

ECA Training

Indiana Association of School
Principals

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Contact Information



- Website – <https://www.in.gov/sboa/4445.htm>
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ECA Activity included in School's Financial Statements



- Enhanced Regulatory Audits start with 2019-2021 biennial audits.
- Financial Statements will be presented based upon Fund type.

Subpoenas



- **Subpoenas** will be to non-filers.
- Copies will be sent to the School Treasurer, Superintendent and School Board President.

Gateway Updates (ECA Closure)



- If an ECA is combined or closed, you must notify SBOA.
- ECA Risk Reports should be filed for each year financial activity occurred.
- In the final year of operation, **the ECA should report \$0 cash balances in every fund in Gateway.**

ECA Risk Report and Monthly Uploads



Gateway Access



- Gateway@sboa.in.gov
- Submitter – Corporation Treasurer
- Editor – Complete Delegation form
- <http://www.in.gov/sboa/files/DelegationForm.pdf>

ECA Risk Report



- **Per IC 5-11-1-4**

- Must be filed with the State Examiner.
- Must be filed electronically via the State Gateway.
- Due 60 days after the fiscal year end, which is August 29th.

- **Per IC 5-11-1-25**

- SBOA develops risk-based examination criteria and frequency of audits from reported information.

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.

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 »](#)

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

County:
Unit: Sboa Eca Unit 5
School
Corporation:
Year: 2020 - 2021

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.	105 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

1. How is your ECA's ledger maintained?

2. Was a financial report made within two weeks after the close of the school year and after each semester if your school has two (2) or more semesters in a school year, of all fund activity to the school board and superintendent of schools in accordance with IC 20-41-1-3 and IC 20-41-1-8?

3. Was the ECA bank account balance reconciled to the ledger balances on a monthly basis?

3a. How frequently are bank account balances reconciled without any difference or variance?

4. Does anyone review and approve the completed bank reconciliements?

4a. List the position and name of the person(s) reviewing completed reconciliation.

5. Does the ECA have any investments (certificates of deposit, etc.)?

5a. If yes, list the name of the bank(s) where the investments are maintained.

6. Are any investments accounted for on the ECA ledger?

7. Is a receipt issued for all monies received and at the time the money is received

8. Please indicate how often deposits are made? Which best fits your situation?

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.


 10. Is School Lunch accounted for in the ECA ledgers?

10a. If yes, is a SF-2 or SF-3 used?

11. Is Textbook rental accounted for in the ECA ledgers?


11a. If yes, are receipts (Form TBR-2, Official Receipt - Individual Textbook Rental List) issued?

12. Is a Purchase Order/Accounts payable voucher (Form SA-1) and/or Claim for Payment (Form SA-7) used for disbursements?

 13. Are the Purchase Order/Accounts Payable Vouchers (Form SA-1) and/or Claim for Payment (Form SA-7) properly itemized?

14. Are the Purchase Order/Accounts Payable vouchers (Form SA-1) and/or Claim for Payment (Form SA-7) signed by the appropriate officials?

14a. List the position and name of the person(s) signing Purchase Order/Accounts Payable vouchers (Form SA-1) and/or Claim for Payment (Form SA-7).

 15. Are prenumbered tickets used for sporting and other events for which an admission price is collected?

15a. If yes, are Ticket Sales (Form SA-4) reports used to reconcile the number of tickets sold to the amount of collections to be turned over to the ECA treasurer?

16. Do any school personnel stock vending machines and remove money from the machine?

16a. If yes, is Form SA-9, Accountable Items Review, completed at least once per school year?

17. The Summary collection Form (SA-8) is to be used when a teacher, class sponsor, or other 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?

18. Are any outside organizations such as booster clubs, 4-H, Girl Scouts, PTO/PTA, etc. accounted for in the ECA ledgers?

18a. If yes, please list those organizations.

19. Are all fundraisers approved by the School Board?

19a. If yes, has the School Board established controls and procedures over fundraisers?

20. Does the ECA have a credit/debit card or local business charge accounts issued in the name of the school?

20a. Are credit card statements or debit card transactions reviewed often for irregularities?

20b. Has the School Board approved a policy related to the use of the credit/debit card or local business charge account?

20c. If yes, upload a copy of the credit or debit card policy. (jpg, pdf, gif, tif, png)

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	2000.00 00100 ATHLETIC OFFICE INVOICES	\$19,522.61	\$56,263.17	\$49,603.31	\$26,182.47	Delete
Edit	2000.00 00200 ATHLETIC PEPSI	\$2,001.32	\$5,500.00	\$6,115.77	\$1,385.55	Delete
Edit	2000.00 00250 ATHLETIC SUPERVISION	\$234.82	\$0.00	\$0.00	\$234.82	Delete
Edit	2000.00 00300 BASEBALL	\$831.09	\$9,620.25	\$5,193.87	\$5,257.47	Delete
Edit	2000.00 00301 BASEBALL FUNDRAISER	\$505.68	\$200.00	\$786.86	(\$81.18)	Delete
Edit	2000.00 00400 BASKETBALL BOYS	\$21,055.42	\$4,453.96	\$12,501.54	\$13,007.84	Delete
		\$389,745.71	\$461,448.53	\$534,527.26	\$316,666.98	

+ Click here to Add a New Fund

NAME OF FUND	BALANCE BEGINNING OF PERIOD	RECEIPTS DURING PERIOD	EXPENDITURES	BALANCE END OF PERIOD
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Source of Receipts

Nature of Receipts

Amount

Edit Receipt	Gate Sales	Stripe Deposit	\$50.00	Delete
Edit Receipt	Uniforms Spirit Wear Tickets	Various	\$360.00	Delete
Edit Receipt	Gate Sales Parking Pass	Stripe Deposit	\$40.00	Delete
Edit Receipt	Ticket Sales	Stripe	\$107.00	Delete
Edit Receipt	Ticket Sales	Stripe	\$174.00	Delete

**Warning* Button below must be clicked to Add Receipt*

Add Receipt

Add a New Source of Receipts Below

Add a New Nature of Receipts Below

Add a New Amount Below

Add Receipt

Cancel

Click Below to Save the Fund

Save the Fund and the Detail

Cancel

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.

Bank Statement Date: 

Depository Balance:

Cash On Hand (ADD):

Deposits In Transit (ADD):

Other Reconciling Items (ADD/DEDUCT):

Total of Outstanding Check (DEDUCT): **\$45.00**

Balance: **\$506.00**

Outstanding Checks (optional upload)

+ Add new record					
	Date	Check Number	Amount		Delete
<input type="button" value="Edit"/>	5/09/2021	9	\$9.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/08/2021	8	\$8.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/07/2021	7	\$7.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/06/2021	6	\$6.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/05/2021	5	\$5.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/04/2021	4	\$4.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/03/2021	3	\$3.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/02/2021	2	\$2.00		<input checked="" type="checkbox"/>
<input type="button" value="Edit"/>	5/01/2021	1	\$1.00		<input checked="" type="checkbox"/>
			\$45.00		
+ Add new record					

Bank and Bond Data

Update Report Certificate

Prescribed by State Board of Accounts

Report Certificate

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

Regions

Name of Bank

Test

Location of Bank

Date school officially closed

6/1/2021



BOND OF SCHOOL TREASURER

Name of Surety

Test

Amount of Bond

\$5,000.00

Date of Expiration

6/30/2022



CERTIFICATE OF SCHOOL TREASURER/PRINCIPAL

I, Mr. Banks

, Treasurer,

Mrs. Banks

Principal, of the Test Elementary

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

Review

Please Review Errors / Warning below. Errors must be corrected before you can submit. Warnings should be reviewed as they may indicate errors, but they will not prevent you from submitting

Errors	Link
Balance End of Period Total of '\$316,666.98' does not match Cash Reconciliation balance of '\$506.00'	Schedule of Balance, Receipts and Expenditures

Warnings	Link
Fund: '2000.00 00301 BASEBALL FUNDRAISER' has a negative balance.	Schedule of Balance, Receipts and Expenditures
Fund: '4200.00 30000 FACS DEPT' has a negative balance.	Schedule of Balance, Receipts and Expenditures

Monthly and Annual Engagement Uploads



- Required Monthly Uploads
 - Funds Ledger
 - Monthly Bank Reconciliation
- **Must** be uploaded by the 15th of the second month following the month they are for
 - Example – July monthly files are due September 15

Monthly and Annual Engagement Uploads



- Required Annual Uploads
 - Due August 29th
 - Annual Funds Ledger
 - Detail of Receipt Activity
 - Detail of Disbursement Activity
 - Year End Bank Statement
 - Year Ending Investment Statements
 - Year End Outstanding Checklist



Gateway Frequently Asked Questions

What if I don't upload the documents?



- Failure to upload the documents when they are due or in a timely manner may cause delays in completing your audit engagement
- Since ECAs will be included in the financial statements in future audits it may result in a modified audit opinion

Are the documents uploaded through the Gateway application available to the public?



- No. The documents uploaded in this application are for the State Board of Accounts use only and are not available to the public on the Gateway public website. (Only the Report Outputs are on the public portal)

What if I Close the Books in May?



- You can close the books in May. We will not take exception if the books are closed in May or June.
- The Gateway ECA Risk Report will still allow submissions until August 29th.

Do I need to send any hard copy printed ECA Risk Reports to the State Board of Accounts?



- No. Please do not send SBOA any of the reports you are able to generate. The submission process allows SBOA to access the information directly through Gateway and included the necessary certification language

How do I know if my ECA Risk Report has been submitted?



- You will see the date/time stamp when it was submitted on the last line in the Status column on the Main Menu.

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.	105 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



ECA Statutes

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 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) . . ."

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 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.

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.

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.

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. **AFTER SBOA AUDIT!**

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.

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.

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 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

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.

School Lunch Program



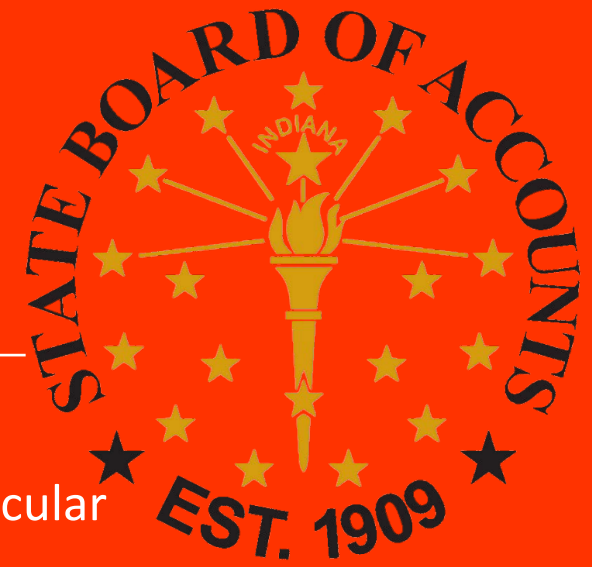
- The preferred method of accounting for a school food and nutrition program is through a School Lunch Fund (School Food Service Fund) in the school corporation account.
- Authority is provided to account for the program in an extra-curricular account or accounts. (IC 20-41-2-4)
- If the school lunch 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 **monthly**.

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.

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.

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.**

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.

SBOA Website



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

Questions?

