

# THE SCHOOL ADMINISTRATOR

## and Uniform Compliance Guidelines ISSUED BY STATE BOARD OF ACCOUNTS

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Volume 171

September 2005

### ITEMS TO REMEMBER

Per Volume 170, June 2005 "The School Administrator and Uniform Compliance Guidelines", August 31 is the last date for the first publication of a school corporation budget (10 days prior to the public hearing). (IC 6-1.1-17-3)

### SEPTEMBER

- September 1: Prove the Fund Ledger and Ledger of Receipts for the month of August 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 the 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.
- September 5: Legal Holiday - Labor Day. (IC 1-1-9-1)
- September 7: Last date for second publication of school corporation budgets (3 days before the public hearing). (IC 5-3-1-2)
- September 10: Last date for public hearing on proposed budget (at least 10 days prior to the adoption of the budget). Taxpayers may object to a budget, tax rate, or tax levy by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. (IC 6-1.1-17-5)
- September 16: The count for students in Average Daily Membership (ADM) shall be taken. (511 IAC 1-3-1)
- New and changed forms and procedures are required; DOE-ME and Form 30A must be mailed after the September 16<sup>th</sup> count date and no later than September 30, 2005, to the Indiana Department of Education, Division of School Finance, Room 229, State House, Indianapolis, IN 46204. Please see the Department of the Education Bulletin dated August 19, 2005 for detailed information on data collection procedures.
- September 19: Last date to file appeals for an excessive tax levy. (IC 6-1.1-18.5-12)
- September 20: Last day to report and make payment of state and county income tax withheld during August to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997, of "The School Administrator and Uniform Compliance Guidelines.")

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- September 20: Last date for meeting of School Board to make appropriations for 2006 and to fix tax levies. (IC 6-1.1-17-5) Also last date to conduct a public hearing and to pass a resolution to adopt Capital Projects Fund and Transportation - School Bus Replacement Fund Plans. (IC 21-2-11.5 and IC 21-2-15)
- September 22: Meeting of County Tax Adjustment Board is September 22, 2005. If September 22 is not a business day, then the last date for the first meeting is the first business day following September 22. (IC 6-1.1-29-4)
- September 30: Last date to mail DOE–ME and Form 30A to the Department of Education, Room 229, State House, Indianapolis, IN 46204

**OCTOBER**

- October 1: ADM report (Forms DOE-ME and 30 A) due on or before October 1. (511 IAC 1-3-2) Please contact the Department of Education, Division of School Finance for detailed instructions.
- October 1: On or before October 1 all duties of the County Board of Tax Adjustment must be completed, except for a consolidated city and county and in a county containing a second class city, these duties need not be completed until November 1. (IC 6-1.1-17-9) IC 6-1.1-17-12 provides for a notice procedure by the county auditor and an appeal procedure.
- October 1: Prove all ledgers for the month ending September 30 as outlined for the month of August.
- October 10: Legal Holiday - Columbus Day. (IC 1-1-9-1)
- October 20: Last day to report and make payment of state and county income tax withheld during September to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997 of "The School Administrator and Uniform Compliance Guidelines.")
- October 31: Last day to file third quarter report with the Internal Revenue Service and complete payment of federal tax withheld.
- October 31: Requests for textbook reimbursement must be received by the Department of Education, Division of School Finance before November 1. The information is required to be filed via electronic reporting per instructions provided by the Division of School Finance.

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**NOVEMBER**

- November 1: Prove all ledgers for the month ending October 31 as outlined for the month of August.
- November 11: Legal Holiday – Veterans’ Day. (IC 1-1-9-1)
- November 20: Last day to report and make payment of state and county income tax withheld during October to the Department of State Revenue, Indiana Government Center North, Indianapolis. (Please review Volume 140, December 1997 of “The School Administrator and Uniform Compliance Guidelines.”)
- November 24: Legal Holiday - Thanksgiving Day. (IC 1-1-9-1)
- November 30: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the School Corporation shall certify a list of the names and addresses of each person who has money due from the School Corporation to the County Treasurer. (IC 6-1.1-22-14)

**TEACHER AIDES AND OTHER NON-INSTRUCTIONAL EMPLOYEES**

The General School Powers Act, (IC 20-26-5-4) provides authority in the specific powers of the governing body (8). "To: (A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts... and other personnel or services as the governing body considers necessary for school purposes. (B) Fix and pay the salaries and compensation of persons and services described in this subdivision. (C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation. (D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision. (E) Determine the nature and extent of the duties of the persons."

We are not aware of a statutory requirement for a written contract for the salary of each teacher aide. The governing board may wish to enter into a written contract with each teacher aide and has permissive authority to do so. We also are not aware of a statute requiring a written contract with non-instructional employees except IC 20-27-5-4 which requires a written contract with non-instructional employees who are assigned as school bus drivers to drive school corporation owned school buses.

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**TEACHER INSURANCE AND ANNUITY**

IC 20-28-9-18 requires the board of school trustees, upon written request of any teacher, to withhold a requested amount from the teacher's salary and to pay that amount, in accordance with the direction of such teacher, to a designated insurance company or other agency or organization in the State of Indiana which provides, extends, supervises or pays for insurance or other protection or for the establishment of or payment on an annuity account for the teacher. Deductions for these purposes may be handled on the records of the school corporation in the same manner as other payroll deductions.

IC 20-28-9-18 further provides that if there is any dividend accruing on any policy or policies, such dividend shall be paid or credited to such teacher.

Furthermore, IC 20-28-9-18 provides the governing body upon written request of a beneficiary of the Indiana State Teacher's Retirement Fund, may receive from such beneficiary a given amount of money to be held and paid, in accordance with the direction of such beneficiary, to an insurance company or other agency or organization in the State of Indiana which provides, extends, supervises or pays for insurance or other protection or for the establishment or payment of an annuity account. Money received from said beneficiaries for such purposes may be handled on the records in the same manner as teacher deductions. Monies so received shall be receipted to and paid from the clearing accounts without appropriation.

Finally, IC 20-28-9-18 provides "However, if less than twenty percent (20%) of the teachers make a request for paying these amounts of money to a single recipient, withholding the amounts of money for insurance, dues, or other purposes is discretionary with the governing body."

**OFFICIAL BOND OF TREASURER**

IC 20-26-4-1 requires the governing body each year to appoint a treasurer of the governing body and of the school corporation who is a person other than the superintendent of schools and who is not a member of the governing body. The treasurer may, with the approval of the governing body, appoint a deputy who shall also be a person other than the superintendent of schools, who is not a member of the governing body and who shall have the same powers and duties as the treasurer or such lesser duties as the governing body by rule shall provide.

IC 20-26-4-5 provides that for each school year commencing July 1, the treasurer of each governing body and the school corporation and any deputy treasurer, if so appointed, shall give a bond for the faithful performance of duties written by an insurance company licensed to do business in the State of Indiana, in an amount determined by the governing body. The treasurer shall be responsible under his bond for the acts of any deputy treasurer appointed as provided in IC 20-26-4-1.

The State Board of Accounts often recommends school corporations review the amount of funds a treasurer or deputy treasurer accounts for in determining the amount to bond. Areas to consider based upon recent claims with surety companies would include, bids awarded and investments in addition to the normal considerations of receipts, disbursements, etc. However, the Indiana Attorney General in 1965 concluded in Official Opinion 33 that the governing body of the school corporation must determine the amount of and approve the treasurer's bond.

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**OFFICIAL BOND OF TREASURER**

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The treasurer's official bond must be written for a term of one (1) year, the term of office of the treasurer; shall be payable to the State of Indiana as required by IC 5-4-1-10; and, when approved, shall be filed and recorded in the office of the recorder of the county wherein the treasurer resides as provided in IC 5-4-1-5.1. No charge shall be made by the recorder of the county for recording official bonds of any public officer, deputy, appointee or employee, IC 36-2-7-10.

**PUBLIC ENTITY RISK POOLS**

Many governmental entities are joining together in order to share the risk for certain losses by forming a Public Entity Risk Pool. Statement Number 10 of the Governmental Accounting Standards Board "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" (GASB 10) establishes accounting and financial reporting standards for risk financing and insurance-related activities of state and local governmental entities, including Public Entity Risk Pools. The statement defines a Public Entity Risk Pool as a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. Risk may include such things as property and liability, workers' compensation, or employee health care. The requirements of the statement that affect Public Entity Risk Pools are effective for periods beginning after June 15, 1990. The requirements affecting governmental entities other than Risk Pools is effective for periods beginning after June 15, 1994.

The records and accounts of the Risk Pool in some cases are being maintained by one of the participating governmental entities. The State Board of Accounts is of the audit position that since a Risk Pool is normally a legally separate entity, all records of the Risk Pool should be maintained separately from the records of the governmental entity, including any salaries and related expenses of employees of the Risk Pool.

**TEACHER'S ACCUMULATED SICK LEAVE**

IC 20-28-9-9 provides "(a) Each teacher may be absent from work with pay: (1) on account of illness or quarantine for ten (10) days the first year and seven (7) days in each succeeding year (referred to as "sick days" in this chapter); and (2) for death in the teacher's immediate family for a period extending not more than five (5) days beyond the death. (b) If the teacher does not use all the teacher's sick days in a school year, the unused days accumulate up to a total of ninety (90) days."

IC 20-28-9-10 provides "(a) This section applies whenever a teacher accumulates at least one (1) sick day and then is employed in another school corporation. (b) Beginning in the teacher's second year, the teacher's employer shall add up to three (3) sick days each year to the number of sick days to which the teacher is entitled under section 9(a) of this chapter until the accumulated sick days to which the teacher was entitled in the teacher's last employment are exhausted."

A Deputy Attorney General issued an unofficial opinion on November 23, 1966, concerning teacher's accumulated sick leave from the school corporation of last employment. The opinion provided if a teacher signed a contract with another school corporation or began teaching in the other school corporation after July 8, 1965 (the effective date of Ch 215, Acts of 1965) such teacher could have sick leave certified to the corporation of new employment for accumulation on the basis of the statute referred to previously in IC 20-28-9.

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**TEACHER'S ACCUMULATED SICK LEAVE**

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A teacher with accumulated sick leave days earned in another Indiana public school corporation who signs a contract as a new teacher with your school corporation is entitled to ten (10) days sick leave for the first year of employment in your corporation. The teacher is entitled to seven (7) days sick leave from your school corporation for each year employed thereafter in your school corporation, plus three (3) days of leave accumulation in the public school corporation which was the last place of employment, until such accumulation of sick leave is exhausted. You should immediately contact the school corporation of last employment when a teacher follows employment in another Indiana public school corporation with a contract to teach in your school corporation, and request a certification of the number of accumulated sick leave days on the teacher's record. You only need to contact the school corporation of last employment since the teacher is not authorized to claim credit for sick leave from other school corporations of prior employment.

Since the statute identifies the teacher's contract with a school term and has been interpreted that the ten (10) days or seven (7) days accumulate with the signing of a regular teacher's contract; and since the statute also identifies the accumulation of the ten (10) days and seven (7) with the first year and each succeeding year respectively, there would be no provision for further accumulation of sick leave based on a supplemental service teacher's contract. Although the interpretation would not provide for accumulating sick leave for summer teaching service, we would not take audit exception if a teacher has accumulated sick leave on record, and such teacher desires to use such days of accumulated sick leave to provide compensation for days of summer school service lost because of illness.

A Deputy Attorney General stated in an unofficial opinion dated October 4, 1961, that a teacher could claim leave for absence or incapacity resulting from pregnancy, occurring either before or after birth of the child. A later provision in (now IC 20-28-10-2) provides that leave of absence taken by a teacher because of temporary disability caused by pregnancy may be charged, at her discretion, to her available sick leave.

Concerning sick leave for part-time teachers, in Official Opinion 120 of 1945 the Indiana Attorney General provided: (1) The word year as used in connection with teacher contracts and sick leave refers to the school year rather than the calendar year; (2) If a teacher is employed part-time by two or more school corporations, such teacher would not be entitled to a greater number of sick leave days than a full-time teacher who is employed by a school corporation would receive; and (3) The several school corporations employing one teacher part-time would be required to apportion the sick leave days the teacher taught in such school corporation during the school year.

Official Opinion of the Attorney General Number 8 of 1962 provided each teacher may be absent from work with pay on account of illness or quarantine for ten days the first year of employment in a school corporation and seven days in each succeeding year. Unused sick leave days shall be accumulated to a total of ninety days (now IC 20-28-9). Sick leave provisions under this section constitute a minimum and additional sick leave, both as to the number of days per year or total accumulated days, may be increased by proper official action of the school corporation which must be consistent with the salary schedule adopted by the school board.

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**TEACHER'S ACCUMULATED SICK LEAVE**

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A Deputy Attorney General stated in an unofficial opinion dated February 3, 1969, that since sick leave benefits are a part of the minimum salary schedule it would seem that a teacher who is employed on a contract specifically providing for a term of only one-half of a school year, should be allowed only one-half of the first year's required sick leave.

IC 20-28-9-13 provides that an employer school corporation may establish a voluntary sick leave bank to which a teacher may contribute unused sick leave days and from which a contributing teacher may draw sick leave days when the teacher's accumulated sick leave days are exhausted.

**EVALUATION BY NORTH CENTRAL ASSOCIATION**

Frequently the governing board and administrators of a school corporation elect to accept the services of an evaluation committee similar to North Central Association to make an inspection and evaluation of the curricula, building efficiency, equipment, etc. of the school corporation. We understand the committee does not charge a fee or other flat amount for such appraisal, but does require the school corporation to pay various expenses (meals, lodging, etc.) of the members of the committee while making inspection and evaluation.

IC 20-26-5-4(8) authorizes the governing body of the school corporation to employ and discharge educational and other professional consultants and such other personnel or services as the board considers necessary for school purposes and to pay the cost thereof. Therefore, we will not take audit exception to a contract for such service and the necessary expenses of the members of the committee may be paid by the school corporation.

The board may also determine the number of persons so employed or the amount of services for which contracts are awarded and determine the nature and extent of duties or services required. Expenditures for the services of such an evaluation committee should be paid from the school corporation General Fund, Account Number 26200.

**PATTY S. BOND**

We were saddened to hear of the passing of Patty S. Bond, Director of the Division of School Finance, Department of Education. Patty not only helped school officials but provided invaluable assistance through the years to the State Board of Accounts. Patty will long be remembered for her knowledge; ability and caring manner in helping all of us fulfill our duties.

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**NEW EXTRA-CURRICULAR FORMS**

Summary Collection Form SA-8 and Accountable Items Review Form SA-9 have been added as prescribed forms effective July 1, 2005.

**Summary Collection Form SA-8**

Summary Collection Form SA-8 is prenumbered and to be prepared in duplicate by the sponsor. The original is to the extra-curricular treasurer to be retained in numerical order and the duplicate is to be retained in numerical order by the sponsor.

A sponsor for the purpose of Form SA-8 is the teacher or other person in charge of a classroom or function collecting money. Form SA-8 is to be used as a transmittal document each time money is reported from the sponsor to the extra-curricular treasurer. Space is provided to list check numbers and amounts as applicable.

**Accountable Items Review Form SA-9**

Accountable Items Review Form SA-9 is prenumbered and to be prepared in duplicate by the treasurer. The original copy is to the principal with the duplicate to be retained in numerical order by the treasurer.

Form SA-9 is to be used at least once a year at the end of the school year. The form is to be used to help account for beverages sold from vending machines. However, the form can be used at the discretion of school officials to account for other items such as, concessions, books, etc.



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

September 15, 2005

Dear Public Official:

The Indiana State Board of Accounts has decided to suspend the Vendor Attestation process. It was intended to provide additional information to the local Governmental units concerning the vendor's representations on whether their system meets certain requirements as outlined in the Computer Accounting System Requirements Checklist. However, we feel that the Vendor Attestations are being misinterpreted by both the vendors and the local Governmental units. Issues concerning the Vendor Attestation process include:

- Misunderstanding of the requirements and/or how they should be satisfied.
- Misinterpreting the requirements as all inclusive rather than a minimum.
- Misunderstanding minimum compliance for inclusion on the Vendor Attestation list.
- Non-compliance due to options chosen by the unit during or subsequent to system implementation.
- Inappropriate inclusion of systems on the list due to inaccurate vendor responses.
- Inappropriate Governmental unit acceptance of attestations without verification.
- Misunderstanding of the relationship between the Vendor Attestation process and Forms Approval.
- Erroneous belief that a Vendor Attestation is a requirement for using a particular system.
- Erroneous belief that a system has been certified or approved by the Indiana State Board of Accounts because they are on the Vendor Attestation list.

If you have any questions please contact John Eppley, Director Information Technology Services for the Indiana State Board of Accounts at (317) 232-2525.

Very truly yours,

Marilyn S. Rudolph, CPA  
State Examiner

cc: Computer Software Vendors