

THE SCHOOL BULLETIN
And Uniform Compliance Guidelines
ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 242

June 2023

ITEMS TO REMEMBER

July

- 1 Open a Fund Ledger and Ledger of Receipts for the next school year by entering the balance of each fund as determined and proved for June 30. Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances for the next school year by entering in each program account the balance of unexpended appropriations, and by entering in each expenditure account within each program, the balance of the unexpended allotment.
- 4 Legal Holiday – Independence Day (IC 1-1-9-1)
- 15 Last day to upload May files required by State Examiner Directive 2018-1 in the Monthly and Annual Engagement Uploads application in Gateway.
- 30 Last day for Early Filers to report and make payment of state and county income tax withheld during June to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month's end. For questions on filing status contact the Indiana Department of Revenue.
- 30 Collective Bargaining Report must be completed and uploaded to IEERB in Gateway.
- 31 Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending June 30.
- 31 Last day to file Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal tax withheld.
- 31 Last day to file the Biannual Financial Report (Form 9) with the Department of Education, Office of School Finance, for the period January 1, 2023 to June 30, 2023
- 31 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

August

- 1 Prove all ledgers for the month of July.
- 15 Deadline for secretary of the school corporation to publish an annual financial report (Not earlier than August 1 or later than August 15) (IC 5-3-1-3)
- 15 Last day to upload June files required by State Examiner Directive 2018-1 in the Monthly and Annual Engagement Uploads application in Gateway.
- 20 Last day for Early Filers to report and make payment of state and county income tax withheld during July to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month's end. For questions on filing status contact the Indiana Department of Revenue.
- 29 Last day to file the Gateway Annual Financial Report and ECA Risk Reports with the State Board of Accounts. (IC 5-11-1-4)
- 31 Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made to the division of fire and building safety an inspection report of all heating systems and supporting gas, oil, propane or any other fuel lines used for school purposes. (IC 20-26-7-28)

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August (Continued)

- 31 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

September

- 1 Prove all ledgers for the month of August.
- 1 Last day for units with appointed boards to submit proposed 2024 budgets, tax rates, and tax levies to county fiscal body or other appropriate fiscal body for binding adoption, as applicable. (IC 6-1.1-17-20)
- 4 Legal Holiday – Labor Day. (IC 1-1-9-1)
- 15 Formal collective bargaining period begins (Optional informal negotiations may have been held up to this date). (IC 20-29-6-12)
- 15 Last day to upload July files required by State Examiner Directive 2018-1 in the Monthly and Annual Engagement Uploads application in Gateway.
- 16 The Indiana Department of Education (IDOE) will collect an average daily membership (ADM) count of students. (I.C. 20-43-4-2) The fall 2023 ADM count date of the eligible pupils enrolled in each school corporation and charter school is **October 2, 2023**.
- 20 Last day for Early Filers to report and make payment of state and county income tax withheld during August to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month's end. For questions on filing status contact the Indiana Department of Revenue.
- 30 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

CHART OF ACCOUNTS UPDATES

Please be advised that the following updates have been made to the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations. This manual can be found on our website. <https://www.in.gov/sboa/political-subdivisions/schools/>.

- Chapter 4 - Fund 900 Curricular Materials – Renamed and description updated.
- Chapter 4 - Fund 800 School Lunch – Description updated.
- Chapter 4 - Fund 4903 Project Aware 3 – Wellness Infrastructure in Action ALN 93.243 – Added.
- Chapter 4 - Fund 7914 Elementary and Secondary School Emergency Relief Fund SEA Discretionary (ESSER III) – Added.
- Chapter 6 – Expenditure Codes for Curricular Materials 25510, 25520, 25540, 25560, 255570, 25590 – Titles and descriptions edited.
- Chapter 6 – Expenditure Code 25550 Direction of Resale Services – Removed.
- Chapter 6 – Expenditure Code 25580 Curricular Materials Supplies – Added.
- Chapter 8 – Object Code 141 Additional Compensation Awarded to a Majority of Teachers – Description updated.
- Chapter 8 – Object Code Subcategory 36 Part-time Teachers – Description updated.
- Chapter 8 – Object Code Subcategory 66 Part-time Temporary teachers – Added.

CURRICULAR MATERIALS

House Enrolled Act (HEA) 1001 added IC 20-40-22 and established the Curricular Materials Fund. This bill enacted law prohibiting school corporations and charter schools from charging a fee for curricular materials to students. We have been working and will continue to work with the Indiana Department of Education (IDOE) as we issue guidance. IDOE has released a curricular materials FAQ document with more information on May 26, 2023.

The following previously issued school bulletin articles are rescinded:

- Curricular Material Fees (241-3),
- Financial Assistance for School Children (227-4),
- Curricular Material Storage and Disposal (203-4).

The following previously prescribed school forms are rescinded:

- Inventory of Textbook Rental (TBR-1),
- Official Receipt – Individual Curricular Materials Rental List (TBR-2).

Prior to the effective date of HEA 1001, the Curricular Materials Rental Fund was established as Fund 900 in the school chart of accounts in Chapter 4 of the Accounting and Uniform Compliance Guidelines for Public School Corporations. The chart of accounts has been updated and Fund 900 has been renamed to Curricular Materials. Balances in Fund 900 should not be transferred, and the name of the fund should be renamed to match the updated chart of accounts. Applicable receipt and expenditure codes have been revised and descriptions have been updated. Any fees received for lost or damaged curricular materials should use the general receipt form. Inventories of curricular materials are required to be performed each year.

SCHOOL LUNCH AND CURRICULAR MATERIALS – EXTRACURRICULAR ACCOUNTS

House Enrolled Act (HEA) 1001 and HEA 1040 amended IC 20-41. Effective January 1st, 2024, IC 20-41-1-2 will prohibit School Lunch and Curricular Materials funds to be accounted for at the extracurricular accounts (ECA) level. ECAs must remit any school lunch or curricular materials funds to the school corporation and be accounted for in the school corporation's records before January 1st, 2024.

We will not take exception to an extracurricular treasurer initially collecting and accounting for receipts turned in by a student at the building level. ECAs must remit any collections for the school lunch or curricular materials program to the school corporation on a timely basis. The balance of the each of these funds must be zero at the end of each calendar year and fiscal year.

The following previously issued school bulletin articles are rescinded:

- Audit Position on Official Bonds (212-4),
- School Lunch Program ECA Records (229-4).

The Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts has been updated. School Lunch prescribed form samples and descriptions can now be found in the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations in chapter 10.

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OFFICIAL BONDS – UPDATED POSITION

1. The SBOA will not take audit exception to schedule bonds—by name or position—if the bonds are authorized by ordinance, endorsed to cover faithful performance, and include aggregate coverage sufficient to cover all officers, employees, and contractors required to be bonded.

2. The SBOA will not take audit exception if a political subdivision purchases a crime insurance policy in lieu of a bond if the crime insurance policy is authorized by ordinance, endorsed to cover faithful performance, and includes aggregate coverage sufficient to cover all officers, employees, and contractors required to be bonded.

3. It is the audit position of the SBOA that, for purposes of IC 5-4-1-18(a)(7), a “contractor” is a person or business in a contractual relationship with the political subdivision who has a fiduciary relationship with or performs a fiscal responsibility for the political subdivision, and whose accounts are not otherwise covered by the Federal Deposit Insurance Corporation (FDIC).

4. Considering materiality and the risk of loss to the governing body of a school corporation, the SBOA will not take audit exception if individuals who receive, process, deposit, disburse, or otherwise have access to public funds in an amount less than \$100 per event or duty are not bonded.

...X. Bonds for School Treasurers

A. School Treasurers. School treasurers, deputy treasurers, and “any individual whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to a school corporation or the governing body of a school corporation and in an amount that exceeds \$5,000 per year” must be bonded. IC 20-26-4-5(a).

1. The bond amount is determined by the school corporation’s governing body. IC 20-26-4-5(a).
2. The term of the bond is one year commencing on July 1.
3. The bond may be an individual bond, or a blanket bond if (1) the blanket bond is endorsed “to cover the faithful performance of all employees and individuals acting on behalf of the governing body or the governing body’s school corporation,” and (2) “includes aggregate coverage sufficient to provide coverage amounts specified for each individual required” to be bonded. IC 20-26-4-5(b).
4. 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.
5. There is no dollar threshold or *de minimis* exception in the statute. However, considering materiality and the risk of loss to the governing body, the SBOA will not take audit exception if individuals who receive, process, deposit, disburse, or otherwise have access to public funds in an amount less than \$100 per event or duty are not bonded.
6. We recommend that all bonds be filed with and kept by the trustee or board of school trustees. Copies of the bonds must also be submitted to the State Board of Accounts electronically via Gateway with the school’s Annual Financial Report.

OFFICIAL BONDS – UPDATED POSITION (Continued)

- B. Extracurricular Treasurers.** Extracurricular account treasurers must be bonded if they handle funds in excess of \$300 during the school year. IC 20-41-1-6(a).
1. The bond amount is determined by the superintendent and principal of the school approximating the total “anticipated funds that will come into the possession of the treasurer at any one time during the regular school year.” IC 20-41-1-6(a).
 2. The term of the bond is not specified, but an extracurricular treasurer must be designated “immediately upon the opening of the school term....” Thus, we recommend an annual bond commencing on July 1.
 3. The bond may be an individual bond or a blanket position bond for all extracurricular account treasurers. IC 20-41-1-6(b).
 4. The bond must be filed with the trustee or board of school trustees. IC 20-41-1- 6(a). A copy of the bond must also be submitted to the State Board of Accounts electronically via Gateway with the school’s Annual Financial Report.

EXAMINATIONS AND INVESTIGATIONS

Pursuant to recent legislative changes to Ind. Code 5-11-4-3(d), there will be an adjustment to our rates for non-federal taxing units and soil and conservation districts. The statute states, in relevant part:

(d) Except as otherwise provided in this chapter, each:

- (1) taxing unit; and
- (2) soil and water conservation district;

shall be charged an amount equal to fifty percent (50%) of the actual direct and indirect cost of performing an examination for each field examiner, private examiner, expert, or employee of the state board of accounts who is engaged in making examinations or investigations carried out under this article, but not to exceed four hundred dollars (\$400) per day. . . .

The change will occur for all examinations and investigations with field work beginning on or after July 1, 2023. Our rates are listed below and available at: <https://www.in.gov/sboa/about-us/our-rates/>.

- Non-federal taxing unit and soil and water conservation district rate: \$395 per day
- Technology fee: \$55 per day
- Processing fee: \$35 per day
- Full direct and indirect cost rate: \$968 per day
- Procured audit and opt-out unit processing fee: \$375 per report
- Technical assistance fee for opt-out units: \$129.07 per hour

As always, the entities audited by the State Board of Accounts will continue to receive technical assistance and training from the State Board of Accounts without charge. We appreciate your understanding and support as we strive to maintain the quality of our services, and we look forward to our continued partnership.

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GENERAL OBLIGATION BONDS

The procedures for the accounting of the proceeds of the sale of a general obligation bond issue and the investment and use of same are somewhat complicated and require reference to several laws. Our article will be limited to the subject of bond issues for school construction as authorized by IC 20-48-1.

When bonds are sold, the amount of principal (face value) received shall be receipted to a Construction Fund using Receipt Account 5110 and deposited in a designated depository for necessary expenditure. The amount then (if desired) may be invested (please ensure arbitrage problems do not exist). Any premium on the sale or accrued interest (interest earned from date of issue or most recent prior interest payment date to the date of sale) must be receipted to the Debt Service Fund using Receipt Account 5120 (IC 5-1-12-2). Please do not confuse "accrued interest" with "interest earned from investment of the proceeds of the sale". Investment of the proceeds must be in accordance with the investment law as found in IC 5-13-9. Interest earned from investment of the proceeds shall be receipted using Receipt Account 1510 of the Construction Fund or, if the governing board so designates, to the Operations Fund or Debt Service Fund (IC 5-13-9-6)

When securities are purchased as an investment of Construction Fund monies, the check is recorded using Expenditure Account 60300 of the Construction Fund. The amount of the check is included in the total expenditures for the day which is posted to the appropriation Control Account, the Construction Fund, and the Control of All Funds in the Fund Ledger. The amount invested or the cost of securities purchased is also entered in the Clearing Account for Investments (Fund 8500) on the Receipts-Purchase of Investments side to retain the identity of the asset and maintain the balance in your accounting records. Also, set up a Register of Investments (Form 350) to provide a record of the investments and their earnings for the fund from which the investment was made (Construction Fund).

If interest is received while the security is held by the school corporation, record the amount on the Register of Investments on the same line as the investment is recorded; also, receipt the interest using Receipt Account 1510 of the Construction Fund (or Operations Fund or Debt Service Fund, if designated). Post the interest to the fund and the Control of All Funds. Deposit the interest in the designated depository.

When the investment is sold or matures, receipt the sale price to the Construction Fund and to the Control of All Funds. Record in the Construction Fund the purchase price of the security using Receipt Account 6510, Sale of Securities, and any amount received in excess of the purchase price using Receipt Account 1510, Interest on Investments. Also, disburse from the Clearing Account Fund 8500 by entering a disbursement. Disburse an amount equal to the purchase price of the security which will reduce the balance for the overall investment transaction in the Clearing Account to zero. Record the sale on the Register of Investments on the same line as the purchase was recorded. Any amount received in excess of the purchase price will be recorded on the Register of Investments as interest received.

PAYMENT OF CLAIMS - ELECTRONIC FUNDS TRANSFER

The school board may adopt a resolution to authorize an electronic funds transfer method of payment of claims. If the school board adopts a resolution, the school corporation may pay money from its funds by electronic funds transfer.

A school corporation that pays a claim by electronic funds transfer shall comply with all other requirements for the payment of claims by political subdivisions.

"Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. [IC 36-1-8-11.5]

ISSUING DUPLICATE WARRANTS

When a school corporation warrant is lost or for some other reason has not been presented for payment by the depository on which drawn, and evidence of this fact is submitted, the school corporation is authorized to issue a duplicate warrant to replace the original warrant; however, certain safeguards should be exercised before the duplicate warrant is issued, as recommended in the following outline:

1. The person, firm, or corporation requesting the duplicate warrant should submit to the school corporation treasurer an affidavit setting out all pertinent information with reference to such warrant. A separate affidavit should be furnished by the payee and by each party to whom it was endorsed. A suggested form of affidavit will be found on page 13.
2. Immediately upon receipt of the affidavit, the school corporation treasurer should issue a stop payment order on the original warrant to the bank on which it was drawn.
3. Delay issuing the duplicate warrant until the warrants for the month in which the stop payment order was issued are returned by the bank and the school corporation treasurer has verified that the original warrant has not been cashed.
4. Issue the duplicate warrant on the next warrant number of the current series, under current date (not the date it was originally issued), bearing the payee's name, amount and other details shown on the original warrant, but clearly indicate thereon that it is "issued to replace warrant number ____, dated _____, 20__." In this manner no problems should arise when the warrant is presented to the bank for payment, which sometimes happens when it is given the date and number of the original warrant on which payment was stopped. It is not permissible to have unnumbered warrants furnished by the printer for this purpose; always use the next warrant number in the current series but show thereon the warrant number it replaces.
5. The duplicate warrant is not to be posted to the ledgers since it is issued only for the purpose of replacing the original warrant. To identify it as a duplicate so it will not be posted and added with the disbursements for the month, simply circle the copy in the warrant register or otherwise identify it as a "Duplicate."

A duplicate warrant might, under emergency conditions, be issued within a short time after the stop payment order is given the bank where the bank furnishes a statement that they have checked the paid warrants to date and the warrant in question has not been paid. However, a safe position is to wait until the canceled warrants for the month in which the stop payment order was issued are returned by the bank and the fiscal officer has verified the warrant has not been paid.

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NEW LAWS AFFECTING SCHOOLS

The following is a Digest of some of the laws passed by the 2023 Regular and Special Sessions of the General Assembly affecting Schools. Please note the effective dates. Some of the laws do not pertain directly to Schools but are included for ready reference to the covered subject matter.

The Digest is not intended as an expression of legal interpretation. The Digest is also not intended to be all inclusive. References in the Digest will be to the Indiana Code in the following form (Amends IC 20-26-1-4) (Amends Indiana Code, Title 20, Article 26, Chapter 1, Section 4). The final version of each Public Law can be found on the Indiana General Assembly website (<http://iga.in.gov/>). If you have any questions regarding legal interpretation, please consult your school attorney.

**Public Law 201-2023, House Enrolled Act 1001 – Effective Dates Vary
State Budget**

Adds IC 20-40-22; Various Others

Amends IC 20-26-5-4; IC 20-26-12-1; IC 20-26-12-2; IC 20-33-5-3; IC 20-33-5-5; IC 20-33-5-7; IC 20-33-5-11; IC 20-40-9-7; IC 20-41-1-2; IC 20-41-2-2; IC 20-41-2-5; IC 20-42-3-10; IC 36-8-10.6-5; Various Others

Appropriates money for capital expenditures, the operation of the state, K-12 and higher education, the delivery of Medicaid and other services, and various other distributions and purposes. Requires a researcher to execute a data sharing agreement that is approved by the management performance hub to receive access to confidential records. Provides that the auditor of state is also known as the state comptroller. Provides that, after June 30, 2023, the auditor of state shall use the title "state comptroller" in conducting state business, in all contracts, on business cards, on stationery, and with other means of communication as necessary. Establishes the attorney general contingency fee fund. Establishes the: (1) state opioid settlement fund; and (2) local opioid settlement fund; into which funds received from opioid litigation settlements must be deposited. Provides that the office of the inspector general shall provide informal advisory opinions and that the opinions are confidential. Allows the budget committee to submit the budget report and budget bill or bills to the governor on or before the second Monday of January, or the third Monday of January in the year in which a gubernatorial election is held (instead of before that date). Requires the state personnel department to require a contractor, when contracting for health care coverage for state employees, to use value based coverage. Repeals a provision that makes a state general fund appropriation to the board of trustees of the Indiana public retirement system if the money available in the special death benefits fund is insufficient to pay death benefit claims. Allows the Indiana economic development corporation (IEDC) to certify an applicable tax credit that exceeds the maximum allowable amount after review by the budget committee. Provides that the regional economic acceleration and development initiative program expires June 30, 2026. Specifies that the county or municipality that did not approve the relocation of an outdoor advertising sign is responsible for compensation of the taking of the outdoor advertising sign. Provides that an owner may relocate an outdoor advertising sign that is subject to a pending eminent domain action. Allows an individual to claim an increased exemption amount for a dependent child in the first year in which the exemption amount may be claimed for the child. Reduces the individual income tax rate to 2.9% by 2027 and eliminates all trigger provisions in current law. Establishes the regional public safety training fund. Repeals provisions relating to the establishment of the: (1) Indiana homeland security foundation; (2) Indiana homeland security fund; and (3) fire training infrastructure fund. Allows certain members of the public employees' retirement fund or Indiana state teachers' retirement fund to file an election to begin receiving retirement benefits while holding a position. Changes the state police pre-1987 benefit and supplemental pension benefit calculation from being based on the sixth year of service to the fourth year of service. Repeals the public mass transportation fund. Repeals the financial responsibility compliance verification fund. Changes the number of years of service on which the salary matrix for state police employees is based to 15 years (instead of 20 years). Requires the department of correction to deposit the amount appropriated for the county misdemeanor fund by a county's multiplier. Requires the office of Medicaid policy and planning (office) to: (1) develop a schedule for the review of Medicaid reimbursement rates; and (2) provide a copy of the schedule to the budget committee; not later than November 1, 2023. Creates the residential water testing fund to test the water supply of an individual property owner of an eligible township. Requires the director of the state personnel department to submit a revision or adjustment to a pay plan developed for state

employees to the state budget committee for review before the revision may take effect. Provides that the general assembly shall convene: (1) on the second Tuesday after the first Monday in June for the first regular technical session; and (2) on the second Tuesday after the first Monday in May for the second regular technical session. Provides that a technical session is not required to convene if the president pro tempore and the speaker jointly issue an order that convening is not necessary. Requires the general assembly to convene no later than the fourth Monday in January after organization day. Repeals provisions relating to emergency sessions and makes conforming amendments. Recouples the state earned income tax credit qualifications with the federal earned income tax credit qualifications under the Internal Revenue Code as in effect January 1, 2023. Requires a contractor that provides tangible personal property incorporated into real property in a project located in an innovation development district to maintain records of all state gross retail and use tax paid or collected during a state fiscal year. Adds state adjusted gross income taxes paid by an individual who is not an employee with respect to income received for services performed in an innovation development district for purposes of calculating income tax incremental amounts. Establishes the commission on improving the status of children fund to support the staffing and operations of the commission. Provides that a part of state user fees shall be deposited in the Indiana secured school fund. Repeals the distribution schedule for appropriations made for certain child development programs. Requires the department of local government finance to prepare an annual report and abstract concerning property tax data (instead of the auditor of state). Deletes reimbursement rate parameters for reimbursement of managed care organizations under the healthy Indiana plan. Extends the sunset of the collection of hospital assessment fees and health facility quality assessment fees from June 30, 2023, to June 30, 2025. Increases the total number of adult learner students at the Excel Centers for Adult Learners and Christel House DORS centers for whom the school may receive state funding. Establishes the Indiana education scholarship account donation fund to accept donations for administration of the Indiana education scholarship account program. Repeals the special education fund. Establishes a state tax credit for a taxpayer that makes certain qualified child care expenditures in providing child care to the taxpayer's employees. Extends provisions for the gasoline tax and the special fuel tax rates. Amends a statute concerning powers and duties of a regional water, sewage, or solid waste district established under prior law. Extends the sunset for the invasive species council and fund from July 1, 2023, to July 1, 2031. Prohibits school corporations and charter schools from charging a fee for curricular materials to students. Provides that the parent of a student or an emancipated minor who attends an accredited nonpublic school and who meets financial eligibility requirements may request reimbursement of fees charged for curricular materials. Establishes the curricular materials fund. Requires a county auditor to distribute a portion of revenue received from an operations fund levy imposed by a school corporation located in certain counties to certain charter schools (excludes school corporations that are designated as a distressed political subdivision). Requires charter schools that receive a distribution of tax levy revenue to establish an operations fund and education fund under the same provisions that apply to school corporations. Provides that in order to receive a distribution of tax levy revenue, a charter school must adopt a budget for the school year following a public meeting. Provides funding amounts for schools. Establishes the credential completion grant. Removes pathways for choice scholarship eligibility. Increases the annual income maximum for choice scholarship eligibility. Provides that a school corporation is eligible for an academic performance grant. Provides that state user fees remaining after required distributions shall be distributed to the state general fund (instead of the court technology fund). Makes certain amendments to the juvenile diversion grant program, the juvenile community alternatives grant program, and the juvenile behavioral health competitive grant pilot program (programs). Requires grants for the programs to be administered by the Indiana criminal justice institute in consultation with the juvenile justice oversight committee (oversight committee) and the grant process workgroup created by the oversight committee, taking into consideration the grant program report prepared and submitted to the commission on improving the status of children in Indiana by the oversight committee. Requires the state comptroller to deposit distributions of pro bono legal services fees received from the: (1) clerk of a circuit court; (2) clerk of a city or town court; or (3) Marion County small claims court; in the pro bono legal services fund. Requires the commission for higher education to create a separate higher educational operating funding outcomes based formula (funding formula) for Ivy Tech Community College. Requires, on or before July 1, 2023, budget committee review of all of the funding formulas created and approved by the commission for higher education. Provides that state appropriations may not be used to pay for the administration, operation, or programs of the Kinsey Institute for Research in Sex, Gender, and Reproduction. Provides that the legislative body of a first class city may adopt an ordinance to establish a special assessment district known as an economic enhancement district. Provides certain requirements for the ordinance and imposition of a special assessment. Requires the legislative body of the first class city that establishes an economic enhancement district to establish an economic enhancement district board. Extends the judicial and legislative branch leave conversion pilot program through June 30, 2025. Establishes the northeast Indiana strategic development fund administered by the northeast Indiana strategic development commission. Provides that if the amount of excess combined reserves in 2024 or 2025 exceeds \$3,000,000,000, the amount that exceeds \$3,000,000,000 is transferred to the pre-1996 account. Establishes the regional economic acceleration and development initiative 2.0 fund (READI 2.0). Requires the IEDC to develop a policy for a READI 2.0 program. Provides that money in the READI 2.0 fund may be used to: (1) support the IEDC's READI 2.0 program; and (2) provide grants or loans to support proposals for economic development and regional economic acceleration and development. Establishes the attainable homeownership tax credit for a taxpayer who makes a contribution to an affordable housing organization. Establishes the Medicaid

oversight committee. Requires the Medicaid oversight committee to review, consider, and make recommendations concerning all requests for new services and changes in existing services for the Medicaid program. Provides that unexpended and unencumbered amounts appropriated from the federal economic stimulus fund in the state fiscal year ending before July 1, 2023, do not revert to the state general fund. Provides that unexpended and unencumbered amounts appropriated to the legislative services agency in a state fiscal year ending before July 1, 2024, do not revert to the state general fund. Requires the state comptroller to transfer \$85,000,000 from the tobacco master settlement agreement fund to the state construction fund on July 1, 2023. Appropriates money for various purposes for the state fiscal year ending June 30, 2023. Urges the legislative council to assign to an appropriate interim study committee the task of studying specific issues pertaining to the feasibility of the department of child services contracting with private attorneys to perform legal services and provide representation in certain cases instead of employing staff attorneys within the department of child services for those purposes. Requires the Indiana public retirement system to study and report and present on certain topics to the interim study committee on pension management oversight before November 1, 2023. Establishes the funding Indiana's roads for a stronger, safer tomorrow task force. Makes conforming changes.

Public Law 58-2023, House Enrolled Act 1040 – Effective January 1, 2024
Requirements for elected officials

Adds IC 36-2-9-22; IC 36-2-9.5-18; IC 36-2-10-25; IC 36-3-5-14; IC 36-4-10-9; IC 36-6-4-20;

Amends IC 5-11-1-9; IC 5-11-14-1; IC 5-11-14-2; IC 5-28-3-2; IC 5-28-5-13; IC 20-26-4-1; IC 20-41-1-2; IC 20-41-1-5; IC 20-41-2-4; IC 20-41-2-5; IC 20-41-2-6; IC 33-32-2-9; IC 36-2-10-2.5; IC 36-2-10-24; IC 36-2-11-2.5; IC 36-3-5-2.6; IC 36-4-10-2; IC 36-4-10-4.5; IC 36-4-10-8; IC 36-5-6-6; IC 36-5-6-7; IC 36-5-6-9; IC 36-5-6-10; IC 36-6-4-17; IC 36-6-4-18;

Repeals IC 20-41-2-1; IC 20-41-2-2; IC 20-41-2-3

Provides that if an examination of an audited entity is unable to be performed because the audited entity's accounts, records, files, or reports are not properly maintained or reconciled, the entity may be declared unauditible. Requires an unauditible entity to bring its accounts, records, files, or reports into an auditible condition within 90 days. Requires the state board of accounts (SBOA) to publish a list of entities declared to be unauditible on the SBOA's website. Provides that if an entity is declared unauditible and the fiscal officer is unable to perform the fiscal requirements of their position, the entity is required to hire outside assistance for guidance or to perform the fiscal requirements. Clarifies an exception regarding the liability of an elected official for acts that constitute gross negligence or intentional disregard of the official's duties. Requires the SBOA to annually call a conference for: (1) city and town controllers and clerk-treasurers, newly appointed city and town controllers, and city and town clerk-treasurers elect; and (2) township trustees and township trustees elect. Provides that elected officials must attend training every two years and that the SBOA shall keep attendance of elected officials and publish it on the SBOA's website. Makes an exception for school corporation treasurer personal liability. Provides that if there is an office of town clerk-treasurer that is vacant, and the town legislative body is unable to fill the office, the town legislative body may either: (1) enter into a local agreement with the town clerk-treasurer and town legislative body of another town in the state to assist a selected town legislative body member in performing the duties of the clerk-treasurer's office; or (2) enter into a contract with a certified public accountant to assist the town legislative body member in performing the duties of the clerk-treasurer's office. (Current law provides that the town legislative body may only enter into a contract with a certified public accountant after the town legislative body is unable to reach an agreement with another town.) Provides that if, after reasonable diligence, a town may hire any qualified person to perform the duties of the clerk-treasurer's office until the vacancy can be filled, or until the end of the current clerk-treasurer's term, whichever is first. Provides that newly elected officials shall complete five hours of training before taking office. Provides that elected officials shall certify completion of training requirements to the SBOA annually. Excludes self-supporting school lunch and the rental or sale of curricular materials as programs that may be established as separate funds. Repeals obsolete provisions. Makes technical corrections.

Public Law 59-2022, House Enrolled Act 1041 – Effective July 1, 2023
State Board of Accounts

Amends IC 5-11-1-1; IC 5-11-13; IC 5-11-1-4; IC 5-11-1-8; IC 5-11-1-9; IC 5-11-1-9.5; 5-11-1-24.4; IC 5-11-4-2; IC 5-11-5-1; IC 5-11-5-4; IC 5-11-6-1; IC 5-11-7-1; IC 5-28-3-2; IC 5-28-5-13; IC 13-21-4-4

Repeals IC 5-11-1-9.7; IC 5-11-1-15; IC 5-11-1-26; IC 5-11-5-8

Provides that the state board of accounts (SBOA) is designated as the independent external auditor of audited entities

and is subject to applicable professional accounting standards. Requires annual reports to be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. Requires all appointments of field examiners be made solely upon the ground of fitness in accordance with professional accounting and auditing standards. Provides that if an examination of an audited entity is unable to be performed because the audited entity's accounts, records, files, or reports are not properly maintained or reconciled, the audited entity may be declared to be unauditible. Provides that an audited entity that is declared unauditible shall bring its accounts, records, files, or reports into an auditible condition within 90 days. Requires the SBOA to publish a list of audited entities declared unauditible on its website. Revises conditions under which the state examiner may undertake an examination based on a violation of the law. Requires the SBOA to approve a request by an audited entity to opt out of examinations and engage a certified public accountant to conduct examinations if, within the last six years, the SBOA has not issued an examination or special investigation report critical of the audited entity's internal controls and there have been no adverse reports. Provides that the SBOA may terminate its approval of the use of a certified public accountant if certain requirements are not met. Revises the provision regarding field examiner traveling expenses. Makes changes to certain reporting, resolution, and disclosure requirements. Simplifies the provision regarding parties and a plaintiff's right of recovery. Removes provisions regarding additional powers of the state examiner and attorney general. Provides that if the attorney general brings an action against an official bond, official bonds, or a crime insurance policy, the cause may be brought in the name of the state of Indiana upon the relation of the attorney general as plaintiff. Repeals a provision regarding the withdrawal or removal of counties from solid waste management districts. Repeals a provision regarding bonds and crime policies for faithful performance. Repeals a provision regarding examination reports, requisites, performance of public works, and SBOA powers. Repeals a provision regarding copies of reports filed with libraries, public inspections, and request renewals. Makes technical and conforming changes.

Public Law 127-2023, House Enrolled Act 1167 – Effective July 1, 2025
Live streaming and archiving meetings

Adds IC 5-14-1.5-2.9

Requires governing bodies of state and local agencies (excluding a state supported college or university) to provide, on a publicly accessible platform: (1) live transmissions of public meetings; and (2) an archive of copies of the live transmissions with links to any meeting agendas, minutes, or memoranda. Provides that if a governing body does not have Internet capability for live transmission of public meetings, the governing body shall record the meeting. Provides that transmissions and recordings of public meetings may be destroyed after 90 days.

NEW LAWS AFFECTING SCHOOLS (Continued)

Public Law 181-2023, Senate Enrolled Act 317 – Effective Upon Passage
Contracting and Purchasing

Amends IC 5-11-10-1.6; IC 6-1.1-4-31.5

Provides that a political subdivision may make advance payments to contractors to enable the contractors to purchase materials needed for a public works project of the political subdivision. Provides that a political subdivision may make advance payments for goods or services before the goods are delivered or services are completed if the fiscal body of the political subdivision authorizes advance payments.

Public Law 189-2023, Senate Enrolled Act 391 – Effective July 1, 2023
Charter Schools

Adds IC 20-24-7-6.2; IC 20-24-14; IC 20-26-7-47; IC 20-26-7-48; IC 20-26-7.1-2.1; IC 20-26-7.1-2.2; IC 20-26-7.1-2.8; IC 20-26-7.1-5.3; IC 20-26-7.1-10; IC 20-46-1-21; IC 20-46-9-22; IC 20-49-4-3.5;

Amends IC 5-1.5-1-8; IC 20-24-4-1; IC 20-24-7-6; IC 20-26-7-39; IC 20-26-7.1-1; IC 20-26-7.1-3; IC 20-26-7.1-4; IC 20-26-7.1-4.5; IC 20-26-7.1-5; IC 20-26-7.1-6; IC 20-26-7.1-9; IC 20-29-2-6; IC 20-29-8-7; IC 20-40-3-5; IC 20-40-20-6; IC 20-46-1-8; IC 20-46-1-8.5; IC 20-46-1-10; IC 20-46-9-6; IC 20-46-9-7; IC 20-46-9-9; IC 20-49-3-8; IC 20-49-4-1; IC 20-49-4-2; IC 20-49-4-7;

IC 20-49-4-8; IC 20-49-4-9; IC 20-49-4-11; IC 20-49-4-12; IC 20-49-4-13; IC 20-49-4-14;
IC 20-49-4-15; IC 20-49-4-16; IC 20-49-4-17; IC 20-49-4-18; IC 20-49-4-19; IC 20-49-4-23;

Repeals IC 20-26-7.1-7; IC 20-26-7.1-8; IC

Provides that, for a resolution to adopt a school operating referendum tax levy or school safety referendum tax levy adopted after May 10, 2023, a county auditor must distribute a portion of revenue received from the school operating referendum tax levy or school safety referendum tax levy to each charter school in which students who receive not more than 50% virtual instruction and who have legal settlement in certain school corporations attend. Provides that if a charter school receives a distribution from a school corporation from a school operating referendum tax levy or a school safety referendum tax levy, the charter school must post certain information on the charter school's website. Provides that a charter school that may receive money from a school operating referendum tax levy or a school safety referendum tax levy may not promote a position on a referendum, in the same manner as a school corporation is prohibited from promoting a position on a referendum. Provides that the maximum length of a charter is 15 years. (Current law provides that the maximum length of a charter is seven years.) Provides all charter schools access to loans through the Indiana bond bank. Provides that the state board of education (state board) may advance money to charter schools to be used for: (1) school building construction programs; and (2) educational technology programs. Amends the definition of "school building construction program" to: (1) include the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a charter school; and (2) replace "adjusted assessed valuation" with "assessed valuation" with regard to school corporation eligibility for an advance from the common school fund. Provides that a charter school may not receive an advance from the common school fund for an educational technology program unless the charter school develops a three year technology plan. Provides that a school corporation may not (instead of is not entitled to) receive or use certain money or advances unless the school corporation develops a three year technology plan. Makes conforming changes regarding advances to charter schools from the common school fund. Establishes standards concerning when a school corporation may close an underutilized school building that had been used at any time for classroom instruction. Provides procedures regarding petitioning for a determination as to whether a school building meets criteria for closure or should be made available for sale or lease. Requires the department of education (department) to make a determination regarding a petition. Requires each school corporation to annually report to the department certain information regarding school buildings. Provides procedures for notifying charter schools or state educational institutions through the department of the availability of a covered school building. Provides for appeals of certain orders or decisions to the state board. Provides that the: (1) department; or (2) selected charter school or state educational institution; may request the attorney general to commence a legal action to enforce a final order for the sale or lease of a covered school building or file a civil action to enforce the final order for the sale or lease after certain time periods. Repeals certain provisions regarding investigating complaints and enforcement by the attorney general. Establishes the charter school facility grant program. Makes conforming amendments. Makes a technical correction.

NEW LAWS AFFECTING SCHOOLS (Continued)

Additional Public Laws affecting Schools passed during 2023 session:

P.L. 202	HB 1002	Education and workforce development
P.L. 236	HB 1454	Department of local government finance
P.L. 150	HB 1492	School safety
P.L. 239	HB 1499	Various tax matters
P.L. 245	HB 1590	Various education matters
P.L. 246	HB 1591	Various education matters
P.L. 250	HB 15638	Education matters
P.L. 171	SB 100	Education matters
P.L. 184	SB 327	Gary Community Schools
P.L. 110	SB 342	Teacher Hiring
P.L. 196	SB 443	Various education matters
P.L. 200	SB 486	Education matters

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