

# INDIANA STATE BOARD OF ACCOUNTS

**Indiana State Library Annual  
Budget Workshop  
May 2020**



## CONTACTS



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317-232-2513





## TOPICS



Indiana State Board of Accounts - 2020

- COVID-19
  - ✓ *Policies*
- POLICIES IN GENERAL
- CHART of ACCOUNTS
- APPROPRIATIONS & GRANTS
- NEW LEGISLATION
- ENHANCED REGULATORY
- REMOTE AUDITS
- OTHER COVID ITEMS



## POLICIES – COVID 19



### SBOA Issued Memos:

3/12/2020 – Policy  
 3/16/2020 – Considerations  
 3/31/2020 – Assistance  
 4/03/2020 – Continuity  
 4/09/2020 - Transfers

4/14/2020 – Electronic Signatures  
 4/20/2020 – CARES Relief  
 4/23/2020 – Relief Fund Guidance  
 4/27/2020 – Enhanced Regulatory  
 4/29/2020 – Grant Accounting  
 5/11/2020 – Fraud Schemes

### SBOA Directive:

State Examiner Directive 2020-1

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# SBOA INFORMATION ON CORONAVIRUS



[Policy Regarding Coronavirus 3-12-2020](#)

[Coronavirus Items to Consider 3-16-2020](#)

[Assistance During COVID-19 3-31-20](#)

[Continuity of Essential Operations 4-03-20](#)

[Temporary Transfer of Funds 4-09-20](#)

[Electronic Signatures 04-14-20](#)

[CARES Act Fund Numbers 4-20-20](#)

[Coronavirus Relief Fund Guidance 4-23-20](#)

[Coronavirus Relief Fund FAQs 5-4-20](#)

[State Examiner Directive 2020-1](#)

[State Examiner Directive 2020-2](#)

[www.in.gov/sboa](http://www.in.gov/sboa)

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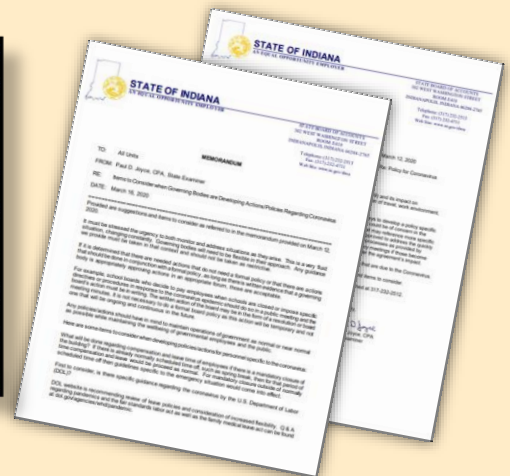


## POLICIES – COVID 19



*Memos 3/12/20 & 3/16/20*

- ✓ Develop Policy
- ✓ Approve in Public Meeting
- ✓ Consult Attorney
- ✓ Items for Consideration
- ✓ SBOA Guidance not Restrictive
- ✓ SBOA Will NOT Take Audit Exception



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**POLICIES – COVID 19**

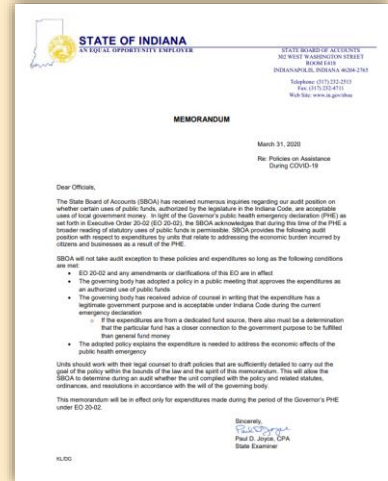


**3/31/2020: Assistance**

Several inquiries about using public funds as assistance. Policy adoption required.

No Audit Exception:

- Exec Order(s) still in effect
- Adopted policy approves expenditure(s)
- Written advice of counsel
- Legitimate government purpose
- Acceptable under Indiana Code
- Policy explains needed for economic effects



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**POLICIES – COVID 19**



**4/3/2020: Continuity**

Develop plan/policy for continuity of essential operations

- Actions taken if a fiscal officer was totally incapacitated
- Who would take over and how decided
- How would office function; could office function
- Consider:
  - Bank accounts
  - Computer systems
  - Identify essential tasks
  - Identify those tasks that can wait until later



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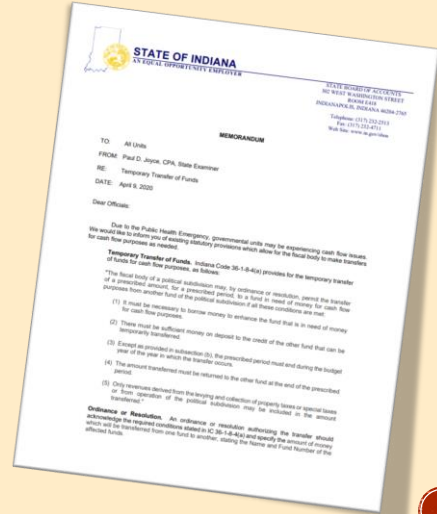


## POLICIES – COVID 19



## 4/9/2020: Temporary Transfers

- Transfer of funds may be needed
- IC 36-1-8-4(a)
  - ✓ By Resolution
  - ✓ Prescribed period of time
  - ✓ Can be extended if council declares emergency



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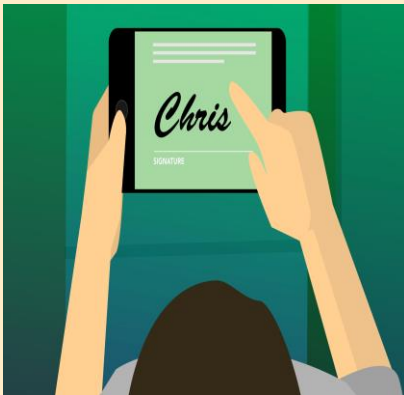


## POLICIES – COVID 19



## 4/14/2020: Electronic Signatures

- Generally controlled by IC 26-2-8
- Internal controls needed
  - ✓ Ensure signature is created by person whose name is on the document
- No exception
  - ✓ Comply with applicable statutes
  - ✓ Doesn't circumvent other statutory provisions



<https://www.formsimplicity.com/digital-signatures/understanding-the-advantages-of-esigning-with-digital-signatures/>

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POLICIES – COVID 19



4/20/2020: CARES Provider Relief Fund

- Monies distributed to governmental units providing Medicare fee-for service reimbursements in 2019
- CARES Provider Relief should not apply to libraries

4/23/2020: Relief Fund Guidance

- Link to info from Feds on Relief Funds

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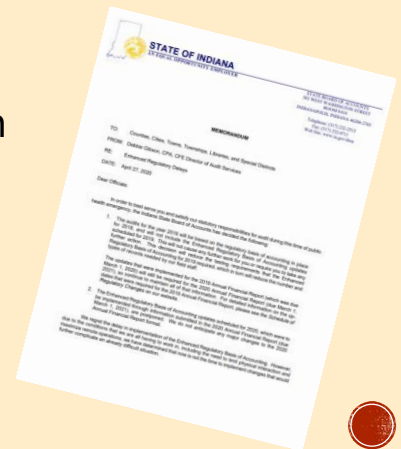


POLICIES – COVID 19



4/27/2020: Enhanced Regulatory – Delayed Implementation

- Susan will discuss what’s happening with the changes we trained on last year with the Enhanced Regulatory financial statement reporting.



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**POLICIES – COVID 19**



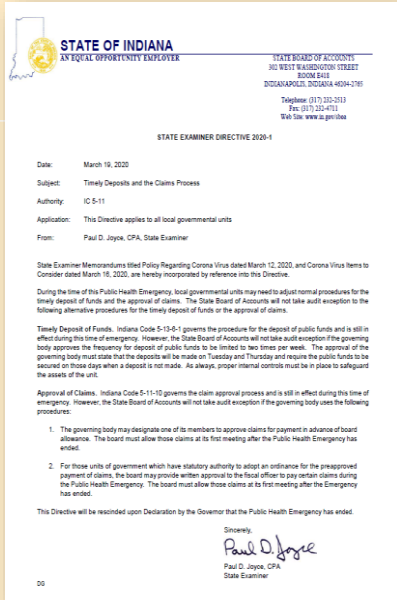
**4/29/2020: Grant Accounting & Appropriations**

- Any COVID-related grants are to be accounted for in a separate fund
- Assign a number available in your system
  - ✓ Series #276-299 for federal, state, or local grants
- Track any COVID related expenses
- Expenses can be paid without appropriation

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**POLICIES – COVID 19**



*State Examiner Directive 2020-1*  
**Timely Deposit of Funds**

- ✓ Can limit frequency to 2 times/week
- ✓ Secure funds on days not deposited

**Approval of Claims**

- ✓ Designation of a governing body member to approve
- ✓ Council designate certain expenses paid

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## POLICIES



### Bad Debt

- ✓ Written policy for writing off uncollectible accounts & other adjustments
- ✓ Documentation should exist showing attempts to collect
- ✓ Undocumented or adjustments not approved by governing body may be personal obligation of the responsible official/employee

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## POLICIES



### Credit Card

- Authorized by Resolution
- Approved uses specifically stated in Resolution
- Card in custody of an official or employee designated by Board
- Not to bypass claims process
- Receipts and other documentation required

### Debit Card

- Authorized by Resolution
- Approved uses specifically stated in Resolution
- Card in custody of an official or employee designated by Board
- Not to bypass claims process
- Receipts and other documentation required

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## POLICIES - TRAVEL



### Each library is to have a written travel policy adopted by the Board

#### Things to consider:

- What constitutes "travel" – does it need approved by someone?
- Travel in employee's vehicle – reimbursed at a set rate for each mile traveled
- Travel expenses while in a library owned vehicle – how to handle
- Lodging expenses
- Meals expenses while traveling
- Per Diem
- Meals provided by others while traveling
- Travel cancellations



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<http://clipart-library.com/free/cartoon-car-transparent-background.html>



## POLICIES - TRAVEL



### Travel reimbursement – Employee’s Vehicle

- Not paid on standard Accounts Payable Voucher
- Instead, paid on prescribed General Form 101



## POLICIES — LEAVE & OVERTIME



**Each unit must adopt a written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing body would be considered as written policy. The policy must conform to the requirements of all state and federal regulatory agencies.**

*Accounting & Uniform Compliance Guidelines Manual for Libraries, Chapter 1*



## POLICIES – LEAVE & OVERTIME



IC 5-10-6-1 requires leave benefits be in an ordinance

Prescribed (or alternatively approved) forms

Special considerations for public safety employees

### Indiana Department of Labor

Wage & Hour Division

317-232-2655 (option #3)

wagehour@dol.in.gov

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*Accounting & Uniform Compliance Guidelines Manual for Libraries Chapter 1*

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## POLICIES – OTHERS



**Alcohol**

**Investments**

**Materiality**

**Capital Assets**

**Personal Property**

**Small Purchases**

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### CHART OF ACCOUNTS



- COVID grants go in series #276-299
- Local grants also #276-299
- "Grants – federal, state, and/or local"
- December 2019 *Manual*, pg 2

Fund Type	Fund Number	Fund Name
General	100	Operating
	100-110	Reserved for cash change and/or petty cash
Special Revenue	200	Gift
	201	Rainy Day
	202	Contractual Services
	203	Levy Excess
	204-225	Reserved - future statutory funds
	226-255	Reserved - other special revenue
	276-299	Grants - federal and/or state
	300	Bond & Interest Redemption
	301-399	Reserved - other debt service
	Capital Projects	400
401		Construction
402		Capital Projects
403-410		Reserved - other capital projects
411-420		Gift (restricted to capital uses only)
421		Rainy Day (restricted to capital uses only)
Permanent	500-599	Reserved for permanent funds
	600-699	Reserved for enterprise funds
Proprietary	700-799	Reserved for internal service funds
	800	Public Library Access Card (PLAC)
Fiduciary	801	Evergreen
	802	Payroll
	803-850	Reserved - other clearing funds
	900-999	Reserved for trust funds
Trust		

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Proprietary	700-799	Reserved for internal service funds
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	204-225	Reserved - future statutory funds	
	226-275	Reserved - other special revenue	
	276-299	Grants - federal and/or state	
Debt Service	300	Bond & Interest Redemption	
	301-399	Reserved - other debt service	
Capital Projects	400	Library Improvement Reserve (LIRF)	
	401	Construction	
	402	Capital Projects	
	403-410	Reserved - other capital projects	
	411-420	Gift (restricted to capital uses only)	
	421	Rainy Day (restricted to capital uses only)	
Permanent	500-599	Reserved for permanent funds	
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Fiduciary	Clearing	800	Public Library Access Card (PLAC)
		801	Evergreen
		802	Payroll
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		Trust	

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## APPROPRIATIONS



### Expenditures Not To Exceed Appropriation

IC 6-1.1-18-4:

**“Except as otherwise provided in this chapter, the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article.”**

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## APPROPRIATIONS



**Appropriations are required before money may be disbursed unless another statute provides otherwise.**

We always recommend that you contact the Department of Local Government Finance for all appropriation or budget related questions!

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## APPROPRIATION NOT REQUIRED



- Restricted Gift Fund  
[IC 36-12-3-11(a)(5)(A)]
- Earnings on permanent endowments  
[IC 36-12-3-11(a)(5)(B)]
- Federal and State grants, if advanced and not received as a reimbursement of expenditures
- Refund of money erroneously received  
[IC 6-1.1-18-9]
- Correction of errors in posting  
[IC 6-1.1-18-9]
- Investment of funds
- Repayment of temporary loans
- Establishment of a cash change fund  
[IC 36-1-8-2]
- Establishment of a petty cash fund  
[IC 36-1-8-3]

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## APPROPRIATION TRANSFERS



### Transfers from One Major Budget Classification to Another

IC 6-1.1-18-6

Transfers from one major budget classification to another within the same department or office

- Transfer is determined to be necessary
- Transfer will not require expenditure of more money than the total amount set out in the budget
- Resolution approved at a regular public meeting
- Notice or approval of DLGF is not required

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## APPROPRIATIONS – PROPERTY DAMAGE



### IC 6-1.1-18-7

- ✓ Insurance claim proceeds
- ✓ Money received from a person if received as a result of damage to property

#### **Fiscal officer may appropriate if:**

Funds are to be used to repair or replace the damaged property  
 Funds are expended within 12 months after received

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## GRANT APPROPRIATIONS - ADVANCED



- **Received directly from federal government or through a state agency**
- **Separate Project Fund**
- **No appropriation of the federal funds required**

*Library Bulletin and Uniform Compliance Guidelines, June 2019*

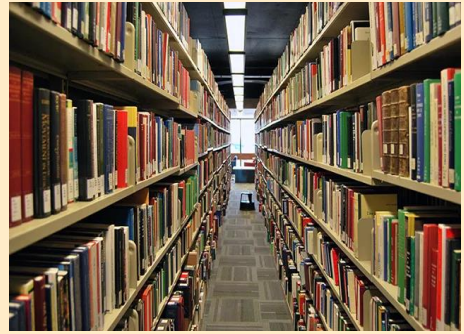
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## GRANT APPROPRIATIONS - REIMBURSED



- **IC 6-1.1-18-7.5**
- **Appropriated by Library Board**
- **Separate Fund**



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## APPROPRIATIONS - COVID



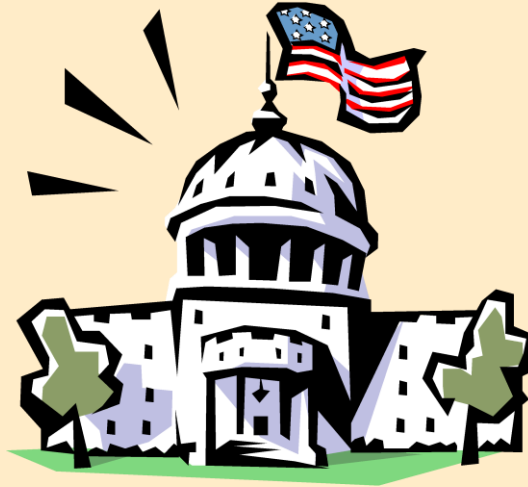
**SBOA Memo 4/29/2020**  
**COVID Grant Accounting and Appropriations**



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## NEW LEGISLATION - LIBRARIES



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<https://webstockreview.net/explore/government-clipart-central-government/>



## NEW LEGISLATION - LIBRARIES



### House Bill 1113 – Public Law 159

- Aligns the deadline for public libraries to adopt a budget with the general deadline to adopt a budget.
  - Changed from September 30 to November 1
- Libraries will report other post-employment benefits with SBOA (no longer to DLGF)

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## NEW LEGISLATION - LIBRARIES



### Senate Enrolled Act 410 – Public Law 88

- Makes changes to statutes applicable to the review of budgets of certain libraries
  - Added “territory” for determining when a library whose assessed valuation is entirely in a city or town, or not entirely but more than 50% of the library territory is in a city or town, is to report proposed budget to city/town fiscal body.

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## NEW LEGISLATION - LIBRARIES



### Senate Enrolled Act 410 – Public Law 88

- Adds to the requirements in IC 6-1.1-17-20.3 for reporting proposed budget to county fiscal body, when applicable.
  - Added “or the public library’s territory covers more than one (1) county”
- Establishes a procedure for libraries to identify the applicable city, town, or county fiscal body to receive a library’s proposed budget.

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## NEW LEGISLATION - LIBRARIES



### Senate Enrolled Act 410 – Public Law 88

- Libraries are “qualified entities” under IC 10-13-3-16 (chapter on criminal history information)
- Requires, before 12/31/2020, libraries to adopt policy regarding conducting criminal background checks
  - Individuals aged 18+ who are:
    - employed or perform volunteer work, or
    - who apply for employment or volunteer services

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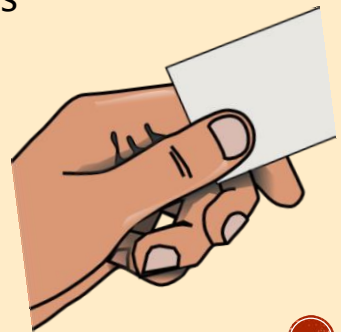


## NEW LEGISLATION - LIBRARIES



### Senate Enrolled Act 410 – Public Law 88

- Library board may issue library card without charge or for a reduced fee to an individual who is
  - not a resident of the library district and
  - who is a child receiving foster care services



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## REFERENCES

- Governor’s Executive Orders [www.in.gov/gov/2384.htm](http://www.in.gov/gov/2384.htm)
- SBOA Coronavirus Information [www.in.gov/sboa](http://www.in.gov/sboa)
- Indiana Finance Authority  
Coronavirus Information [www.in.gov/ifa](http://www.in.gov/ifa)
- SBOA Libraries Manual [www.in.gov/sboa](http://www.in.gov/sboa) > **Libraries > Manuals (or Bulletins)**
- Indiana Code Citations [www.iga.in.gov](http://www.iga.in.gov)



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## QUESTIONS



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