



Budget Workshop SBOA Updates

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CHART OF ACCOUNTS UPDATES



Changes detailed in the June 2019 School Bulletin

- <https://www.in.gov/sboa/files/2019%20June%20School%20Bulletin.pdf>

CHART OF ACCOUNTS UPDATES



- Chapter 4 – Funds and Fund Accounting
 - Legend of Fund Types
 - Fund 3780 (State Connectivity Grant) created
 - Fund 7962 (Qualified Zone Academy Bond) deleted

CHART OF ACCOUNTS UPDATES



- Chapter 5 – Classification and Definition of Receipt Accounts
 - Receipt Account 1991 (Refund of Insurance (Premiums Paid)) allowed in Education Fund
 - Receipt Accounts 4100 - 4295 descriptions added
 - Receipt Account 6410 (Insurance (Claims for Losses)) allowed in Education Fund and School Lunch Fund

CHART OF ACCOUNTS UPDATES



- Chapter 6 Classification and Definition of Expenditure Accounts
 - Expenditure Account 11100 (Elementary) description updated
 - Expenditure Account 25530 (Distribution of Curricular Materials) allowed in Debt Service Fund
 - Expenditure Account 31900 (Other Food Services) allowed in Special Funds
 - Expenditure Account 51200 (Temporary Loans – Principal) allowed in Operations Fund
 - Expenditure Account 45500 (Rent of Buildings, Facilities, and Equipment) removed
 - Expenditure Account 26200 (Maintenance of Buildings and Rent) description updated
 - Expenditure Account 60600 (Indirect Costs) description updated

CHART OF ACCOUNTS UPDATES



- Chapter 7 Classification and Definition of Clearing Accounts
 - Clearing Accounts 9500-9999 (**Unassigned** Clearing Funds) renamed to “**Other** Clearing Funds”



CHART OF ACCOUNTS UPDATES

- Chapter 8 – Classification and Definition of Object Accounts
 - **Descriptions Updated:**
 - Object 125 – (Terminal Leave)
 - Object 611 – (Operational Supplies Under the LEA's Capitalization Threshold)
 - Object 655 Supplies - (Technology-Related Supplies Under the LEA's Capitalization Threshold)
 - Object 735 – (Equipment, Furniture, and Vehicle Purchases Over the LEA's Capitalization Threshold - Nontechnology)
 - Object 741 – (Technology-Related Equipment Over the LEA's Capitalization Threshold)
 - Object 742 – (Technology Purchased Services Over the LEA's Capitalization Threshold)
 - Object 835 – (Interest of Short-Term Debt)
 - Objects 930-941 – (Subawards or Subcontracts)

CHART OF ACCOUNTS UPDATES



- Chapter 9 – Information and Statutory Citation
 - Added information on **transfers of appropriations within a fund** on page 8



Regulatory Reporting

Regulatory Basis Reporting



- Updates to the Regulatory Format
 - Elements of GAAP Reporting
 - Note Disclosures
 - Financial Statement
- Schedule of changes:
<https://www.in.gov/sboa/files/Schedule%20of%20Changes%20for%20Officials.pdf>

Gateway Annual Financial Report (AFR)



- Schools will be **required to upload financial information in the AFR**
 - We are currently working with the vendors to make this as easy as possible.
 - Ability to upload financial information from system generated files
- SBOA will no longer use form 9 information to generate financial statements
 - Dates for Gateway Changes:
 - **New Regulatory basis updates: 6/30/2020** (due by 8/29/2020)

IDOE Form 9 deadlines



- If NOT submitted timely SBOA may:
 1. Seek assistance from Attorney General's office in enforcing **subpoenas** in court.
 2. **Disclaim an opinion** on financial statements (which may carry significant financial consequences)
- Due Dates:
 - January to June → Due **July 31st**
 - July to December → Due **January 31st**

Prior Supplementary Information



- Capital Asset Schedule (2021)
 - Beginning balance, additions, reductions
- Schedule of Leases and Debt
 - Beginning balance, additions, reductions
 - Note Disclosure
- Schedule of Payables and Receivables
 - Removed

Additional Disclosures Required



- Long Term Debt
- Debt service requirements to maturity
- Leases
- Principal and Interest Requirements to Maturity
- Interfund Transfers
- Deficit Fund Balances
- Pensions and OPEB
- Supplementary Information
- Significant Contingent Liabilities
- Significant Commitments
- Subsequent Events



Debt Management Report (DLGF)



- If you report information in the Debt Report in Gateway we will use that information.
 - You do not have to report this information twice!



Checklist – Long-term Debt

- Identify by major class
- Identify by activity
- Determine beginning balance of each debt class by activity
- Determine additions and reductions
- Determine the ending balance of each debt class by activity
- Determine the portion due within one year
- **Complete Debt Management Report**

Information for Audit



- Bond Resolutions
- Debt Instruments with Amortization Schedules
- Ledger Balances and activity for each Bond Fund
- Bank Reconciliations
- Claims and Supporting Documentation for payments
- Internal Controls Over Financial Transactions and Reporting

Checklist – Leases



- General Description of Lease Arrangements
- Name of Lessor
- Lease Beginning Date
- Lease Ending Date
- Annual Lease Payment
- **Complete Debt Management Report**

Information for Audit



- Lease Agreements
- Claims and Supporting Documentation for payments
- Internal Controls Over Financial Transactions and Reporting



Properly Maintaining Capital Assets

Where Do I Begin?



- Gain an understanding of what is a capital asset
- Implement Policies and Procedures
- Understand how to maintain a Capital Asset Ledger



What is a Capital Asset?

- Land
- Infrastructure
- Buildings
- Machinery, Equipment & Vehicles
- Construction in Progress

Proper Accounting of Capital Assets



- Establish a Capital Assets Policy
 - Policy ***MUST*** Include Capital Asset Threshold

Maintaining Capital Asset Ledger



- Prescribed Form
 - General Form 369 – Capital Asset Ledger

Capital Assets Ledger



General Form No. 369 (Rev. 2004)

CAPITAL ASSETS LEDGER

FUND _____

DEPARTMENT OR BUILDING _____

Date of Purchase	Description of Asset	Serial Number	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Fixed Asset	Amount Received on Disposal or Trade In	Types of Capital Assets					Total Fixed Assets	
								Land	Infrastructure	Buildings	Improvements Other Than Buildings	Machinery and Equipment		Construction in Progress
1														
2														
3														
4														
5														
6														
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SAMPLE



Don't Know Historical Cost?

1. Develop inventory of all capital assets owned
2. Obtain an estimate of the replacement costs
3. Determine the year of acquisition
4. Multiply the estimated replacement cost by the factor for the year of acquisition from the Table of Cost Indexes
(Establishing the Estimated Cost of Capital Assets, School Bulletin March 2014, pg. 14)

Schedule of Capital Assets



City of Example
Schedule of Capital Assets
December 31, 20XX

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General Government	Beginning Balance 01/01/XX	Additions	Reductions	Ending Balance 12/31/XX
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Infrastructure	-	-	-	-
Buildings	-	-	-	-
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	-	-	-	-
Books and other	-	-	-	-
Total general government capital assets	\$ -	\$ -	\$ -	\$ -
_____ (Enterprise)				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Infrastructure	-	-	-	-
Buildings	-	-	-	-
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	-	-	-	-
Books and other	-	-	-	-
Total _____ capital assets	-	-	-	-
_____ (Enterprise)				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Infrastructure	-	-	-	-
Buildings	-	-	-	-
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	-	-	-	-
Books and other	-	-	-	-
Total _____ capital assets	-	-	-	-
Total enterprise capital assets	\$ -	\$ -	\$ -	\$ -



Checklist – Capital Assets

- Establish Capitalization Policy
- Maintain Capital Assets Ledger (prescribed form)
- Identify Capital Assets by Activity
- Identify Capital Assets by Major Class
- Confirm Beginning Balance for 2019
- Report Additions to Capital Assets
- Report Reductions in Capital Assets
- Compare Ending Balance to Capital Assets Ledger
- Document Basis for Valuation and Estimated Useful Life
- Establish Internal Controls

Information for Audit



- Capitalization Policy
- Capital Assets Ledger
- Supporting Documentation
- Documented Basis for Asset Valuation
- Documented Basis for Estimated Useful Lives
- Internal Controls



Questions?