



INDIANA STATE BOARD OF ACCOUNTS

INDIANA PUBLIC LIBRARY

SPRING WORKSHOP

May 23, 2024

THE STATE BOARD OF ACCOUNTS GTAC TEAM DIRECTORS

Beth Goss

Mitch Wilson

□ Email: Libraries@sboa.in.gov

□ Phone: 317-232-2513

□ Mailing Address: Indiana State Board of Accounts

302 West Washington Street

Room E418

Indianapolis, IN 46204

TRAINING TOPICS



Gateway



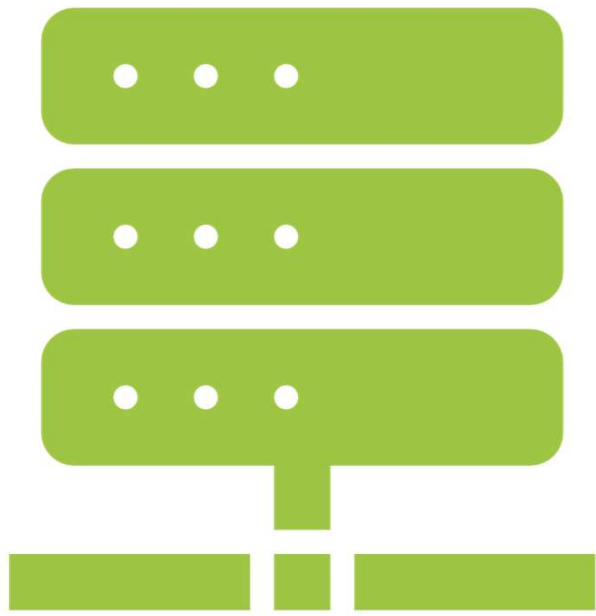
Positive Pay vs. Reverse Positive
Pay



Budget transfers



Donations, Gifts and Contributions



GATEWAY

Gateway.ifionline.org/login.aspx

GATEWAY

User Guide

Gateway Help Desk

Monthly & Annual Uploads

Annual Financial Report (AFR)

Conflict of Interest Disclosures

GATEWAY USER GUIDE

GATEWAY.INIONLINE.ORG/LOGIN.ASPX

INDIANA
Gateway for government units



[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 is not a supported browser.

Authorized Personnel Login

User Name:

Password:

Announcements

Gateway Reporting Access Authorized User Policy

The local official login portion of Gateway is accessible only by officials directly

State Board of Accounts (SBOA)

100R

- [User guide](#)
- [File upload specifications: 2022 \(2021 and Prior\)](#)

Annual Financial Report

- [User guide](#)

E-1 Entity Annual Report

- [User guide](#)

ECA Risk Report

- [User guide](#)

Monthly and Annual Engagement Uploads

- [User guide](#)

GATEWAY USER GUIDE - CONTINUED

- 100R
- Annual Financial Report
- Monthly and Annual Engagement Uploads

INDIANA Gateway User Guides

- Introduction
- Accessing the Annual Financial Report
- New
- Helpful Hints
- Banner Icons
- The Main Menu
 - Unit Questions
 - Identify Enterprises
 - Departments
 - Schedule of Officials
 - Financial Data by Fund
 - Receipts
 - Disbursements
 - Fund Type
 - Financial Data by Fund- Schools
 - Capital Assets
 - Grants
 - Grant Upload
 - Accounts Payable/Receivable
 - Transfers
 - Interfund Loan Activity
 - Debt

AFR USER GUIDE

- Click on any topic link and it will take you to that portion of the user guide.
- In most instances the user guide will explain what is needed and give examples.

USER GUIDE EXAMPLE

Accounts Payable/Receivable

All cells are required in this section. Enter the appropriate amounts in the cells for the Governmental Activities funds and each enterprise as of the end of the year. Since these are required fields, if you don't have any accounts payable and/or receivables you must enter 0 or you will receive a submission error.

Accounts Payable/Receivable

[Save All Work](#) [Return to AFR Main Menu](#)

Please enter the total dollar amount of your Accounts Payable and Accounts Receivable for your Governmental Funds and each enterprise.

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental Activities	\$3,500.00	\$10,500.00
WASTEWATER (Wastewater Utility)	\$0.00	\$56,000.00
WATER (Water Utility)	\$0.00	0000
WEST STREET PARKING GARAGE (Parking Garage)	Required	Required

Data Posted

Accounts Payable consists of amounts for goods and services that your local unit received or used during the year, but hasn't paid for by the end of the year. Most units of government will probably have some accounts payable. For example for units on the calendar year, claims submitted in December, but not paid until January would be accounts payable. For schools, it would be claims submitted in June, but not paid until July.

Accounts Receivable are amounts that are owed to your unit that haven't been received by the end of the year. The best example of accounts receivable in a governmental setting are utility fees that have been billed to the customers and are still unpaid at the end of the year. Additional accounts receivable could include grants or property tax distributions that are due, but haven't been received by year end. For schools, the year end is June 30. For most other units it is December 31.

Units of government that have utilities or other services where the customer is sent a bill rather than paying at the time of service will have accounts receivable. Other units of government may or may not have accounts receivable depending on their situation.



GATEWAY HELP DESK

GATEWAY@SBOA.IN.GOV OR
ANNUALREPORTS@SBOA.IN.GOV

**MONTHLY AND
ANNUAL
ENGAGEMENT
UPLOADS**

MONTHLY UPLOADS



BANK RECONCILEMENTS,
BANK STATEMENTS,
OUTSTANDING CHECK LISTS



APPROVED BOARD
MINUTES



FUNDS LEDGER
(BEGINNING BALANCE,
RECEIPTS,
DISBURSEMENTS, AND
ENDING BALANCE BY
FUND)

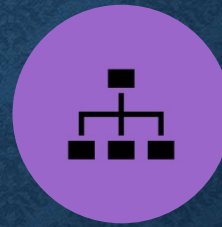
MONTHLY UPLOADS - CONTINUED



WHY ARE THEY
IMPORTANT?



AUDIT PLANNING



COMPLETION OF AUDIT
PROCESSES PRIOR TO
ON-SITE WORK



ASSIST IN RESOLVING
YOUR ISSUES OVER
PHONE OR EMAIL

ANNUAL UPLOADS

Annual	
X	Year End Investment Statements and Register of Investments, General Form 350
X	Detail of Receipts by Fund and Account (if Data Capture Not Available)
X	Detail of Disbursements by Fund and Account (if Data Capture Not Available)
X	Current Year Salary Ordinance and Amendments
X	Annual Vendor History Report
X	Annual Funds Ledger (beginning balance, receipts, disbursements, and ending balance by fund)
X	Annual Payroll History Report- without SS#
X	Court Trust Fund Subsidiary Detail (as of 12-31)
X	Excel Data Capture (data dump)
X	Accounts Payable/Receivable Schedule Support
X	Direct Federal Grant Agreements/Award Letters and Amendments Initiated During the Year
X	Agreements for Subawards Made to Subrecipients for All Federal Grants Initiated During Year
X	Personnel Policy
	Direct Request

EXCEL DATA CAPTURE (DATA DUMP)

- No longer optional (effective 2023)
 - Not required if you have hand posted ledgers
- Need to check with your software to see if it is available to you.

What it should include:

- Receipts – include receipt numbers, date received, amount of receipt, fund posted to, and who received from.
- Disbursements – include check numbers, date disbursed, amount of disbursement, fund posted to, and vendor/payee names.

DATA CAPTURE CONTINUED

- If your computer system has the ability to upload an excel data capture you do not have to upload the Detail of Receipts by Fund and Account or the Detail of Disbursements by Fund and Account.

Annual
Year End Investment Statements and Register of Investments, General Form 350
Detail of Receipts by Fund and Account (if Data Capture Not Available)
Detail of Disbursements by Fund and Account (if Data Capture Not Available)
Current Year Salary Schedule and Amendments
Annual Vendor History Report
Annual Funds Ledger (beginning balance, receipts, disbursements, and ending balance by fund)
Annual Payroll History Report- without SS#
Excel Data Capture (data dump)
Accounts Payable/Receivable Schedule Support
Direct Federal Grant Agreements/Award Letters and Amendments Initiated During the Year
Agreements for Subawards Made to Subrecipients for All Federal Grants Initiated During Year
Personnel Policy

ACCOUNTS PAYABLE/ACCOUNTS RECEIVABLE SCHEDULE SUPPORT

Accounts Payable consists of amounts for goods and services that your local unit received or used during the year, but hasn't paid for by the end of the year. Most units of government will probably have some accounts payable. For example for units on the calendar year, claims submitted in December, but not paid until January would be accounts payable. For schools, it would be claims submitted in June, but not paid until July.

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DIRECT FEDERAL GRANT AGREEMENTS/ AWARD LETTERS AND AMENDMENTS INITIATED DURING THE YEAR

Only local governmental units that receive a DIRECT federal award will need to provide this information.

Majority of grants are passed through the State to the local governmental unit. Those types do not apply here.

AGREEMENTS FOR SUBAWARDS MADE TO SUBRECIPIENTS FOR ALL FEDERAL GRANTS INITIATED DURING THE YEAR

- If your local governmental unit awards federal grant money to a subrecipient for the purpose of that subrecipient to carry out part of the federal award received, then you would need to upload the agreement between your local governmental unit and the subrecipient.
- This agreement would outline what the subrecipient is allowed to do with these funds, it would provide the subrecipient all necessary information (i.e. ALN #, period of performance etc...)

NOTE: Subawards do not include payments to a contractor or payments to an individual that is a beneficiary of a federal program.

PERSONNEL POLICY

All units with employees should upload their personnel policy.

This is a one-time upload, unless the local governmental unit updates it then you would need to upload it again.

ANNUAL FINANCIAL REPORT (AFR)



Question #24



Capital Assets and
Accumulated Depreciation

QUESTION #24 (& #23)

23. Does the unit have one or more credit and/or debit cards issued in the name of the unit?	<input checked="" type="radio"/> Yes <input type="radio"/> No
24. Are electronic fund transfers (EFT) permitted for cash?	<input checked="" type="radio"/> Yes <input type="radio"/> No

- Question #24 relates to #23. If you have a credit card or a debit card, can you retrieve cash at the ATM?
- Example, if you are checking out at Walmart are you able to get cash at the kiosk when checking out?

CAPITAL ASSETS

PRIOR CAPITAL ASSET TRAINING

- Here is what this looks like on our website:

Presentations and Training Materials ▼

[SBOA Youtube Channel](#)

Click on the above link if you wish to view training videos posted to our YouTube channel.

Indiana Bookkeeping Workshop - Fall 2023

- [Goss / Wilson - Audits & Funds](#)

Library Budget Workshop - Spring 2023

- [Crowley / Wilson - Capital Assets and Electronic Payments](#)



DEFINITION OF CAPITAL ASSETS

□ GASB Statement 34 paragraph 19

The term capital assets includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

AUDIT POSITION

❑ Guidance from Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries:

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records.

CURRENT REQUIREMENTS

❖ Capitalization Policy with Threshold

- ❖ Threshold should be reasonable
- ❖ Useful lives

❖ Current inventory of capital assets

- ❖ Detail listing of capitalized items
- ❖ Inventory of small but sensitive items (not capital assets)

❖ Two-year inventory or other control over accuracy of inventory

- ❖ Additions and deletions

PHYSICAL INVENTORIES

If, the capital asset records are not complete, a physical inventory of assets above the threshold may be needed-specifically for equipment and vehicles.

- Once every two years have the departments do a physical inventory of equipment in their department-especially important for disposals that may not have been reported.

- Inventory small items that may be at higher risk of misappropriation such as laptops, cell phones, tablets, tools for example. Keep those inventories up to date.

CAPITAL ASSET POLICY

Every unit MUST have a Capital Asset policy.

What should be included?

- threshold
- Depreciation method
- Years of service for each depreciable asset

CAPITAL ASSETS

Non-Depreciable Capital Assets

- Land
- Construction In Progress – once placed in service then becomes depreciable as building, infrastructure, etc...

Depreciable Capital Assets

- Buildings
- Infrastructure
- Improvements Other Than Buildings
- Machinery & Equipment
- Books and Other

DEPRECIATION

- Allocates the deferred cost (capitalized amount) to the future accounting periods. This is based on the value of the asset (historical cost) over the useful life of the asset.
- Example: Truck purchased for \$50,000 and estimated life is 5 years with no salvage value using straight line method
 - Capitalize at \$50,000
 - Deprecation: $\$ 50,000 / 5 \text{ years}$ is \$10,000 per year.

ACCUMULATED DEPRECIATION

- This is the total depreciation used for each asset.

ACCUMULATED DEPRECIATION EXAMPLE

Example, a Truck is purchase with a \$50,000 acquisition cost and a calculated depreciation expense per year of \$10,000. (\$50,000 cost/5 useful life)

Accumulated Depreciation:

- Year 1 \$10,000
- Year 2 \$20,000
- Year 3 \$30,000
- Year 4 \$40,000
- Year 5 \$50,000 Fully depreciated

The schedule is a summary of accumulated depreciation by category for all assets in capital asset schedule that are being depreciated.

Beginning balance would tie to ending balance of prior year

Additions represent the depreciation expense allocated for that year.

Reductions represent that the capital asset was disposed of and the accumulated depreciation is removed for that asset from the schedule.

Ending balance is the accumulated depreciation at year end for the capital asset schedule

ACCUMULATED DEPRECIATION SCHEDULE



CONFLICT OF INTEREST DISCLOSURE UPLOAD

**CONFLICT OF
INTEREST –
IC 35-44.1-1-4(D)**

“(d) A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
 - (A) the state board of accounts; and
 - (B) if the governmental entity is a governmental entity other than the state or a state supported college or university, the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; and
- (7) contain, if the public servant is appointed, the written approval of the elected public servant (if any) or the board of trustees of a state supported college or university (if any) that appointed the public servant.”

CONFLICT OF INTEREST DISCLOSURE UPLOAD

- Application can be access from the home page or after logging in to Gateway
- Statutory Requirement IC 35-44.1-1-4
- Conflict of Interest Disclosure Form
 - <https://forms.in.gov/Download.aspx?id=826>
- Compete the form
 - Handwritten or Fillable PDF
- Scan, Save, and Upload Disclosure
- Upload within 15 days after final action on the contract or purchase



Conflict of Interest Disclosure Statement Upload Tool

The legal requirement for filing disclosures of conflict of interest can be found in the Indiana Code in Title 35 Section 44.1-1-4 (IC 35-44.1-1-4) available at http://iga.in.gov/legislative/laws/2014/ic/titles/035/articles/44_1/ If you have any questions regarding this law or disclosure, you should contact your attorney for legal advice.

Individuals are required to file this disclosure with the State Board of Accounts (SBOA) using this form at <https://forms.in.gov/Download.aspx?id=8264>. Once you have filled out the form, scan it as a pdf and upload using the tool below. If the Conflict of Interest is on multiple pages, all pages must be in one file, in order and in the correct orientation so that it is readable.

NOTE: The filename should be formatted with only one period before the extension (ex. .pdf, .tif, .jpg). Neither IBRC nor SBOA review the uploads for content. **It is the responsibility of the individual reporting the conflict of interest to verify that the document that was submitted is correct and complete.**

Upload Disclosure Form

Enter the name of the individual required to disclose a conflict of interest:

Enter the email address of individual required to file this disclosure:

Select name of the Government Entity:

Select county	Select unit type	Select unit
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Select the file to upload (PDF):

Type the code from the image

CONFLICT OF INTEREST DISCLOSURE UPLOAD



**POSITIVE PAY VS.
REVERSE
POSITIVE PAY**

CHECK FRAUD

We are seeing an increase in check fraud issues throughout the state involving all local governmental units.

Examples we have seen:

- Vendor names changed on checks
- Printing of fictitious checks with the local governmental unit's bank routing numbers and bank account numbers.



POSITIVE PAY VS. REVERSE POSITIVE PAY

- What are they?
- How they work?

POSITIVE PAY DEFINED

Check Positive Pay is a fraud mitigation service that provides early detection of fraudulent, altered or counterfeit checks through a daily verification of checks presented for payment against a check issue file.

POSITIVE PAY – HOW IT WORKS

As soon as the local unit issues checks, they simply provide their bank with a check-issue file that contains the details of the checks they want to post to their account. When checks are presented for payment, the bank will systemically compare the dollar amount and check number to the check-issue file ensuring that the information matches. If the checks presented do not match, the bank will notify the local unit of the exception.

Using the check information as well as a digital image of the check, the local unit will need to review and decide whether they want the exception items to Pay or Return.

REVERSE POSITIVE PAY

Reverse Positive Pay provides early detection of fraudulent, altered, or counterfeit checks by allowing the local unit to review all prior day checks that were presented for payment. If any of the presented checks do not match the issued checks, the local unit can investigate further by viewing an image of the check. Each business day, the local unit is responsible for reviewing the report to determine if any items should be returned or paid within a certain period.

REVERSE POSITIVE PAY – HOW IT WORKS

The day after checks are presented for payment, the bank will post a report of all items (except teller cashed items) for the local unit to review. The report will contain check information such as the dollar amount and check number as well as digital images of the checks. The local unit would then need to review and decide if any of the items should be returned. All items without a decision will be Pay once the decision period ends.

BANKING SERVICES: POSITIVE PAY FOR ISSUED CHECKS

Positive Pay

Send a file to the bank of daily issued checks



When check clears, the bank compares the name, amount and check number to your outstanding items



If a discrepancy is found the payment can be denied and returned through online banking service.

A similar process can be used with a debit block on a checking account. This would allow you to decision all debits before payments posts to your checking account.

BANKING SERVICES: REVERSE POSITIVE PAY

The day after checks are presented, the bank will report all checks to local unit for review.



Local unit must review list of checks that are to clear the bank and decide if any should be returned.



If a discrepancy is found the local unit notifies the bank that the payment should be denied and returned.

POSITIVE PAY – PROS AND CONS

Pros with Positive Pay

- Local unit only has to review the exceptions, instead of 100% of the checks with Reverse Pay.

Cons with Positive Pay

- Cost is more than with Reverse Positive Pay
- Local unit has certain amount of time to review the exception report to notify the bank whether to pay or return the check. If it is not reviewed the check is paid

REVERSE POSITIVE PAY – PROS AND CONS

Pros with Reverse Positive Pay

- Cheaper than positive pay

Cons with Reverse Positive Pay

- Have to review all checks issued to what is to clear to determine if they should be paid or not. The local unit determines the exceptions.
- Reverse Pay has a default decision to pay any items that haven't been decided by the cut-off deadline.

SUMMARY OF POSITIVE PAY AND REVERSE POSITIVE PAY

- Each local governmental unit must determine which method, if any, is right for them.
- Document board approval of either of these or other methods in the board minutes.
- Implement internal controls related to whichever method is established

WHAT IF YOU DO NEITHER...

If your local governmental unit chooses not to include Positive Pay or Reverse Positive Pay then you need to be diligent in performing timely bank reconcilements and be on the look out for oddities on cleared checks.

Examples:

- Misspellings on cleared checks
- Change of the name of the vendor and/or amount
- Differences in the paper of the cleared checks.
 - Is it the same check stock
 - Same check # sequence

CONTRIBUTIONS, DONATIONS & GIFTS

LIBRARY GIFT FUNDS

Pursuant to IC 36-12-3-11(a)(5), money or securities accepted and secured by the library board as a grant, gift, donation, endowment, bequest or trust may be set aside in a separate fund or funds, and shall be expended, without appropriation, in accordance with the conditions and purposes specified by the donor.

TYPES OF GIFTS

Restricted - Gifts received to which the donor has attached terms, conditions and purposes. These may be quite specific or very general, such as “books” etc.

Unrestricted – Gifts received to which the donor has not attached terms, conditions or purposes.

GIFTS CONTINUED



It is the prerogative of the Library Board to accept or reject any gift.



Income in the form of tax receipts, fees, sale of library property, rental, etc. may not be receipted into the library gift fund.



Contributions, donations, and gifts can be invested as long as the requirements noted in IC 5-13 titled "Investment of Public Funds" are followed.

ACCOUNTING FOR GIFTS

Gift funds may be handled in the following ways:

Operating Fund – If the gift is unrestricted, the library may receipt the gift into the library operating fund.

- A. If deposited into the library operating fund, the gift money must be budgeted, appropriated (in the regular budget or by additional appropriation) in the manner prescribed, including advertising and approval by the Department of Local Government Finance.
- B. Gift money placed into the library operating fund may be spent as determined by the library board within the scope of its statutory authority. It is to be expended as other funds of the library.
- C. Gift money placed in the library operating fund does not accumulate and must be spent or encumbered within the fiscal year or it will revert to the library operating fund balance and must be re-appropriated before the disbursement

ACCOUNTING FOR GIFTS, CONTINUED

Separate Fund or Funds - A separate fund may be established for each gift; gifts for like purposes may be receipted into separate funds for each purpose; or all gifts may be placed into one "Gift Fund".

ACCOUNTING FOR GIFTS, CONTINUED

If all gifts are placed into a "Gift Fund", the following accounting will be necessary:

1. A subsidiary record to keep track of the disbursements relating to each gift must be maintained.
2. The subsidiary record may be kept on any appropriate commercial form or columnar worksheet, such as a cash journal.
3. A separate sheet should be opened in this subsidiary record for each restricted gift. Entries to this separate sheet would include the receipt of the restricted gift and disbursements chargeable to each gift including the date, amount and explanation of each.

ACCOUNTING FOR GIFTS, CONTINUED

4. Income from the interest on gifts may be receipted into the same fund in which the principal of such gift has been receipted provided it is to be used for the same purpose as the principal. However, if, under the terms of the trust, the principal must be held in trust in perpetuity and only the income used by the governmental unit, there should be two accounts established, one designated as "Trust Principal" and the other designated "Trust Income."
5. Unrestricted gift fund monies may be invested as part of the "total monies on deposit," and the interest thereon receipted to the library operating fund.
6. All funds, regardless of source, are deposited by the treasurer in only one bank account in each designated depository.

USE OF GIFT FUNDS

If the library board chooses to receipt any gift (restricted or unrestricted) to a separate fund or funds, the following will apply.

1. Gift money may be spent without budgeting or appropriation.
2. If restricted, it must be spent according to the donor's restrictions.
3. If unrestricted, it may be spent as determined by the library board within the scope of its statutory authority.
4. The fund or funds may be accumulated and may be spent at any time the library board determines, unless otherwise required by the terms of the donor.

SBOA CONTACT INFORMATION

Mitch Wilson & Beth Goss

**Government Technical Assistance &
Compliance Directors**

Libraries@sboa.in.gov

317-232-2513