

# THE SCHOOL ADMINISTRATOR

AND UNIFORM COMPLIANCE GUIDELINES  
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 202

June 2013

## ITEMS TO REMEMBER

### June

- 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 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.
- 20 Last day to report and make payment of state and county income tax withheld during May to the 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.

School board members taking office in July, file certified copy of oath in the circuit court clerk's office of the county containing the greatest percentage of population of the school corporation. (IC 5-4-1-4)

### July

- 1 Open a Fund Ledger and Ledger of Receipts for the next school year by entering the balance of each fund as determined and proved for June 30. Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances for the next school year by entering in each program account the balance of unexpended appropriations, and by entering in each expenditure account within each program, the balance of the unexpended allotment.
- 4 Independence Day - Legal Holiday (IC 1-1-9-1)
- 20 Last day to report and make payment of state and county income tax withheld during June to the Department of Revenue.
- 31 Last day to submit Biannual Financial Report (Form 9) to the Department of Education.

Last day to file Employer's Quarterly Federal Tax Return (Form 941) with the Internal Revenue Service for federal and social security taxes for the second quarter.

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### ITEMS TO REMEMBER (Continued)

#### August

- 1 Prove all ledgers for the month ending July 31 as outlined for the month of June.
- 15 Not earlier than August 1 or later than August 15 the secretary of the board of school trustees is to publish an annual financial report, one time, in accordance with IC 5-3-1. (IC 5-3-1-3(b))
- 20 Last day to report and make payment of state and county income tax withheld during July to the Department of Revenue.

NOTE: See the September "The School Administrator and Uniform Compliance Guidelines" for budget dates or call the Department of Local Government Finance at 317-232-3777.

Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made to the division of fire and building safety an inspection report of all heating systems and supporting fuel lines used for school purposes. (IC 20-26-7-28)

### AFFORDABLE CARE ACT PENALTIES, FINES, OR TAX

The State Board of Accounts has received many questions regarding our audit position with regards to the Affordable Care Act. Most of the questions have inquired specifically about the penalties, fines, or tax associated with this law. While our general audit guidelines prohibit the paying of penalties and interest and states that those payments would be a personal charge to the fiscal officer, administrator, or board, we do not believe this general guideline should apply to this controversial, mandated, and complicated law.

We also believe that the governing boards should be making the fiscal decisions associated with their unit of government and the implementation of this law. Therefore, if the fiscally wise decision of the board is to pay the penalties, fines, or tax instead of the cost of the insurance then we will not personally charge the officials involved. One of the conditions necessary to not charging the penalties, fines, or tax is to have the governing board officially document their decision to not comply with the Affordable Care Act. This could be a motion in the board minutes, a resolution, or an ordinance.

In summary, as long as there is an official action of the board to choose to pay the fines, penalties, or tax, the State Board of Accounts will not personally hold anyone in that unit of government accountable for reimbursing the cost of those penalties, fines, or tax.

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## **INDIANA SALES TAX**

Please visit the Department of Revenue site at <http://www.in.gov/dor/3650.htm> for information pertaining to numerous items of interest to school corporations, including, but not limited to Sales Tax Bulletins 4 and 32. Any questions concerning the information included therein should be directed to the Department of Revenue.

## **SELF-INSURANCE FUND – ACCOUNTING**

IC 20-40-12-4 states: "The governing body of each school corporation:

- (1) may establish a self-insurance fund in accordance with this chapter for the purposes described in:
  - (A) section 5(1) through 5(3) of this chapter; and
  - (B) section 5(4) of this chapter as section 5(4) of this chapter applies to governing body or school employee coverage other than coverage for health care services; and
- (2) shall, if the governing body elects to provide a self-insurance program to cover health care services, establish a self-insurance fund for the purposes described in section 5(4) of this chapter as section 5(4) of this chapter applies to health care services."

### Uses of fund

IC 20-40-12-5 states: "The fund may be used to provide money for the following purposes:

- (1) The payment of a judgment rendered against the school corporation, or rendered against an officer or employee of the school corporation for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).
- (2) The payment of a claim or settlement for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).
- (3) The payment of a premium, management fee, claim, or settlement for which the school corporation is liable under a federal or state statute, including IC 22-3 and IC 22-4.
- (4) The payment of a settlement or claim for which insurance coverage is permitted under IC 20-26-5-4(15)."

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### **SELF-INSURANCE FUND – ACCOUNTING (Continued)**

#### Sources of fund

IC 20-40-12-6 states: "Subject to the approval of the commissioner of insurance, the governing body of the school corporation may:

- (1) transfer to the fund an amount of money in the general fund budget;
- (2) transfer money from the general fund to the fund;
- (3) appropriate money from the general fund for the fund; or
- (4) transfer money from the capital projects fund to the fund, to the extent that money in the capital projects fund may be used for property or casualty insurance."

If a school corporation desires to appropriate funds in the general fund for the transfer to a self-insurance fund, the funds should be budgeted in account 60100.

The funds would be recorded in the general fund as a transfer out (60100) and recognized in the self-insurance fund as a transfer in (5200).

Please note self-insurance funds are to be in the custody, control and responsibility of the school corporation treasurer in accordance with IC 20-26-4-1(d). Accordingly, fund number 1100 has been designated to account for all self-insurance funds. Authorized expenditures should be made in the same manner as other school corporation expenditures (see "The School Administrator", Volume 201).

### **PAYMENT OF CLAIMS - ELECTRONIC FUNDS TRANSFER**

The school board may adopt a resolution to authorize an electronic funds transfer method of payment of claims. If the school board adopts a resolution, the school corporation may pay money from its funds by electronic funds transfer.

A school corporation that pays a claim by electronic funds transfer shall comply with all other requirements for the payment of claims by political subdivisions.

"Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. [IC 36-1-8-11.5]

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## GENERAL OBLIGATION BONDS

The procedures for the accounting of the proceeds of the sale of a general obligation bond issue and the investment and use of same are somewhat complicated and require reference to several laws. Our article will be limited to the subject of bond issues for school construction as authorized by IC 20-48-1.

When bonds are sold, the amount of principal (face value) received shall be receipted to a Construction Fund in Receipt Account Number 5110 and deposited in a designated depository for necessary expenditure. The amount then (if desired) may be invested (please ensure arbitrage problems do not exist). Any premium on the sale or accrued interest (interest earned from date of issue or most recent prior interest payment date to the date of sale) must be receipted to the Debt Service Fund in Receipt Account Number 5120 (IC 5-1-12-2). Please do not confuse "accrued interest" with "interest earned from investment of the proceeds of the sale". Investment of the proceeds must be in accordance with the investment law as found in IC 5-13-9. Interest earned from investment of the proceeds shall be receipted to Receipt Account Number 1510 of the Construction Fund or, if the governing board so designates, to the General Fund or Debt Service Fund (IC 5-13-9-6)

When securities are purchased as an investment of Construction Fund moneys, the check is recorded in Expenditure Account Number 60300 of the Construction Fund. The amount of the check is included in the total expenditures for the day which is posted to the appropriation Control Account, the Construction Fund, and the Control of All Funds in the Fund Ledger. The amount invested or the cost of securities purchased is also entered in the Clearing Account for Investments (Account Number 8500) on the Receipts-Purchase of Investments (Number 8510) side to retain the identity of the asset and maintain the balance in your accounting records. Also set up a Register of Investments (Form 350) to provide a record of the investments and their earnings for the fund from which the investment was made (Construction Fund).

If interest is received while the security is held by the school corporation, record the amount on the Register of Investments on the same line as the investment is recorded; also, receipt the interest to Receipt Account Number 1510 of the Construction Fund (or General Fund or Debt Service Fund, if designated). Post the interest to the fund and the Control of All Funds. Deposit the interest in the designated depository.

When the investment is sold or matures, receipt the sale price to the Construction Fund and to the Control of All Funds. Record in the receipt account for the Construction Fund the purchase price of the security in Account Number 6510, Sale of Securities, and any amount received in excess of the purchase price to Account Number 1510, Interest on Investments. Also, disburse from Clearing Account 8500 by entering on the disbursements side. Sale of Investments (Number 8520) an amount equal to the purchase price of the security previously entered in Number 8510 which will reduce the balance for the overall investment transaction in the Clearing Account to zero. Record the sale on the Register of Investments on the same line as the purchase was recorded. Any amount received in excess of the purchase price will be recorded on the Register of Investments as interest received.

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### FINANCIAL REPORTING REQUIREMENTS

#### ***Financial Statements***

Each school shall be required to report financial information on a financial statement. The financial statement shall be presented on a fund basis format. The financial statement shall be referred to as the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis. This statement shall present each fund separately. However, if the school chooses to do so, similar types of funds, such as payroll clearing funds and tax distribution funds, can be combined and presented as one fund on the statement. Funds that are established by statute or local resolution and funds that account for grant activity may not be combined and presented in one fund. The statement shall present the beginning balance, total receipts, total disbursements, total other financing sources and uses, and ending balance for each fund. All activity related to a certain fund should be accounted for in that fund. For example, property tax receipts designated for the General Fund should be included in the General Fund. All funds of the reporting entity shall be presented on the statement with no distinction of the type of fund. The statement will include the funds of the reporting entity only. No funds from outside organizations associated with the entity shall be included. The financial information for both years of the audit period shall be included on one statement. The orientation of this statement should be set to landscape.

An example of the required format for the financial statement is documented in Appendix A of the Accounting and Financial Regulatory Reporting Manual. During the audit or examination, the field examiners will assist the school corporation in compiling the financial statements from the information presented in the Financial Report (Form 9) submitted to the Indiana Department of Education.

#### ***Notes to Financial Statements***

Each school shall be required to include notes to the financial statement to support the financial statement prepared. The first required disclosure will be for the Summary of Significant Accounting Policies. This note shall include the following:

- a. Reporting entity note. This note will explain what type of government the reporting entity is, how it operates, and what services it provides. This note will also explain that the report represents transactions of the reporting entity only.
- b. Basis of accounting note. This note shall explain that the financial statements are reported on the regulatory basis of accounting and a brief definition of what the regulatory basis of accounting is. It should also disclose the difference between the regulatory basis of accounting and accounting principles generally accepted in the United States.
- c. Cash and investments note. This note shall disclose how investments are valued.
- d. Receipts note. This note should explain how receipts are presented and should indicate the types of receipts included in the financial statement.
- e. Disbursements note. This note should explain how disbursements are presented and should indicate the types of disbursements included in the financial statement.

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### FINANCIAL REPORTING REQUIREMENTS (Continued)

- f. Other financing sources and uses note. This note should explain how other financing sources and uses are presented and should indicate the activities included in other financing sources and uses on the financial statement.
- g. Fund accounting note. This note should explain the use of fund accounting by the reporting entity. It should also disclose that restrictions may be placed on some funds of the entity due to statutes or the fact that all money held may not actually belong to the entity.

The second required disclosure is related to budgets. This note should disclose the process followed by the reporting entity during the budget approval process.

The third required disclosure is related to property taxes and should disclose the process and timeline for the assessment and collection of these taxes. This note will not be included if the entity does not receive property taxes.

The fourth required disclosure is related to deposits and investments. This note should disclose the statutory authority the reporting entity has related to depositing and investing of its funds.

The fifth required disclosure is related to risk management of the reporting entity. This note should disclose the risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters that the entity could be exposed to and the possible ways in which the entity can mitigate those risks.

The sixth required disclosure is related to pension plans of the entity. This note should disclose the pension plans that the entity participates in. For each of those pension plans, the notes should disclose the plan type, plan description, and funding policy of the plan. This note will not be included if the entity does not offer a pension plan of any kind.

In addition to the disclosures required above, the following disclosures are required, if applicable:

- A. If any funds reported on the financial statement contain receipts or disbursements which appear as negative, a note should be added to give an explanation for why this occurred.
- B. If any funds reported on the financial statement contain an ending balance which appears as negative, a note should be added to give an explanation for why this occurred.
- C. If any funds reported on the financial statement have a beginning balance in the current period which differs from the ending balance reported on the prior financial statement, a note should be added to indicate that changes have been made to the beginning balance. The note should include a schedule to show the fund involved, the balance as stated in the prior financial statement, the adjustment made and reason for it, and the restated balance.
- D. If any leases exist between the reporting entity and a holding corporation, a note should be added to disclose that fact. The note should indicate if the holding corporation is for profit or not for profit, if the holding corporation is a related party of the reporting entity, and the total lease payments made to the holding corporation during the audit period.

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### **FINANCIAL REPORTING REQUIREMENTS (Continued)**

- E. If any events occurred subsequent to the end of the audit period that could have an impact on the future financial activity of the reporting entity, a note should be included to disclose those events. Disclosure is only required for events that would be significant to future financial activity. Examples of these situations that might be disclosed include but are not limited to contingent liabilities, new debt issues, and increases in rates of the entity's utility.
- F. If postemployment benefits other than pension benefits are offered to retirees by the reporting entity, a note should be added to indicate what benefits are offered, that the benefits pose a liability to the reporting entity, and that information regarding the benefits can be obtained by contacting the reporting entity.

Any disclosures other than those indicated above that the reporting entity feels are necessary to adequately describe their financial situation should be included in the notes to the financial statements.

An example of the required format for the notes to the financial statement is documented in Appendix B of the Accounting and Financial Regulatory Reporting Manual. During the audit or examination, the field examiners will assist the school corporation with completing the required Notes to Financial Statement.

### ***Schedule of Expenditures of Federal Awards (SEFA)***

Each reporting entity shall be required to report information related to activity involving federal awards on the SEFA. This schedule shall present each federal program separately and shall present on the same basis of accounting as the financial statements.

For reimbursement grants, the schedule should report reimbursements in the period in which the reimbursement is received. For advancement grants, the schedule should report disbursement of federal funds in the period in which the disbursement is made.

An example of the required format for the SEFA is documented in appendix C of the Accounting and Financial Regulatory Reporting Manual (<http://www.in.gov/sboa/3779.htm>) and will be emailed to each school corporation prior to the start of their audit or examination

The school corporation shall prepare the SEFA. It must be available at the beginning of the scheduled audit or examination. If a SEFA is not presented, materials adjustments have to be made to the SEFA presented, or if insufficient controls were in place over the preparation of the SEFA, (See article on Internal Controls, pages 11 and 12) a federal finding will be included in the report related to the lack of internal controls and material noncompliance.

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### FINANCIAL REPORTING REQUIREMENTS (Continued)

#### ***Notes to Schedule of Expenditures of Federal Awards***

Each reporting entity shall be required to include notes to the Schedule of Expenditures of Federal Awards to support the Schedule of Expenditures of Federal Awards. These notes should include the following:

- a. Basis of presentation note. This note should disclose the basis of presentation of the schedule. It should also disclose when and how amounts are recognized on the schedule.
- b. Subrecipients note. This note should disclose the amount of federal awards passed through to subrecipients
- c. Loans outstanding note. This note should disclose the amount of any loans outstanding when there are continuing compliance requirements associated with the loan.
- d. Noncash assistance note. This note should disclose the amount of federal awards received in the form of noncash assistance such as food or vaccine distributions.
- e. Amount of insurance in effect during the year note. This note should disclose amounts of insurance in effect associated with a federal program.

An example of the required format for the Notes to the Schedule of Expenditures of Federal Awards is documented in Appendix D of the Accounting and Financial Regulatory Reporting Manual. During the audit or examination, the field examiners will assist the school corporation with completing the required Notes to Schedule of Expenditures of Federal Awards.

#### ***Supplementary Information***

##### *Combining Schedule of Receipts, Disbursements, (Other Financing Sources (Uses)) and Cash and Investment Balances – Regulatory Basis*

Each reporting entity shall be required to report financial information on this supplementary schedule. This schedule shall be presented on a fund basis format. This schedule shall present each fund separately. The schedule shall present the beginning balance, receipts, disbursements, and ending balance for each fund. The receipts presented should be categorized into the following areas: taxes, licenses and permits, intergovernmental, charges for services, fines and forfeits, utility fees, and other receipts. The disbursements presented should be categorized into the following areas: personal services, supplies, other services and charges, debt service – principal and interest, capital outlay, utility operating expenses, and other disbursements.

An example of the required format for the combining schedule is documented in Appendix E of the Accounting and Financial Regulatory Reporting Manual. During the audit or examination, the field examiners will assist the school corporation in compiling this schedule from the information presented in the Financial Report (Form 9) submitted to the Indiana Department of Education.

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### FINANCIAL REPORTING REQUIREMENTS (Continued)

#### Schedule of Leases and Debt

Each reporting entity shall be permitted to report lease and debt information on this supplementary schedule. If presented, the schedule should include all outstanding lease and debt at the end of the fiscal year.

An example of the required format for the Schedule of Lease and Debt is documented in Appendix F of the Accounting and Financial Regulatory Reporting Manual and will be emailed to each school corporation prior to the start of their audit or examination. If the school elects to include this schedule in the report, it must be prepared by the school corporation and be available at the beginning of the scheduled audit or examination.

#### Schedule of Capital Assets

Each reporting entity shall be permitted to report capital assets owned by the reporting entity on this schedule. If presented, this schedule should include all capital assets owned at the end of the fiscal period.

The capital assets should be reported in the following categories: land; infrastructure; buildings; improvements other than buildings; machinery; equipment and vehicles; construction in progress; and books and other. The actual cost of the assets should be used for this schedule. If the actual cost is not known, a reasonable estimate of the cost should be determined and used for reporting purposes.

An example of the required format for the Schedule of Capital Assets is documented in Appendix G of the Accounting and Financial Regulatory Reporting Manual and will be emailed to each school corporation prior to the start of their audit or examination. If the school elects to include this schedule in the report, it must be prepared by the school corporation and be available at the beginning of the scheduled audit or examination.

#### Schedule of Payables and Receivables

Each reporting entity shall be permitted to report payables and receivables of the entity on this schedule. If presented, the schedule should include amounts payable and receivable at the end of the fiscal period.

An example of the required format for the Schedule of Payables and Receivables is documented in Appendix H of the Accounting and Financial Regulatory Reporting Manual and will be emailed to each school corporation prior to the start of their audit or examination. If the school elects to include this schedule in the report, it must be prepared by the school corporation and be available at the beginning of the scheduled audit or examination.

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### INTERNAL CONTROLS

Internal controls are the policies and procedures used by management to ensure that their programs and functions operate efficiently and effectively in conformance with applicable laws and regulations. One purpose of internal control is to ensure that financial reporting of the financial statements and the schedule of expenditures of federal awards is completed accurately. It is also used to reduce the risk associated with fraud related to the operations of the governmental unit. Internal control is essentially a check and balance system over the operations. The foundation for a good internal control system starts with making sure that there are appropriate procedures in place to ensure that errors and fraud are either prevented or detected and corrected in a timely manner.

In order to have an effective internal control system, it is important to have proper segregation of duties. Segregation of duties is a common term referred to in relation to internal control. This means to have a separation of functions over certain activities that would provide internal control. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. An example of appropriate segregation of duties would be having one individual prepare claims, having another individual review and approve the claims, and having a third individual sign the checks for payment of the claims. Without proper segregation of duties, it is difficult to have an effective system of internal control. Sufficient compensating controls would then need to be implemented. This might entail random verification and approval by the official at different points in the process or switching duties. There are two main advantages to implementing segregation of duties. The first is that fraud is more difficult to perpetrate when proper segregation of duties is in place because it would require collusion of two or more individuals. Secondly, with several individuals involved in the process, innocent errors are more likely to be detected and corrected. Officials have the fiduciary responsibility to ensure the proper accountability of financial activity. This is accomplished by making sure there is proper oversight, reviews and approvals.

The Accounting and Uniform Guidelines Manual for each unit provides that internal controls be established and put into operations. Therefore, a sound internal control system should be put in place to ensure accurate reporting of the financial statements and the schedule of expenditures of federal awards. Additionally, a sound internal control system should be put into place to ensure that all requirements related to federal awards received are complied with. The requirements of a federal program can be obtained from various sources which include but are not limited to the grant agreement with the Federal agency/pass-through entity, the appropriate section of the Code of Federal Regulations and United States Code, and applicable handbooks and other guidance provided by the Federal agency and/or pass-through entity.

In addition to the guidance noted above, the A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. OMB Circular A-133 requires auditors to obtain an understanding of the non-Federal entity's internal control over Federal programs sufficient to plan the audit to support a low assessed level of control risk for major programs, plan the testing of internal control over major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program, and, unless internal control is likely to be ineffective, perform testing of internal control as planned.

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### INTERNAL CONTROLS (Continued)

As the auditor of your local governmental entity, the State Board of Accounts will be assessing the controls you have in place over the preparation of the financial statements and schedule of expenditures of federal programs and over the compliance with the requirements of federal programs. If we determine that controls for any of these areas are either not in place or are not operating effectively, we are required by the standards we follow to report those issues. This reporting is required to be made in the form of written Federal finding included in the audit report. In order for us to be able to determine operating effectiveness of the controls, we must have documentation of the controls to audit. Therefore, any review completed over the preparation of the financial statement or schedule of expenditure of federal awards should be documented in some way. Additionally, the oversight given to ensure compliance with requirements of the federal programs should be documented.

### ISSUING DUPLICATE WARRANTS

When a school corporation warrant is lost or for some other reason has not been presented for payment by the depository on which drawn, and evidence of this fact is submitted, the school corporation is authorized to issue a duplicate warrant to replace the original warrant; however, certain safeguards should be exercised before the duplicate warrant is issued, as recommended in the following outline:

1. The person, firm, or corporation requesting the duplicate warrant should submit to the school corporation treasurer an affidavit setting out all pertinent information with reference to such warrant. A separate affidavit should be furnished by the payee and by each party to whom it was endorsed. A suggested form of affidavit will be found on page 13.
2. Immediately upon receipt of the affidavit, the school corporation treasurer should issue a stop payment order on the original warrant to the bank on which it was drawn.
3. Delay issuing the duplicate warrant until the warrants for the month in which the stop payment order was issued are returned by the bank and the school corporation treasurer has verified that the original warrant has not been cashed.
4. Issue the duplicate warrant on the next warrant number of the current series, under current date (not the date it was originally issued), bearing the payee's name, amount and other details shown on the original warrant, but clearly indicate thereon that it is "issued to replace warrant number \_\_\_\_, dated \_\_\_\_\_, 20\_\_." In this manner no problems should arise when the warrant is presented to the bank for payment, which sometimes happens when it is given the date and number of the original warrant on which payment was stopped. It is not permissible to have unnumbered warrants furnished by the printer for this purpose; always use the next warrant number in the current series but show thereon the warrant number it replaces.
5. The duplicate warrant is not to be posted to the ledgers since it is issued only for the purpose of replacing the original warrant. To identify it as a duplicate so it will not be posted and added with the disbursements for the month, simply circle the copy in the warrant register or otherwise identify it as a "Duplicate."

A duplicate warrant might, under emergency conditions, be issued within a short time after the stop payment order is given the bank where the bank furnishes a statement that they have checked the paid warrants to date and the warrant in question has not been paid. However, a safe position is to wait until the canceled warrants for the month in which the stop payment order was issued are returned by the bank and the fiscal officer has verified the warrant has not been paid.

\*\*\*\*\*  
 \*FOR USE OF THE SCHOOL CORPORATION\*  
 \*Duplicate Issued on \_\_\_\_\_\*  
 \* Warrant Number \_\_\_\_\_\*  
 \* Date \_\_\_\_\_, 20\_\_\*  
 \*\*\*\*\*

AFFIDAVIT FOR ISSUANCE OF DUPLICATE WARRANT

STATE OF INDIANA )  
 )SS:  
 COUNTY OF \_\_\_\_\_)

I, \_\_\_\_\_, presently residing at \_\_\_\_\_  
 \_\_\_\_\_ County, Indiana, being first duly sworn upon my oath, say:

1. That I have been informed a school corporation warrant was issued from the \_\_\_\_\_ Fund, in the sum of \$\_\_\_\_\_, said warrant bearing number \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_, payable to \_\_\_\_\_ for \_\_\_\_\_.

2. That I am the person to whom said warrant was payable, or am the owner, partner or an officer in the firm or corporation to which payable or to which the warrant was subsequently endorsed.

(Strike out 3a or 3b, whichever is not applicable)

3a. That payment has not been received on said warrant or on any other warrant for the sum due as described above, for the reason that said warrant was (describe whether lost, destroyed or stolen; the date of the occurrence, if known; and all other pertinent facts).

3b. That payment was received on said warrant from \_\_\_\_\_ to whom it was subsequently endorsed.

4. That I fully understand payment will be stopped on the original warrant and, if a duplicate warrant is issued and payment is obtained thereon, that I will not be entitled to receive payment on the original warrant; and, further, should said original warrant ever come into my possession I will immediately forward it to the school corporation treasurer.

\_\_\_\_\_  
 (Signature of Affiant)

Subscribed and sworn to before the undersigned, a Notary Public, in and for said county and state, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
 Notary Public

My Commission Expires: \_\_\_\_\_

Note: If the payee did not receive payment, strike out paragraph 3b. If the payee and any subsequent endorser received payment, strike out paragraph 3a. In the latter instance the last party to whom the warrant was endorsed should complete paragraph 3a. A separate affidavit should be obtained from the payee and from each party to whom the warrant was endorsed.