.
- Posting to the fund of each individual activity should be made from the receipt and check registers by recording each transaction or grouping receipts with consecutive serial numbers and checks with consecutive serial numbers if such are issued for the same source or purpose respectively.

SCHOOL EXTRA-CURRICULAR ACCOUNT

_____ FUND NO. _____

	DATE	ITEM	RECEIPT OR CHECK NO.	-	RECEIPTS DEBIT	DISBURSEMENTS CREDIT	BALANCE	
1								1
2								2
3								3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30

STATE

SAMPLE

COUNTS

Overdrawn Funds



- No fund shall be overdrawn.
- The ECA treasurer should provide the activity sponsor with the monthly transactions and balances of their respective funds. The bank reconciliation should be prepared prior to providing the reports to ensure the correctness of the fund transactions and balances.
- If done monthly, comparisons can be made and differences reconciled before transactions become past due or particulars are difficult to recall.

CASH RECONCILEMENT

LOCATION		
DEPOSITORY BALANCE	_____	\$
CASH ON HAND (ADD)		
TOTAL CASH ON HAND AND IN DEPOSITORY		\$
TOTAL OF OUTSTANDING CHECKS (DEDUCT)		\$
BALANCE		

OUTSTANDING CHECKS

DATE	NUMBER	AMOUNT	DATE	NUMBER	AMOUNT
		\$	BROUGHT FORWARD		\$
CARRIED FORWARD		\$	TOTAL		\$

STATE BOARD

ACCOUNTS

SAMPLE

Extra-Curricular Mileage Claims



- Individuals requesting reimbursement for driving personal vehicles for extra-curricular purposes should properly complete a Mileage Claim, General Form 101, prior to receiving reimbursement.
- Reimbursed mileage shall not include travel to and from the officer's or employee's home and the governmental office in which he works, unless otherwise authorized by statute.

Grant Funds and Educational Fees



- IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds . . ."
- All grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund.
- The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions.

Receipting of Educational Fees



- The following types of items should not be assessed, collected or receipted to a school extracurricular account:
 - Air Conditioning Fees
 - Parking Fees
 - Instructional Fees
 - Bus Rider Fees
 - Fees for Payroll Positions
(Nurses, Principals, Counselors, etc.)

Receipting of Educational Fees



- The following items erroneously appear in funds of the extra curricular account.
- Accounting for them should be in the general fund of the school corporation.

Adult Education Fees
Apples in Education
Art Fees
Distributive Education
Equipment Sale or Rental
Facilities Rental
Grants (State, Federal and Other)
Kindergarten Fees
Typing Fees
Locker Fees
Vocational Education Fees

Rent of School Facilities
Science Fees
Special Education
Driver Education Fees
Summer School Fees
Supplies
Towel Fees
Library Fines and Fees
Visual Education
Night School Fees

Receipting of Educational Fees



- All authorized educational fees (the School Board should be able to justify any educational fees and ensure Constitutional problems do not exist) must be receipted to the General Fund of the school corporation.
- Textbook rental funds maintained at a school building may be used to temporarily record proper fees collected (as a convenience during the collection process of textbook rental).
- Proper educational fees belong in the school corporation general fund and should be transferred timely.

Accounting for Gifts & Donations



- Cash donations that are extra-curricular in nature may be accounted for in the Extra-Curricular Account.
- Any School Corporation donations shall be accounted for in the school corporation records.
- The acceptance of these donations shall have prior approval by the Board of School Trustees.
- Either the School Corporation Treasurer or Extra-Curricular Treasurer will be responsible for the accounting of these funds as applicable.

Approval of Expenditures



- Expenditures by the treasurer of the extra-curricular account are limited to those **approved by the principal** of the school and they should be in accordance with the general administration policies of the school corporation since the law provides that all expenditures shall be **subject to review by the local school board**. [IC 20-41-1-4]
- Distribution of extra-curricular funds to students, teachers or others should not occur unless authorized by statute.

**PURCHASE ORDER
ACCOUNTS PAYABLE VOUCHER**

No. _____

SCHOOL EXTRA-CURRICULAR ACCOUNT

PAID BY CHECK:

DATE _____

No. _____ Date _____, ____

Purchased From _____

Address _____

Purchased For _____

Deliver To _____

Send Invoice To _____

TO THE DISBURSING OFFICER:

The following expense is proposed, payable from the _____ Fund.

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Quantity	Description	Unit	Price	Total
SAMPLE				
Total This Order				

 Signed: _____
 Person Authorized to Purchase

I hereby certify that there is an unobligated balance in the applicable fund sufficient to pay the above order.

Date: _____, ____

Treasurer

CLAIM FOR PAYMENT

No. _____

SCHOOL EXTRA-CURRICULAR ACCOUNT

PAID BY CHECK:

No. _____ Date _____

DATE _____

Purchased From _____
Address _____
Purchased For _____
Delivered To _____
Invoice Handed To _____

TO THE DISBURSING OFFICER:

The following expense is proposed, payable from the _____ Fund.

No payment is to be made for this order until the SA-7 Form is properly filed and the items have been received.

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Quantity	Description	Unit	Price	Total
				\$
Total This Order				\$

SAMPLE

Approved for Payment _____
Signature

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except _____

Date _____

Signed: _____
Signature

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.

Date _____

Treasurer

Prescribed Form SA 2 (Rev 1970)

CHECK

HRS WORKED	GROSS PAY	FEDERAL WITH.TAX	SOCIAL SECURITY	STATE WITH.TAX	INSURANCE				PERIOD ENDING	EMPLOYEE DETACH BEFORE CASHING

PRESCRIBED BY STATE BOARD OF ACCOUNTS

FORM No. SA-2 (Rev. 1970)

SCHOOL EXTRA-CURRICULAR ACCOUNT

_____ (NAME OF SCHOOL) _____ No. _____

Fund _____

Purpose _____

P.O. No. _____

Claim No. _____

Invoice No. _____

_____, Indiana _____

Pay to the order of _____ \$ _____

_____ Dollars

Payable at
(Bank)

Superintendent or Principal

Treasurer

SPACE FOR M.I.C.R.

ORIGINAL

School Lunch Program



- The preferred method of accounting for a school food and nutrition program is through a School Lunch Fund (School Food Service Fund) in the school corporation account.
- Authority is provided to account for the program in an extra-curricular account or accounts. (IC 20-41-2-4)
- If the school lunch funds are accounted for in the ECA accounts, the school board shall approve the amount of the official bond of the treasurer of the extra-curricular account in an amount deemed sufficient to protect the account for all funds coming into the custody of ECA treasurer. (IC 20-41-2-6)

Recording Prepaid School Lunch Transactions



- When student makes payment – a receipt should be recorded to the Prepaid Food fund (8400).
- When a student receives a school meal – a transfer should be made from the Prepaid Food (disbursement) fund to the School Lunch fund (receipt).
- The Prepaid Food fund balance should be reconciled to the detail of individual student account balances routinely.
- Columns to account for Prepaid Transactions have been provided on the form SF-2, SF-3, and SF-4. (see ECA Manual Ch. 3, pg. 3)

Curricular Materials (Textbook) Rental



- The preferred method of accounting for a textbook rental program is through a Curricular Materials Rental Fund in the school corporation account.
- Where no textbooks have been purchased and no financial commitments or guarantees for such purchases have been made by the school corporation, authority is provided to account for the textbook rental program in the extra-curricular account or accounts. (IC 20-41-2-5)
- If textbook rental is accounted for in the ECA accounts, the school board shall approve the amount of the official bond of the treasurer of the extra-curricular account in an amount deemed by the school board sufficient to protect the account for all funds coming into the custody of said treasurer. (IC 20-41-2-6).

Amended IC 36-1-8-11



- Authorizes a political subdivision or municipally owned utility to charge a reasonable fee for convenience when accepting a credit card or bank card for payments. Provides that a convenience fee imposed by a political subdivision or municipally owned utility on a credit card transaction may not exceed \$3, must be uniform regardless of the bank card or credit card used, and may be collected regardless of retail merchant agreements between the bank and credit card vendors that may prohibit such fees.

INVENTORY OF RENTAL TEXTBOOKS

_____, ____
Date

Name of School or School Corporation

NAME OF PUBLISHING COMPANY	NAME OF TEXTBOOK OR SERIES OF TEXTBOOKS	QUANTITY	RETAIL PRICE	TOTAL VALUE

SAMPLE



OFFICIAL RECEIPTS - INDIVIDUAL TEXTBOOK RENTAL LIST

_____ SCHOOL, _____, INDIANA

Receipt _____ 0001

_____ Date _____ Name of Student _____ Grade _____

Payment Type and Amount					
Cash Amount	Check/Draft Amount	MO Amount	Credit Card/ Bank Card Amount	EFT Amount	Other

Quantity	Description - Name - Series - Code	Unit Price	Total Rental Fee	For Use of Issuing Officer
Total Received		\$	\$	

NOTE TO STUDENTS AND PARENTS:

Care should be exercised in the use of rented textbooks in order that all books may be returned at the close of the school term in useable condition. For each textbook lost or returned damaged beyond use, an additional charge may be made as determined by school officials. Items available for classroom use not issued to students shall also be listed. If the volume of transactions for grades with a fixed list of books and materials is great enough to demand it, a copy of the printed list may be attached to the TBR-2 form and the form processed with a reference to such attached list instead of further itemization.

_____ Issuing Officer

Collection of Amounts Due



- Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute.

Bad Debts and Uncollectible Accounts



- The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.
- Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.
- Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible.

General (Student Activity) Funds



- The State Board of Accounts consistently has been of the audit position to not take an audit exception to a school extra curricular account having a general fund if the fund consists of revenues received from functions (vending machines or sales of a similar nature, etc.) not generated by students for a specific class or organization (for which a fund should be established).
- Our audit position has been with the provision that the functions for which the expenditures are made benefit the student body as a whole (as opposed to a select group of students, school employees or administrators).
- Examples of appropriate expenditures would be convocations, field trips which the entire student body has the opportunity to take during the course of the school year, etc.

General (Student Activity) Funds



- Our audit position has been based in part upon the substance of the transaction (the revenues are primarily from students or parents paying into vending machines, picture money, etc.).
- We would not take audit exception to a public policy of a school corporation which would provide that a general fund does not exist and that money from these type of functions be used to offset the cost of the function (reduced prices of vending machine items, reduce the costs of pictures, etc.).

General (Student Activity) Funds



- IC 20-41-1-9 concerning investment income funds (interest income funds) specifically provides authorization for either corporation or extra-curricular type of expenditures.
- The General School Powers Act (IC 20-26-5-4) provides general, as well as specific, powers and duties of the governing board in carrying out the school purposes of the school corporation which they govern.

General (Student Activity) Funds



- Included in the specific powers with which the board is charged is the responsibility to ". . . take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, and other libraries where permitted by law, other buildings, facilities, property, and equipment."
- IC 20-41-1-4 provides in part, concerning extra-curricular funds: "Funds may not be transferred from the accounts of any organization, class or activity except by a majority vote of its members. . ."
- IC 20-41-1-4 also provides, concerning extra-curricular expenditures: "All expenditures shall be subject to review by the local school board."

General (Student Activity) Funds



- Inquiries have questioned the use of a general fund or student activity fund for educational expenditures (copy machines, computers, educational materials, supplies, etc.) which would normally be from school corporation funds.
- The State Board of Accounts' audit position is as stated above. However, we will not take audit exception to a school having disbursements from an extra-curricular "general fund" or "student activity fund" for authorized school corporation type expenditures, such as equipment, supplies, etc., with the following conditions:
 1. A policy has been adopted by a school board in a public meeting authorizing these types of expenditures.
 2. Providing there are no objections from a majority of an applicable student body to these types of expenditures.
 3. Equipment purchases would still require separate approval from the local school board.

General (Student Activity) Funds



- Since alternatives exist for funding educational expenditures (i.e., taxes, authorized investment income expenditures, etc.) and other alternatives for the use of a general fund are available (i.e., reducing the cost of items to students and/or parents), we must emphasize the adoption of the aforementioned would be a public policy decision for which the local board of school trustees must accept any and all responsibility.

General (Student Activity) Funds



- We have received numerous questions on if Spell Bowl fees can be paid out of the ECA General Fund.
- We will not take exception to the membership fee to the Dept. of Student Programs, which includes participation in academic competitions, art contests, Student Day at the Legislature, etc. being paid from the Student Activity Fund.
- The entry fee for the specific competition should be paid from the school corporation general (operations) fund or by the participants in the competition.

Fundraisers



- Governmental units which conduct fundraising events should have the express permission of the governing body for conducting the fundraiser as well as procedures in place concerning the internal controls and the responsibility of employees or officials.
- School Board would also need to approve/accept donations to be received.

Fundraisers



We have received many questions about fundraising activities and where the financial transactions should be accounted.

- We have not found any statutes that address who has control over fundraising activities. Therefore, we would not take exception to the local school board passing required procedures if the fundraising activity uses school property or is associated with a school event.

Fundraisers



- In the absence of a local policy, our opinion would be that each fundraising activity needs to be looked at individually to determine if the school corporation is running the activity or if an outside organization is running the activity.
- Things to keep in mind would be that if school employees are participating in the fundraising activity on school time, then the fundraiser activity should be accounted for in the school records or you run the risk of ghost employment issues.

Donations to Outside Organizations



- We will not take exception to club/organizations donating money to an outside organization based on a majority vote of its members.
- Documentation must be retained to provide approval of a majority of the members.
- The warrant/check should be written to an organization and not an individual.

Gift Cards/Credit Cards



- The State Board of Accounts has updated our position on gift card purchases.
- We will not take exception to the use of gift cards by an extra-curricular unit provided the following criteria are observed:
 1. The school board must authorize gift card purchases through a resolution, which has been approved in the board minutes.
 2. The purposes for which gift cards may be issued must be specifically stated in the resolution.

Gift Cards/Credit Cards



3. Purchase and issuance of gift cards should be handled by an official or employee designated by the school principal.
4. The designated responsible official or employee shall maintain an accounting system or log which would include the name of the business from which gift cards were purchased, their amounts, fund and account numbers to be charged, date the card was issued, person gift card was issued to, proof that the gift card was received by the person it was issued to, etc.

Gift Cards/Credit Cards



5. Gift cards shall not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the school board and other officials with timely and accurate accounting information and monitoring of the accounting system.
6. Procedures for payments should be no different than for any other claim. The school principal must approve the expenditure and supporting documents such as paid bills and receipts must be available. Additionally, any purchase or issuance of gift cards without proper documentation may be the responsibility of that officer or employee.

Vending, Concessions or Other Sales Controls



- Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received.
- Any discrepancies noted should be immediately documented in writing to proper officials.
- The reconciliation should provide an accurate accounting.
- Persons with access to vending should be properly designated and access should be limited to those designated.

Vending Machine Commissions and/or Profits



- There should be a clearly defined procedure adopted by the governmental unit concerning placement, use, maintenance, and commissions and/or profits of vending machines on their property.
- All revenues generated and costs incurred in operating vending machines located on the government premises should be accounted for through the governmental unit's records.
- If vending machines are located in restricted areas (areas other than those available to the public) and if the governmental body and chief executive officer wish for those revenues to be restricted for the use and benefit of those employees who use the machines and generate the revenues, the State Board of Accounts takes no exception to such action in an audit.

Vending Machine Commissions and/or Profits



- The decisions must be authorized by proper resolution or ordinance of the governing body.
- If vending machines are located in areas where the public makes use of the machines and generates the resulting revenues, we advise officials to place the revenues in the general fund for the benefit of the general public, the machine users.
- Any alternative procedure should be authorized by resolution or ordinance of the governing body.

Vending Machine Commissions and/or Profits



- In the event personnel other than the governmental unit's personnel maintain, stock, and clean up around vending machines, we take no audit exception when such persons are paid for these services.
- A written agreement should be entered into listing the services to be rendered, the amount to be paid for such services, timing of payments, and any other areas deemed necessary by the governmental unit.

Vending Machine Commissions and/or Profits to Faculty/Staff



- If a vending machine is accessible to the students or the public, the proceeds from that machine should be receipted into the Student Activity fund.
- Prior Audit Position: If a school has a vending machine that is only accessible by the faculty/staff and wishes to allow the faculty/staff to benefit from the proceeds, we would not take exception to the school providing the faculty/staff group those proceeds. **New audit position: We will not take exception if these proceeds are receipted in to the Staff fund.**
- Prior Audit Position: If the vending company will only issue one check to the school, we have suggested that the ECA Treasurer receipt the proceeds into whatever ECA fund that they normally do and then issue a check/warrant to the designated faculty/staff member for the vending machine that is only accessible to the staff. **New audit position: We will not take exception to the vending machine proceeds from machines only accessible to faculty/staff being receipted into the Staff fund.**

Date: _____

ACCOUNTABLE ITEMS REVIEW

Number: _____

_____ School

Time Frame of Report: _____ DESCRIPTION: _____

Beginning Inventory _____

Purchases _____

Subtotal _____

Complimentary Distributions
Per School Board Policy:

Athletic Teams _____

Staff Meetings _____

Awards _____

Other _____

Total _____

Total Eligible for Sale _____

Ending Inventory _____

Items Sold _____

Sale Price \$ _____

Projected Revenue (Items Sold @ Sale Price) \$ _____

Actual Amount Received \$ _____

Difference \$ _____

Signed: _____

Title: _____

SAMPLE



Non-Session School Activities- Camps



- Examples: Athletic Camps, Cheerleading Camps, Band Camps, Summer Weightlifting, etc.
- According to IC 20-30-15-6: “(a) When public schools are not in session, a governing body may employ personnel to supervise the following: (1) Agricultural education club work. (2) Industrial education club. (3) Home economics education club work. (4) Music activities. (5) Athletics. (b) Activities described in subsection (a) must be open and free to all individuals of school age residing in the attendance unit of the school corporation that is paying all or part of the cost of the activity.

Non-Session School Activities - Camps



- Any camps that charge a fee would be considered to be hosted by a Booster Club or Outside Organization.
- Therefore, accounting for the receipts and disbursements should not be recorded in the Extra-Curricular Accounts.
- We have seen individual coaches “donate” proceeds from summer camps to their subaccount in the Athletic Fund, but would not be required.

ECA Fraud!



- In 2018 we performed 17 special investigations on ECAs.
 - \$156,735.63 of missing deposits
 - Found issues in Event Center collections, Athletic events, Fundraiser proceeds, Textbook rental collections, and School Lunch collections.
- Cash environment is inherently risky

Special Investigations Suggestions - Fundraisers



- Money collected from various school fundraisers have proven to be a favorite area of theft for ECA treasurers. **Sponsors seldom watch their fund activity or follow up** to insure they get credit for the amount remitted to the ECA treasurer. Additionally, there are frequently **no controls in place over the collections** prior to the time they are turned into the ECA treasurer. Both weaknesses make these revenues susceptible to theft by either the sponsor or ECA treasurer. In some cases, the sponsor maintained records of the collections turned into the ECA treasurer however most times the sponsor had no record.
- A control or controls that would help control these revenues would be **requiring the sponsor to issue a receipt to each student** for the collections turned into the sponsor. The **sponsor would then prepare a Sales report that would detail, by receipt** (i.e. receipt #s 2343 through 2367) that would agree with the issued receipts. **ECA treasurer and sponsor should count the cash together and both initial the Sales report.** After deposit the **ECA treasurer should provide the sponsor with a duplicate copy of the deposit ticket.** The sponsor would attach the deposit ticket to the sales report.
- This process would add a great deal of control both over collections prior to the time they were remitted to the ECA treasurer and after.

Special Investigations Suggestions – Athletic Events



- *Ticket sales reports are seldom looked at after they go from the Athletic Director to the ECA treasurer. We found numerous instances where the **ticket sales report did not match the deposit made by the ECA treasurer.***
- *A control that would prevent this from happening would be requiring the **ECA treasurer and AD to count the money together and both initial the ticket sales report** verifying the amount of cash turned into the ECA treasurer, then requiring the **ECA treasurer to provide the AD with a duplicate deposit ticket** for the event. The AD would then attach the copy of the deposit ticket to their ticket sales report and confirm that all event proceeds were properly deposited. This process would provide an added level of protection to both the AD and ECA treasurer*

Special Investigations Suggestions – Curricular Materials



- *The majority of textbook rental payments are collected at the start of each school year and is normally pretty busy time for the employees. While the TBR fund is usually maintained at the corporation level the collection process usually occurs at the school building with collections eventually being turned over to the Corporation Treasurer.*
- *Different software systems along with free TBR and bad debts make it pretty easy to make it difficult for the corporation to determine how much they should be receiving. Additionally, these payments often are made in cash, making it easy to steal from. Most schools have Textbook rental records on a computer system.*
- *These systems **should be able to generate a printout of all collections remitted by student.** This printout should be presented to the Corp treasurer along with the cash and checks collected. Total collections **should be counted by both the employee remitting the collections and the ECA treasurer and reconciled to the computer printout.** After the reconciliation is achieved **both the ECA or Corp treasurer and employee remitting the collections should sign the printout** verifying that everything balanced. After deposit a duplicate deposit ticket should be attached to the printout and it should be retained for audit. Additionally a printout should be generated any time a reimbursement for free TBR is received. This printout should designate the student account the reimbursement applies to.*
- *Finally, any and all write-off or adjustments to student accounts should be authorized by the Corporation treasurer before being posted to the student account.*

INTERNAL CONTROL STATUTE REQUIREMENTS



- IC 5-11-1-27
- (e) – “The internal control standards and procedures shall be developed to promote government accountability and transparency.
- (g) – Any time after June 30, 2016, the School Board shall be able to ensure that (1) the minimum internal control standards have been adopted. (2) shall ensure that “personnel” have received training on the minimum internal control standards.
- (h) – Any time after June 30, 2016, the fiscal officer shall be able to certify in writing that (1) the minimum internal control standards have been adopted. (2) that “personnel” have received training on the minimum internal control standards. The certification shall be filed electronically as part of the Gateway Annual Financial Report.

INTERNAL CONTROL CERTIFICATION



- Adopt minimum standards via Resolution, By-laws, or School Policy
- Personnel, as defined in IC 5-11-1-27(c) required to be trained by using approved training found on SBOA website
 - Additional approved training contact following vendors:
 - Central Indiana Education Service Center (CIESC)
 - Safe Schools
- Certify on FY 2018 Gateway Annual Financial Report, due August 29, 2019
 - Check “Yes” for items listed in the Unit Questions section

INTERNAL CONTROL STATUTE REQUIREMENTS (Continued)



- What happens if you are in noncompliance with the statute?
 - After June 30, 2016, SBOA will
 - Issue a comment in the audit report
 - If during the second review period, you still have not complied, you will have 60 days to comply and let us know
 - If you still don't, we will notify the DLGF and they will not approve a budget or additional appropriations until you comply

What are Internal Controls?

- A system designed to provide government reasonable assurance that objectives will be achieved
- Designed to prevent or detect situations in which government has failed to achieve an objective
- Preventative controls are those such as requiring dual signatures on checks or having password-protected files. This type of control protects and limits access to business assets.
- Detective controls include reconciling the bank or inventory counts. Typically these internal controls are performed periodically to see if any need to be corrected. They will often turn up internal errors or problems, as well as any external errors (such as bank errors).



ECA INTERNAL CONTROLS



- Why are they important?
 - Promote government accountability and transparency
 - Essential tool in government's ability to make proper decisions
 - Accountability and transparency
 - Internally – quickly evaluated; inefficiencies addressed and corrected
 - Externally – encourage efficient use of government time and resources
 - Conveys to citizens commitment to detect fraud, waste, abuse
 - Reduces costs – timely completion of responsibilities / prevents fraud, waste, abuse
 - Better internal controls can result lower audit costs
 - Help identify and correct inefficiencies in governments processes
- How do you implement them?
 - Identify areas of Risk
 - Develop policies and procedures to address the areas of risk
 - Monitor that policies and procedures are being followed and have addressed the risks identified

ECA INTERNAL CONTROLS



- Segregation of Duties –
 - One of the biggest obstacles for a sufficient internal control system
 - The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions. It also reduces the risk of management override.
 - In very small governmental units, such segregation may not be practical. In this case, compensating activities should be implemented which may include additional levels of review for key operational processes, random and/or periodic review of selected transactions.

DUTIES THAT “SHOULD” BE SEPARATED



- Receipt roles - Collecting, Depositing, Recording and Reconciling functions.
- Purchasing roles – Ordering, Receiving, Claim Creation/Approval, Payment, and Reconciling functions.
- Inventory roles - Requisition, Receipt, Disbursement, Conversion to scrap and Receipt of scrap proceeds functions.

DOCUMENTATION



- For audit purposes one of the key elements of internal controls that is forgotten is to document the process.
 - Who does what and when
 - Proof that procedures and policies are being followed
 - Evaluation of how effective the policies and procedures are
 - Corrective actions taken to address identified problems

ECA INTERNAL CONTROLS CONT.



- Common areas to address:

- Collections –

- School Lunch

- Athletic Events

- Curricular Materials Rental

- School Dances

- School Play

- Vending Machines

- Fundraisers

- Asset Protection –

- Cash Balances

- Purchase of Goods

- Inventory of Goods

- Information Technology

ECA INTERNAL CONTROLS CONT.



- Risks identified for Athletic Event collections:
 - Skimming of cash collections
 - Admission without payment
 - Charging incorrect admission
 - Not depositing collections intact
 - Destroying or not retaining accountable items (tickets, lists, deposit ticket, etc.)
 - Making cash payments out of collections



Ticket Taking Activity



Questions?