



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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MEMORANDUM

TO: School Officials
FROM: Paul D. Joyce, CPA
State Examiner
RE: Annual Performance Grant
DATE: December 19, 2014

Recently, we have been asked to provide an audit position regarding the distribution and transaction recordings for the Annual Performance Grant provided by IC 20-43-10-3. After discussions with other state agencies and review of the Indiana Code, we will not take exception to school corporations following their current collective bargaining agreement or, if the grant distribution is not included in the collective bargaining agreement, following the suggestions contained in the Indiana Department of Education's December 3, 2014 memo to distribute the grant on a school building basis.

It is our audit position that we will not take exception to school corporations recording the Annual Performance Grant in their records by receipting the grant amount into the "Performance Based Awards" section (3750-3759) of the Chart of Accounts from the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations. If the school board has not appropriated expenditures from the fund, then they would need to provide that appropriation prior to the disbursements of the grant.

Finally, it is our audit position that we will not take exception to school corporations recording the Annual Performance Grant in their records by following the suggestions contained in the Indiana Department of Education's December 3, 2014 memo. The memo suggests that school corporations receipt the grant into the General fund (100). If there are not sufficient appropriations in that fund to make the disbursements, then the school board would have to request additional General fund appropriations approval from the Indiana Department of Local Government Finance.

Sincerely,

A handwritten signature in cursive script that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

RP/db