




Indiana State Board of Accounts

Library Workshop

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Contact Information 

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What's on Tap



- ✓ **Prescribed System of Accounting**
- ✓ **Funds – names, numbers, and types**
- ✓ **Enhanced Regulatory Updates**
- ✓ **Year-end Accounting Duties / Items**
- ✓ **Salary Resolutions/schedules**

Prescribe system of accounting

**IC 5-11-1-2 System of accounting and reporting**

Sec. 2. The state board of accounts shall formulate, prescribe, and install a system of accounting and reporting in conformity with this chapter, which must comply with the following:

- (1) Be uniform for every public office and every public account of the same class and contain written standards that an entity that is subject to audit must observe.
- (2) Exhibit true accounts and detailed statements of funds collected, received, obligated, and expended for or on account of the public for any and every purpose whatever, and by all public officers, employees, or other individuals.
- (3) Show the receipt, use, and disposition of all public property and the income, if any, derived from the property.
- (4) Show all sources of public income and the amounts due and received from each source.
- (5) Show all receipts, vouchers, contracts, obligations, and other documents kept, or that may be required to be kept, to prove the validity of every transaction.

The state board of accounts shall formulate or approve all statements and reports necessary

Funds – Ind. Code & Names



36-12-3-11(a)(1)	Library Operating
36-12-3-11(a)(2)	Construction
36-12-3-11(a)(3)	Bond and Interest Redemption
36-12-3-11(a)(4)	LIRF - Improvement Reserve
36-12-3-11(a)(5)	Gift
36-12-3-11(a)(6)	Contractual Service
4-23-7.1-5.1	Public Library Access Card PLAC
6-1.1-18.5-17	Levy Excess
36-1-8-5.1	Rainy Day
36-1-8-12	Grants
36-12-12	Capital Projects

Funds – Ind. Code & Names



Indiana Code	Fund
36-12-3-11(a)(1)	Library Operating
36-12-3-11(a)(5)	Gift
36-1-8-5.1	Rainy Day
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36-12-3-11(a)(4)	LIRF - Improvement Reserve
36-12-3-11(a)(2)	Construction
36-12-12	Capital Projects
4-23-7.1-5.1	Public Library Access Card (PLAC)



Funds – Ind. Code, Names, & Prescribed Numbers

Indiana Code	Fund	Fund No.
36-12-3-11(a)(1)	Library Operating	100
36-12-3-11(a)(5)	Gift	200
36-1-8-5.1	Rainy Day	201
36-12-3-11(a)(6)	Contractual Service	202
6-1.1-18.5-17	Levy Excess	203
36-1-8-12	Grants	250-299
36-12-3-11(a)(3)	Bond and Interest Redemption	300
36-12-3-11(a)(4)	LIRF - Improvement Reserve	400
36-12-3-11(a)(2)	Construction	401
36-12-12	Capital Projects	402
4-23-7.1-5.1	Public Library Access Card (PLAC)	800
	Evergreen	801
	Payroll	802
	Withholding	803-850



Funds – Ind. Code, Names, & Prescribed Numbers

Indiana Code	Fund	Fund No.	Fund Type
36-12-3-11(a)(1)	Library Operating	100	General
36-12-3-11(a)(5)	Gift	200	Special Revenue
36-1-8-5.1	Rainy Day	201	Special Revenue
36-12-3-11(a)(6)	Contractual Service	202	Special Revenue
6-1.1-18.5-17	Levy Excess	203	Special Revenue
36-1-8-12	Grants	250-299	Special Revenue
36-12-3-11(a)(3)	Bond and Interest Redemption	300	Debt Service
36-12-3-11(a)(4)	LIRF - Improvement Reserve	400	Capital Projects
36-12-3-11(a)(2)	Construction	401	Capital Projects
36-12-12	Capital Projects	402	Capital Projects
4-23-7.1-5.1	Public Library Access Card (PLAC)	800	Clearing
	Evergreen	801	Clearing
	Payroll	802	Clearing
	Withholding	803-850	Clearing

Prescribed Fund Names / Numbers



- Discussion on funds will refer to prescribed name and number.
- When reporting on the Annual Financial Report, the prescribed fund name and number will be expected.
- Future revision to *Library Manual* listing chart of accounts expected in near future.

Prescribed Fund Names / Numbers



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Fund Types & Definitions



✓ Why are fund types important?

Starting with financial statements for calendar year 2020, your financial activity will be presented by fund type - each fund type will have its own statement showing financial activity.

✓ What are the different fund types and what do they mean?

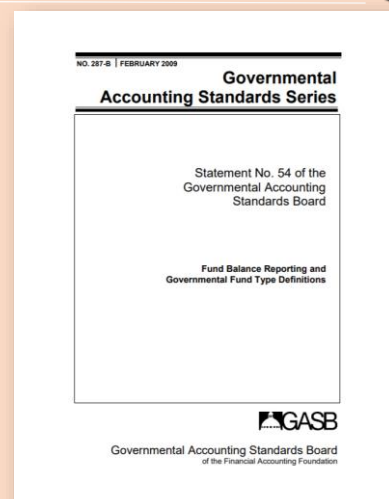
Glad you asked - let's take a look

Fund Types & Definitions



**Government Accounting Standards Board
(GASB) Statement #54**

www.gasb.org/st/summary/gstsm54.html



Fund Types



General
 Special Revenue
 Debt Service
 Capital Projects
 Permanent

Proprietary
 > Enterprise
 > Internal Service
 Fiduciary
 > Trust
 > Clearing

Libraries - Fund Types



General
 Special Revenue
 Debt Service
 Capital Projects
 Permanent

Proprietary
 Enterprise
 Internal Service
 Fiduciary
 > Trust
 > Clearing

General Fund Type



Defined as:

- Accounts for and reports tax & other receipts not allocated to another fund
- Chief operating fund of the library
- General operating disbursements paid from Operating

General Fund



Fund Number	Gateway Number	Fund Name
100	101006	Operating Fund

Special Revenue Fund



Defined as:

- Accounts for and reports sources restricted or committed to expenditures for specific purposes
- Most common: Gift funds, Rainy Day, Grants

SPECIAL REVENUE FUNDS



Fund Number	Gateway Number	Fund Name
200		Gift (not restricted to capital items)
201	102194	Rainy Day
202	110059	Contractual Services
203	102351	Levy Excess
204-225		Reserved for future statutory funds
226-275		Reserved for other special revenue funds (additional gifts, etc.)
276-299		Grants – federal and/or state special revenue

Debt Service Fund



Defined as:

- Accounts for and reports resources restricted, committed, or assigned for principal & interest
- Debt service should be used to report resources if legally mandated
- Includes resources accumulated for both current and long-term principal and interest payments

DEBT SERVICE FUNDS



Fund Number	Gateway Number	Fund Name
300		Bond & Interest Redemption
301-399		Reserved for other debt service funds

Capital Project Fund



Defined as:

- Accounts for and reports resources restricted, committed, or assigned for capital outlays
- Includes acquisition & construction of capital facilities and capital assets.

CAPITAL PROJECTS FUNDS



Fund Number	Gateway Number	Fund Name
400	104056	Library Improvement Reserve (LIRF)
401		Construction
402	104055	Capital Projects
403-410		Reserved for future capital project funds
411-420		Gift – capital (for capital items only)
421		Rainy Day (for capital uses only)
422-450		Grants – federal and/or state – capital items only

Permanent Fund



Defined as:

- Accounts for and reports resources restricted to only earnings (not principal) used to support the library's programs
- "... benefit of the government or its citizenry."
- Does not include private-purpose trusts

Proprietary Funds



Internal Service

Proprietary – Internal Service



Defined as:

- Accounts for and reports for the financing of goods or services provided by one fund, department, or agency, to other funds, departments, or agencies of the library
- Cost reimbursement basis
- Self-insurance; IT services; Central stores

Fiduciary Funds



Trust



Clearing

Fiduciary - Trust Fund



Defined as:

- Private-purpose trust funds account for and report trust arrangements where principal and income benefit:
 - individuals
 - other governments



Fiduciary – Clearing Fund



Defined as:

- Accounts for assets held by a government in a custodial capacity
- Used to be called “agency funds”
- Includes withholding funds, like
 - Garnishment
 - Withheld taxes



CLEARING FUNDS



Fund Number	Gateway Number	Fund Name
800	110058	Public Library Access Card (PLAC)
801		Evergreen
802		Payroll (when separate from operating)
802-850		Payroll Withholding (when separate from operating)

Summary



Fund Type	Fund Number	Fund Name
General	100	Operating
Special Revenue	200	Gift
	201	Rainy Day
	202	Contractual Services
	203	Levy Excess
	204-225	Reserved - future statutory funds
	226-275	Reserved - other special revenue
Debt Service	276-299	Grants - federal and/or state
	300	Bond & Interest Redemption
	301-399	Reserved - other debt service

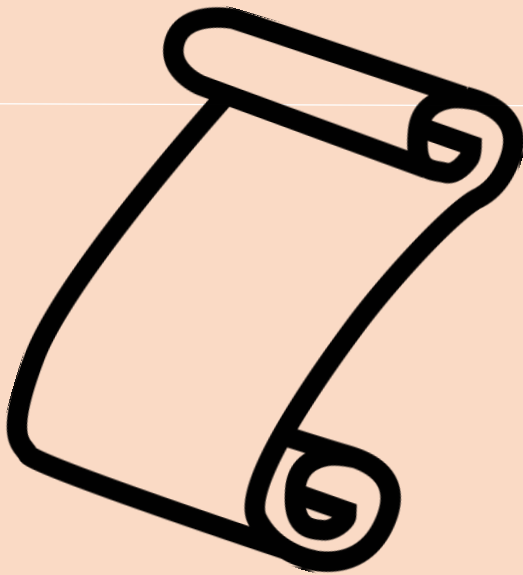
Summary - continued



Fund Type	Fund Number	Fund Name
Capital Projects	400	Library Improvement Reserve (LIRF)
	401	Construction
	402	Capital Projects
	403-410	Reserved - other capital projects
	411-420	Gift (capital items only)
	421	Rainy Day (capital items only)
Clearing	422-425	Grants - federal and/or state (capital)
	800	Public Library Access Card (PLAC)
	801	Evergreen
	802	Payroll
	803-850	Payroll Withholdings

**ANY
QUESTIONS?**





Salary Resolutions



Salaries – Statutory Requirements

Libraries:

- IC 36-12-2-21
- IC 36-12-2-22
- IC 36-12-2-24



Salary Ordinances – Statutory Requirements

**Libraries:**

- IC 36-12-2-21

Sec. 21. A member of a library board shall serve without compensation. A board member may not serve as a paid employee of the public library, except the treasurer as provided in section 22 of this chapter.

[Pre-2005 Elementary and Secondary Education Recodification Citation: 20-14-2.5-15.]

As added by P.L. 1-2005, SEC. 49.

Salary Ordinances – Statutory Requirements

**Libraries:**

- IC 36-12-2-21
- IC 36-12-2-22(b)

The library board may fix the rate of compensation for the services of the treasurer.

Salary Ordinances – Statutory Requirements

**Libraries:**

- IC 36-12-2-21
- IC 36-12-2-22(b)
- IC 36-12-2-24(a) & (b) “The board shall . . .”

fix the compensation of the director.

- (1) fix and pay the compensation;
 - (2) classify and adopt schedules of salaries; and
 - (3) determine the number and prescribe the duties;
- of the librarians and other individuals, with the advice and recommendations of the library director.

Why a Resolution?

**IC 36-12-2-24(b)(2)**

“The library board shall: fix and pay the compensation; classify and adopt schedules of salaries . . .”



Why a Resolution?



Compensation

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements.

Accounting and Uniform Compliance Guidelines Manual for Libraries, chapter 1, page 1-4

What to Include in Salary Resolution



Include:

- Base salary
- Benefits to be paid
- Other items if applicable:
 - *Longevity*
 - *Bonuses*
 - *Stipends*
 - *Overtime*
- Leave benefits
- Be clear on
 - Termination (paid out or not)
 - Balances rolled over (or not)
 - How leave is accrued

When to Adopt Resolution



- By the end of the calendar year for the next year.
- Helps with the budget process / knowing how much to pay
- If nothing changes or if one is not passed by year-end – the last resolution adopted would be used for audit testing.
- Can be changed/amended at any time.

Other Considerations



Names vs. Positions:

- Try not to put names in resolutions; lists positions.

Bi-Weekly Paydays:

- We recommend using bi-weekly pays in the resolution and not annualized amounts or ranges.

Ranges:

- If using ranges, have documentation or evidence how each person's amount was determined/approved.

Questions



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