

The background features a large, faint watermark of the Seal of the State Board of Accountants, Indiana. The seal is circular and contains the text "STATE BOARD OF ACCOUNTANTS" around the perimeter and "INDIANA" in the center. It is surrounded by a ring of stars.

IASP ECA Seminar

Chase Lenon, CPA, CGFM

Jonathan Wineinger

GTAC Directors

Contact Information



- Phone: 317-232-2512
- Email: Schools.Townships@sboa.in.gov
- Website:
<https://www.in.gov/sboa/4449.htm>

About the State Board of Accounts



- Created in 1909 in response to widespread 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 all governmental units
 - Prescribe forms and procedures used by governmental units
 - Various other duties including recounts, providing training for local officials, consulting services, etc.



Organizational Flowchart

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

ECA Audits



- ECA with receipts greater than \$1,000,000 will be examined during the school corporation audit by the assigned field examiners
- ECA with receipts between \$1,000,000 - \$100,000 will be examined by a centralized compliance process
 - Will be done on a 4-year rotation coinciding with the School Corporation audit
- ECA with receipts less than \$100,000 and not having a specific risk identified will have **Centralized review process**
 - Approximately 10% of total statewide ECA activity

Gateway



- <https://gateway.ifionline.org/>
- User Guide:
<https://gateway.ifionline.org/userguides/engagementguide>
- Submitter – ECA or Corporation Treasurer

Gateway

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

INDIANA Gateway for government units



[Home](#) [Report Builder](#) [Download Data](#) [Learn More](#)

[Local Officials: Login Here »](#)

An Open Door into Local Government Finance

Gateway collects and provides access to information about how taxes and other public dollars are budgeted and spent by Indiana's local units of government.



[Find your units](#)



[Public employee compensation](#)



[When is your budget hearing?](#)

Login Screen

[Home](#) [About](#) [User Guides](#)

The Indiana Gateway for Government Units provides a central commons for local units to submit their financial forms to the State of Indiana.

This site works best in [Firefox](#) and [Chrome](#). Internet Explorer browser.

Authorized Personnel Login

User Name:

Password:

[Forgot your password?](#)

Please note: Passwords are CASE sensitive.

After 5 failed attempts to log in, your account will be locked—
notify ibrctech@iu.edu.

[Request Authorization to Access Gateway](#)

Announcements

Gateway Reporting Access Authorized User P

The local official login portion of Gateway is accessible only
responsible for entering and submitting reports to the State.
the person who receives authorization. [Read full policy »](#)

Welcome to the Indiana Gateway for Government Units

As an authorized user, you will have at least one application to use. Each of these applications enables a local unit to submit its required forms, reports or files to the appropriate state agency. Agencies currently include [Department of Local Government Finance](#), [State Board of Accounts](#), [Indiana Education Employment Relations Board](#) and [Indiana Gaming Commission](#).

Select Application

Department of Local Government Finance (DLGF)	Deadline
Abstract	Details
Assessor Reports	Mar 31
Budgets	Details
Data Entry for CNAV and Form 22	Details
Debt Management	Details
Economic Development Reporting	Sep 30
File Transmission	Details
Other Post-Employment Benefits	Mar 1
SB 131 Reporting for SWMDs	Mar 1

State Board of Accounts (SBOA)	Deadline
100R	Jan 31
Annual Financial Report	Details
Monthly and Annual Engagement Uploads	Details
Conflict of Interest Disclosure	15 days after final action on the contract or purchase
E-1 Entity Annual Report	60 days after entity's fiscal year ends
ECA Risk Report	Aug 29

Monthly Uploads



- State Examiner Directive 2018-1
 - <https://www.in.gov/sboa/files/Directive%202018-1.pdf>
- More efficient and less costly audits.
- Proactively identify problems.

Dates of Submission



- Monthly – by the 15th of each month
 - 45 days to submit information (January information in March).
- 1st month required: January 2019
- Annual Uploads – After **Fiscal Year-end**
 - **By August 29th**

Monthly Upload Requirements



1. Bank reconcilements
2. Approved board minutes — N/A for ECAs
3. Funds ledger, summarizing total receipts, disbursements, and balances by fund

Annual Upload Requirements



- Year-end bank statement
- Year-end outstanding check list
- Year-end investment statements
- Detail of receipt activity – **N/A for manual records**
- Detail of disbursement activity – **N/A for manual records**
- Current year salary resolution
- Annual vendor history report – **N/A ECAs**

Gateway INDIANA for government units



[Select Unit](#) > [Select Year](#) > [Main Menu](#)

County:

Unit: Sboa Eca 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

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

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? Computerized ▾
- 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 reconciliements? 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. Daily ▾
- 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](#)

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](#)

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

Corporation:
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:	<input type="text" value="\$10,142.00"/>
Cash On Hand (ADD):	<input type="text" value="\$0.00"/>
Deposits In Transit (ADD):	<input type="text" value="\$0.00"/>
Other Reconciling Items (ADD/DEDUCT):	<input type="text" value="(\$61.00)"/>
Total of Outstanding Check (DEDUCT):	\$862.00
Balance:	\$9,219.00

Outstanding Checks

+ Add new record				
	Date	Number	Amount	Delete
<input type="button" value="Edit"/>	5/05/2015	555	\$555.00	<input type="button" value="X"/>
<input type="button" value="Edit"/>	3/03/2015	123	\$5.00	<input type="button" value="X"/>
<input type="button" value="Edit"/>	4/30/2015	333	\$30.00	<input type="button" value="X"/>
<input type="button" value="Edit"/>	5/15/2015	222	\$50.00	<input type="button" value="X"/>
<input type="button" value="Edit"/>	5/01/2015	111	\$222.00	<input type="button" value="X"/>
			Total : \$862.00	
+ Add new record				

[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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Update Report Certificate

Prescribed by State Board of Accounts

Report Certificate

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

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

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~~.
- 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		\$

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 _____, ____

SAMPLE

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



- All ECA forms and records shall be prescribed or approved by the SBOA.
- As of April 1, 2014, there is a 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 **Operations** Fund of the School Corporation.
- Separate funds are required for each class or activity.

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



- 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.
- 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



- 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



- Does 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.
- A comprehensive bonding instrument is acceptable instead of individual separate personal position bonds.
- If either **school lunch or curricular materials** 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



- 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



- 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 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.

Date: _____

SUMMARY COLLECTION FORM

NUMBER _____

_____ School

Deposit To: _____
(Fund)

Time Frame of Fundraiser: _____

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

Sponsor: _____, Title: _____
(Please Print Name)

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



- 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

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



- 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.

**RECEIPT
SCHOOL EXTRA-CURRICULAR ACCOUNT**

_____ SCHOOL _____
_____, IN _____, _____ No. _____

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

RECEIVED FROM _____ \$ _____

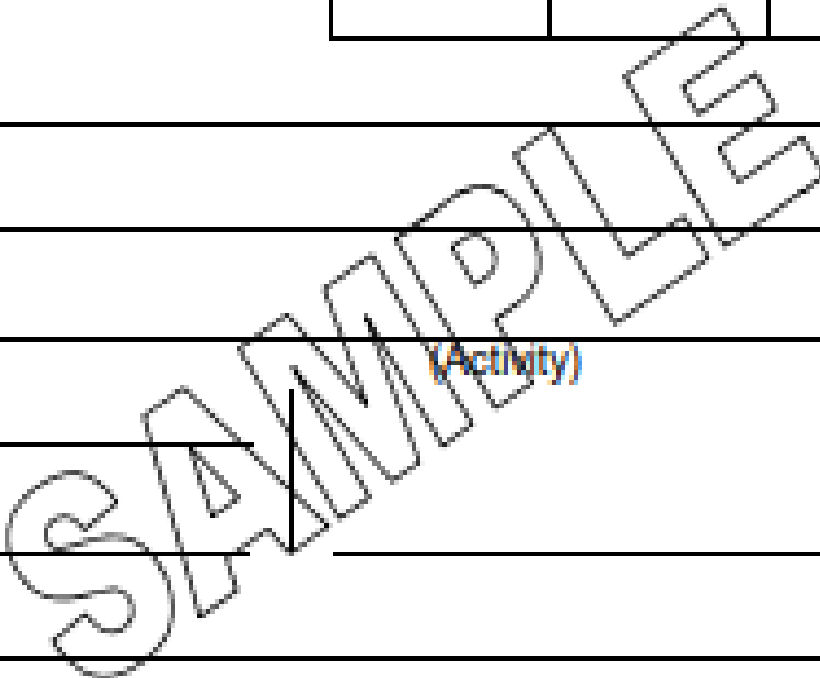
THE SUM OF _____ DOLLARS

FOR DEPOSIT TO THE CREDIT OF _____ FUND

SOURCE _____ (Activity)

TREASURER

ORIGINAL



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.

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		\$

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.

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.
- Proper educational fees belong in the school corporation funds and should be transferred timely.

Receipting of Educational Fees



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

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.

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.**

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				\$

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

Reimbursement Procedures



- Two Options – (Determined by Policy)
 1. Provide ECA Treasurer /w invoices/bills for costs associated with event.
 2. Pay the cost and submit documentation for reimbursement.
 - Documentation should be itemized.

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 School Lunch fund (8400).
- When a student receives a school meal – a transfer should be made from the Prepaid School Lunch (disbursement) fund to the School Lunch fund (receipt).
- The Prepaid School Lunch 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).

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		\$	\$	

SAMPLE

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



- 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 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.

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 \$ _____

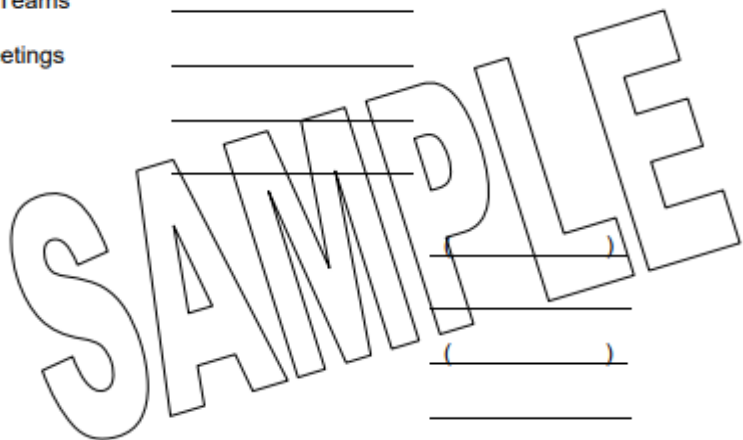
Projected Revenue (Items Sold @ Sale Price) \$ _____

Actual Amount Received \$ _____

Difference \$ _____

Signed: _____

Title: _____



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.

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

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 SALES

SCHOOL _____
GAME _____
OTHER _____

TOWN OR CITY _____
DATE _____
ACTIVITY _____

TICKETS								
KIND	ISSUED		RETURNED		TICKETS SOLD	PRICE	TOTAL AMOUNT SALES	
	SERIAL NO.	AMT.	SERIAL NO.	AMT.				
	TOTAL							

SAMPLE

Made by _____
(Title)

Verified and Approved by _____
(Official or Sponsor)

ORIGINAL



Questions?