

# LIBRARIES BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES  
ISSUED BY STATE BOARD OF ACCOUNTS

SEPTEMBER 2023

PAGE 1

## BIDS AND CONTRACTS - PETROLEUM PRODUCTS

IC 5-22-17-10 allows a purchasing agent to award a contract for petroleum products to:

1. the lowest responsible and responsive offeror, or
2. all responsible and responsive offerors.

The contract may allow for the escalation and de-escalation of price.

Where a contract is awarded to all responsible and responsive offerors, the purchasing agent must purchase the petroleum products from the lowest of the responsible and responsive bidders. The contract must provide that the bidder from whom petroleum products are being purchased shall provide five (5) business days written notice of any change in price. Upon receipt of written notice, the purchasing agent shall request current price quotes in writing based upon terms and conditions of the original offer (as awarded) from all successful responsible and responsive offerors. The purchasing agent shall record the quotes in minutes or memoranda. The purchasing agent shall purchase the petroleum products from the lowest responsible and responsive offeror, taking into account the price change of the current supplier and the price quotes of the other responsible and responsive offerors.

IC 5-22-17-10(a) defines "petroleum products" to mean, gasoline, fuel oils, lubricants, or liquid asphalt.

## RAINY DAY FUND

IC 36-1-8-5.1 states, as follows:

- (a) "A political subdivision may establish a rainy day fund by the adoption of:
  - (1) an ordinance, in the case of county, city, or town; or
  - (2) a resolution, in the case of any other political subdivision.
- (b) An ordinance or a resolution adopted under this section must specify the following:
  - (1) The purposes of the rainy day fund.
  - (2) The sources of funding for the rainy day fund, which may include the following:
    - (A) Unused unencumbered funds under:
      - (i) section 5 of this chapter;
      - (ii) IC 6-3.5-1.1-21.1;
      - (iii) IC 6-3.5-6-17.3; or
      - (iv) IC 6-3.5-7-17.3.
    - (B) Any other funding source;
      - (i) specified in the ordinance or resolution adopted under this section; and
      - (ii) not otherwise prohibited by law.

**RAINY DAY FUND (CONTINUED)**

(c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money.

(d) In any fiscal year, a political subdivision may, at any time, do the following:

(1) Transfer any unused and unencumbered funds specified in subsection (b)(2)(A) from any fiscal year to the rainy day fund.

(2) Transfer any other unobligated cash balances from any fiscal year that are not otherwise identified in subsection (b)(2)(A) or section 5 of this chapter to the rainy day fund as long as the transfer satisfies the following requirements:

(A) The amount of the transfer is authorized by and identified in an ordinance or resolution.

(B) The amount of the transfer is not more than ten percent (10%) of the political subdivision's total annual budget adopted under IC 6-1.1-17 for that fiscal year.

(C) The transfer is not made from a debt service fund.

(e) A political subdivision may use only the funding sources specified in subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund. The political subdivision may adopt a subsequent ordinance or resolution authorizing the use of another funding source.

(f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

(g) A county, city, or town may at any time, by ordinance or resolution, transfer to:

(1) its general fund; or

(2) any other appropriated funds of the county, city, or town;

money that has been deposited in the rainy day fund of the county, city, or town."

**EXAMINATION OF RECORDS AND STATEMENT OF ENGAGEMENT COST**

At the end of an audit engagement the State Board of Accounts sends a notice of Statement of Engagement Cost to each political subdivision, including the County. This statement details a summary of the engagement including the number of days spent on the audit, the daily/hourly rate, and any report processing fees. We would like to point out that this statement is not an invoice that is to be paid by the entities.

A separate invoice for payment of these audit costs will be sent to the County for payment in accordance with IC 5-11-4. Immediately upon receipt of the certified statement, the county auditor shall issue a warrant on the county treasurer payable to the treasurer of state out of the general fund of the county for the amount stated in the certificate. The county auditor shall reimburse the county general fund, except for the expense of examination and investigation of county offices, out of the money due the taxing units at the next semiannual settlement of the collection of taxes.

If the county reasonably believes or knows that it does not have on hand or will not have collected enough taxes by the next distribution date for a taxing unit included on the examination of records billing, then the county auditor will send the certified statement to the taxing unit. The taxing unit should then contact the State Board of Accounts for directions on paying for the cost of the examination directly to the State Board of Accounts, instead of using settlement. It is important that the cost be paid off prior to the next audit. If the audit costs, due the State Board of Accounts, are not paid prior to the subsequent audit, it impairs the independence of the State Board of Accounts. This will delay future audits.

As the amount of federal funding to local governments has increased so has the need for single audits and more frequent audits which has helped drive up audit costs. We are now beginning to see this result in semiannual tax distributions that are not sufficient to pay the audit costs. It is important to plan and budget accordingly for these costs. It might be beneficial once an examination of records has been completed for the taxing unit to go directly to the county auditor if sufficient taxes will not be collected to pay the estimated costs of the examination of records. Having this conversation before receiving the certified statement from the county auditor can prepare the taxing unit for the payment of these costs. You can discuss with your field examiner during the exit, how you may best meet the costs. This may involve the use of other funds such as Rainy Day or if there are ARPA funds remaining under the revenue loss category, those can also be used to pay audit costs. If you have questions after the exit, please feel free to reach out to your State Board of Accounts Director for further assistance in looking for funds that can pay the audit costs.

When determining how these costs will be paid, it is also important to plan for the next year. During this determination, take into consideration the amount of federal assistance that you have disbursed during the year. If you have expended \$750,000 or more of federal awards (whether the award is direct or passed-through another entity) in a year the taxing unit is required to have a single audit conducted in accordance with the Federal Office of Management and Budget's Uniform Guidance. Single audits require an annual audit. If your unit does not need a Single Audit, there may be a longer time between your examinations. Since these costs could become an annual expense for the taxing unit, future budgets would need to be adjusted for those costs.



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### AMENDED STATE EXAMINER DIRECTIVE 2018-1

Date: August 22, 2023  
Subject: Monthly and Annual Engagement Uploads  
Authority: Ind. Code §§ 5-11-1-2, 4, 9, 10, 21, and 24  
Application: This Directive applies to all local governmental units  
From: Paul D. Joyce, CPA, State Examiner

The purpose of this Directive is to provide guidelines for the use of the "Indiana Gateway for Government Units" (Gateway) application entitled "Monthly and Annual Engagement Uploads" (Engagement Uploads). The Engagement Uploads provide a more efficient and cost-effective audit process for governmental units.

**The changes to uploads made in this amendment are in bold below.** This amended directive is effective starting with December 2023 monthly files and 2023 annual files. The December 2023 monthly file upload is due February 15, 2024, and by the 15<sup>th</sup> of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. For all calendar year end units, the 2023 annual file upload is due March 1, 2024, and on March 1 each year thereafter unless the SBOA establishes a different date. For schools and extracurricular accounts, the upload for the year ending June 30, 2024, is due August 29, 2024, and on August 29 each year thereafter unless the SBOA establishes a different date.

All counties, cities, towns, townships, libraries, schools, and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

A user guide for the Engagement Uploads is available and located at: <https://gateway.ifionline.org/userguides/engagementguide>. It is pertinent that this user guide be used in conjunction with this Directive. It provides critical information to you that will help guide you to uploading the correct documents.

The following files and governmental unit information are required to be uploaded MONTHLY by all units except as noted immediately below:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists

- Approved Board Minutes (please see the user guide for more information and examples)
- Funds Ledger summarizing total receipts, disbursements, and beginning and ending balances by fund

AMENDED DIRECTIVE 2018-1

August 22, 2023

Page 2

For County Auditors:

- Approved Board Minutes (please see the user guide for more information and examples)
- Funds Ledger summarizing total receipts, disbursements, and beginning and ending balances by fund
- Documentation of Reconciliation of Form 61 between Auditor and Treasurer

For County Treasurers:

- Cash Balance Report (Cash Book)
- Bank Reconcilements, Bank Statements, and Outstanding Check List
- Documentation of Reconciliation of Form 61 between Auditor and Treasurer

For County Clerks, Recorders, and Sheriffs:

- Cash Balance Report (Cash Book)
- Bank Reconcilements, Bank Statements, and Outstanding Check Lists

For School Extracurricular Accounts (ECAs):

- Bank Reconcilements, **Bank Statements, and Outstanding Check Lists**

The following files and governmental unit information are required to be uploaded ANNUALLY by all units (for Counties, these apply to County Auditors unless otherwise noted):

- Year-end Investment Statements and **Register of Investments, General Form 350** (for County Treasurers)
- Excel Data Capture/Data Dump (**no longer optional**)
- 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 Ordinance (or Schedule) and Amendments (except Schools)
- Annual Vendor History Report
- Annual Payroll History Report without social security numbers
- Annual Funds Ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- **Accounts Payable/Accounts 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 the year**

Additionally, for Schools only:

- School Lunch Prepaid Account Balance Report as of June 30
- Approved Salary Schedule for Noncertified Employees and Amendments

Additionally, for County Sheriffs only:

- Inmate Trust Fund Subsidiary Detail as of December 31

Additionally, for County Clerks and Cities/Towns with courts:

- Court Trust Fund Subsidiary Detail as of December 31

**Additionally, for Townships only:**

- **Contracts for Mowing and Fire Protection**

AMENDED DIRECTIVE 2018-1

August 22, 2023

Page 3

**Additionally, for GAAP and ACFR units only:**

- **Capital Assets Ledger, General Form 369**


In addition to the monthly and annual files, additional records, known as "Direct Request Uploads," must be uploaded when required by the SBOA. This process is discussed in the user guide described below.

If you have questions, please refer to the user guide for the Engagement Uploads located at: <https://gateway.ifionline.org/userguides/engagementguide>. If, after consulting the user guide, you still have questions, please contact the helpdesk at [gateway@sboa.in.gov](mailto:gateway@sboa.in.gov).

Exceptions to certain requirements set forth in this Directive, such as for **manual records**, Opt Out units, and other exceptions, are discussed in the [user guide](#). Contact information for questions and other help, including a "Frequently Asked Questions" section, is also available in the [user guide](#).

More information is available on the SBOA website by clicking the Political Subdivisions link on the left-hand menu and then by selecting the appropriate unit type. Scroll down and select the Gateway section and the Gateway Upload Application link.

This Directive may be amended from time to time and may be rescinded at any time in writing by the State Examiner or a Deputy State Examiner.

  
Paul D. Joyce, CPA  
State Examiner

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