

THE SCHOOL BULLETIN
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 249, Page 1

March 2025

ITEMS TO REMEMBER

April 2025

- 1 Prove all ledgers for the month of March.
- 15 Last day to upload February files required by State Examiner Directive 2018-1 (Amended October 2023) in the Monthly and Annual Engagement Uploads application in Gateway.
- 18 Legal Holiday – Good Friday (IC 1-1-9-1)
- 20 Last day for Early Filers to report and make payment of state and county income tax withheld during March 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 Last day to file Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal tax withheld.
- 30 Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending March 31.
- 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(e))

May 2025

- 1 Prove all ledgers for the month of April.
- 15 Last day to upload March files required by State Examiner Directive 2018-1 (Amended October 2023) 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 April 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.
- 26 Legal Holiday – Memorial Day (IC 1-1-9-1)
- 31 On or before June 1 and December 1 of each year the school corporation shall certify to the county treasurer the name and address of each person who has money due from the school corporation. (IC 6-1.1-22-14)
- 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(e))

ITEMS TO REMEMBER
(Continued)

June 2025

- 1 Prove the Fund Ledger and Ledger of Receipts for the month of May to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.
- 15 Last day to upload April files required by State Examiner Directive 2018-1 (Amended October 2023) 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 May 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 Close out all payroll deduction clearing accounts. Balance and close the Fund Ledger and Ledger of Receipts for the school year and reconcile with depositories. Total the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances (January 1 to June 30). Close the ledger for the school year and prove to the Fund Ledger.
- 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(e))

CHART OF ACCOUNTS UPDATES

We have updated the following items in the School Chart of Accounts on our website at <https://www.in.gov/sboa/4449.htm> .

- Chapter 5 – Receipt code 3142 Education Scholarship Account – **added**.

MONTHLY BANK STATEMENTS AND CANCELLED CHECKS

The treasurer of the school corporation should receive a monthly statement at the close of each month from each designated depository which should include all checks paid through the bank and canceled during the period covered by the statement. IC 5-13-6-1 provides in part, "(e) All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

IC 5-15-6-3(a) states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration.

Furthermore, IC 26-2-8-111 states, in part:

- (a) "If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:
 - (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
 - (2) remains accessible for later reference."
- (e) "If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

PROMOTION EXPENSE OF SCHOOL CORPORATION

Chapter 6 of the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations prescribes Account 23160, Promotion Expense for expenditures authorized by IC 20-26-5-4, which states in part: "To appropriate from the school corporation's...operations fund... an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based upon the school corporation's ADM of the previous year (as defined in IC 20-43-1-7) to promote the best interests of the school corporation through: (A) the purchase of meals, decorations, memorabilia, or awards; (B) provision for expenses incurred in interviewing job applicants; or (C) developing relations with other governmental units."

BUS DRIVERS – METHODS OF PAYMENT

Employment Contracts

“(a) If a school corporation owns the school bus equipment in its entirety, the school corporation may employ a school bus driver on a school year basis in the same manner as other noninstructional employees are employed. (b) A school corporation that hires a school bus driver under this section shall purchase and carry public liability and property damage insurance covering the operation of school bus equipment in compliance with IC 9-25. (c) Sections 5 through 32 of this chapter do not apply to the employment of a school bus driver hired under this section.” (IC 20-27-5-4)

Driver Furnishing Body Or Chassis Of School Bus

“(a) If a school bus driver is required to furnish the school bus body or the school bus chassis, or both, the governing body of the school corporation shall enter into a written transportation contract with the school bus driver under IC 5-22. (b) The transportation contract may include a provision allowing the school bus driver to be eligible for the life and health insurance benefits and other fringe benefits available to other school personnel.” (IC 20-27-5-5)

Fleet Contracts; Benefits Package

“(a) The governing body of the school corporation may enter into a fleet contract with the fleet contractor under IC 5-22. (b) The fleet contract may include a provision allowing the school bus drivers to be eligible for the life and health insurance benefits and other fringe benefits available to other school personnel. (c) The governing body of a school corporation may enter into a fleet agreement with a transportation network company (as defined by IC 8-2.1-17-18) to transport students of the school corporation if the school corporation conducts an expanded criminal history check and expanded child protection index check as provided under IC 20-26-5-10 of every TNC driver (as defined by IC 8-2.1-17-19) who will transport students of the school corporation.” (IC 20-27-5-6)

Transportation Or Fleet Contracts; Public Purchasing Requirements

“Transportation and fleet contracts entered into by a school corporation shall be entered into under IC 5-22.” (IC 20-27-5-7)

“(a) The governing body shall give notice to the public at least ten (10) days before beginning negotiations or receiving proposals or bids for transportation or fleet contracts. Notice shall be given in the manner provided by [IC 5-3-1](#). The notice must include the following information: (1) That the governing body will negotiate, receive proposals, or receive bids for transportation contracts and fleet contracts on a specified date. (2) That the governing body will execute contracts for the school bus routes of the school corporation. (3) That the specifications for the routes and related information are on file in the office of the governing body. (b) A transportation or fleet contract may not be negotiated until notice has been given under this section.” (IC 20-27-5-10)

Payments should be in accordance with applicable Internal Revenue and State Department of Revenue reporting requirements.

INTEREST INCOME

Interest Investment Deposit; Receipt; Reinvestment; Disposition

IC 5-13-9-6 provides in part: "(a) All interest derived from an investment by a political subdivision or by any other local public officer under the authority granted by section 3 of this chapter shall be deposited, except as otherwise provided by law, in the general fund of the investment authority or in any other fund its governing body designates specifically or by rule, subject to the modifications and limitations in this section." Our position is that the "general fund" for school corporations, in the context of this statute, would be the operations fund.

"(b) Interest from the following investments shall be receipted as follows: (1) Interest from investments of funds of a political subdivision that are traceable to United States government funds must be receipted to the fund of which they are a part, if required by federal law or regulation. (2) Interest from investments of funds controlled by court orders must be receipted to that fund unless otherwise designated by the court orders."

The following additional specific restrictions apply to school corporation investments. Any interest income derived from an investment, which includes money from the proceeds of a bond sale or Veterans' Memorial Fund Loan in a Construction Fund, or money from a Levy Excess Fund, or any special funds which include federal monies, shall be deposited to that specific fund. We do not take audit exception to the receipt of interest from investing the proceeds of a bond sale to a Construction Fund. Interest on such an investment will be receipted to the Construction Fund unless the treasurer is directed to place the interest in the Debt Service Fund to be applied toward the redemption of the bonds and coupons. Additionally, IC 20-40-18-4 provides that the net proceeds from the investment of operations fund monies become a part of the operations fund.

Bonded Indebtedness

IC 5-13-9-6 states in part: "(e) Any political subdivision may apply the interest derived from the investment of the proceeds from bonded indebtedness or local tax levies to the appropriate redemption bond interest or sinking fund for the bonded indebtedness. ...(g) Interest from the investment of the public funds of a political subdivision may not be paid personally or for the benefit of any public officer."

Public Deposits Insurance

"Funds deposited in deposit accounts in accordance with this chapter and interest earned or accrued on the funds are public funds and are covered by the insurance fund." (IC 5-13-9-8.5)

STATE EXAMINER DIRECTIVES

If you have subscribed to our SBOA Communications, you will receive notifications when the State Examiner has passed formal directives to political subdivisions. If you are not subscribed, or wish to further examine the directives, they can be accessed on the Schools webpage of the State Board of Accounts website through this link: <https://www.in.gov/sboa/political-subdivisions/schools/> .

If you wish to subscribe to our SBOA Communications, use the following signup link: <https://www.in.gov/sboa/about-us/sboa-communications-sign-up/> .

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