IC 20-40
ARTICLE 40. GOVERNMENT FUNDS AND ACCOUNTS

IC 20-40-1
Chapter 1. Funds Established Outside IC 20-40

IC 20-40-1-1
Purpose
Sec. 1. This article is not intended to be an exhaustive list of the governmental funds and accounts that a school corporation may establish to carry out school purposes. 
As added by P.L.2-2006, SEC.163.

IC 20-40-1-2
"Freeway school"
Sec. 2. As used in this chapter, "freeway school" has the meaning set forth in IC 20-26-15-2.
As added by P.L.2-2006, SEC.163.

IC 20-40-1-3
"Freeway school corporation"
Sec. 3. As used in this chapter, "freeway school corporation" has the meaning set forth in IC 20-26-15-3.
As added by P.L.2-2006, SEC.163.

IC 20-40-1-4
"Joint program"
Sec. 4. As used in this chapter, "joint program" has the meaning set forth in IC 20-26-10-1.
As added by P.L.2-2006, SEC.163.

IC 20-40-1-5
Listing of funds established outside IC 20-40
Sec. 5. Statutes outside this article that permit or require the establishment of joint funds include the following:
(1) IC 20-26-10-3 (joint fund for a joint program).
(2) IC 20-26-10-8 (joint services, leasing, construction, and supply fund).
(3) IC 20-26-10-9 (joint investment fund).
(4) IC 20-26-10-11 (joint service and supply fund to pay for a joint program).
(5) IC 20-30-6-5 (joint fund to conduct educational television instruction and contract with a commercial television station for the use of the station's facilities and staff).
As added by P.L.2-2006, SEC.163.

IC 20-40-1-6
Freeway school; freeway school corporation; professional development and technology fund
Sec. 6. IC 20-26-15-6 permits a freeway school or freeway school corporation to establish and use a professional development and technology fund.

As added by P.L.2-2006, SEC.163.
IC 20-40-2
Chapter 2. General Fund

IC 20-40-2-1
"Fund"
Sec. 1. As used in this chapter, "fund" refers to a school corporation's general fund established under section 2 of this chapter. As added by P.L.2-2006, SEC.163.

IC 20-40-2-2
Establishment of general fund
Sec. 2. The governing body of each school corporation shall establish a general fund for the operation and maintenance of local schools. As added by P.L.2-2006, SEC.163.

IC 20-40-2-3
Source of fund balances; required use of fund
Sec. 3. Except as otherwise provided by law, all receipts and disbursements authorized by law for school funds and tax levies shall be received in and disbursed from the fund. As added by P.L.2-2006, SEC.163.

IC 20-40-2-4
Uses; transfers from general fund to transportation fund
Sec. 4. (a) Except as provided by subsection (b) or any other law, any lawful school expenses payable from any other fund of a school corporation, including debt service and capital outlay, may be budgeted in and paid from the fund.

(b) Before January 1, 2018, costs attributable to transportation (as defined in IC 20-40-6-1) may be budgeted in and paid from the fund. After December 31, 2017, costs attributable to transportation (as defined in IC 20-40-6-1) may not be budgeted in and paid from the fund. After June 30, 2013, a school corporation may also transfer money from its general fund to its transportation fund (IC 20-40-6) if it qualifies under subsection (c).

(c) A school corporation may make a transfer from its general fund to its transportation fund if the amount of revenue loss from:
(1) the credits for excessive property taxes granted under IC 6-1.1-20.6-7.5 in the amount that affects the school corporation's transportation fund; plus
(2) allocations to the school transportation fund resulting from the granting of credits under IC 6-1.1-20.6-7.5 to protect the protected taxes as provided in IC 6-1.1-20.6-9.8; is more than seventy-five percent (75%) of the school corporation's transportation fund levy for the year for which the latest certified levies have been determined. The amount of the transfer may not exceed fifty percent (50%) of revenue lost by the school corporation's transportation fund.

(d) A school corporation may make a transfer from its general
fund to its school bus replacement fund (IC 20-40-7) if the revenue lost from:

(1) the credits for excessive property taxes granted under IC 6-1.1-20.6-7.5 in the amount that affects the school corporation's school bus replacement fund; plus

(2) allocations to the school bus replacement fund resulting from the granting of credits under IC 6-1.1-20.6-7.5 to protect the protected taxes as provided in IC 6-1.1-20.6-9.8;

is more than seventy-five percent (75%) of the school corporation's school bus replacement fund levy for the year for which the latest certified levies have been determined. The amount of the transfer may not exceed fifty percent (50%) of revenue lost by the school corporation's school bus replacement fund.


IC 20-40-2-5
Payment of athletic coaches
Sec. 5. Remuneration for athletic coaches, whether or not the athletic coaches are:

(1) otherwise employed by the school corporation; and

(2) licensed under IC 20-28-4 or IC 20-28-5;

may be budgeted in and paid from the fund.

As added by P.L.2-2006, SEC.163.
IC 20-40-3

Chapter 3. Referendum Tax Levy Fund

IC 20-40-3-1
"Fund"
Sec. 1. As used in this chapter, "fund" refers to a referendum tax levy fund established under section 3 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-3-2
"Levy"
Sec. 2. As used in this chapter, "levy" refers to a property tax levy imposed under IC 20-46-1 for the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-3-3
Establishment of fund
Sec. 3. The governing body of each school corporation for which a levy is:
   (1) transferred; or
   (2) approved;
under IC 20-46-1 shall establish a referendum tax levy fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-3-4
Source of fund balances
Sec. 4. Property tax collections from a levy shall be deposited in the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-3-5
Uses
Sec. 5. Money in the fund may be used for any lawful school expenses.
As added by P.L.2-2006, SEC.163.
IC 20-40-4
Repealed
  (Repealed by P.L.182-2009(ss), SEC.466.)
IC 20-40-5
Chapter 5. Racial Balance Fund

IC 20-40-5-1
Application
Sec. 1. This chapter applies only to a school corporation that may impose a levy under IC 20-46-3.
As added by P.L.2-2006, SEC.163.

IC 20-40-5-2
"Fund"
Sec. 2. As used in this chapter, "fund" refers to a racial balance fund established under section 4 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-5-3
"Levy"
Sec. 3. As used in this chapter, "levy" refers to a property tax levy imposed under IC 20-46-3 for the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-5-4
Establishment of fund
Sec. 4. A school corporation may establish a racial balance fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-5-5
Uses
Sec. 5. Money in the fund may be used only for education programs that improve or maintain racial balance in the school corporation. Money in the fund may not be used for:
(1) transportation; or
(2) capital improvements;
even though those costs may be attributable to the school corporation's proposed programs for improving or maintaining racial balance in the school corporation.
As added by P.L.2-2006, SEC.163.
IC 20-40-6
Chapter 6. School Transportation Fund

IC 20-40-6-1
"Costs attributable to transportation"
Sec. 1. As used in this chapter, "costs attributable to transportation" refers to costs listed in section 6 of this chapter that are attributable to transportation, as authorized by this title, of school children during the school year ending in the calendar year.
As added by P.L.2-2006, SEC.163.

IC 20-40-6-2
"Fund"
Sec. 2. As used in this chapter, "fund" refers to a school transportation fund established under section 4 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-6-3
"Levy"
Sec. 3. As used in this chapter, "levy" refers to a property tax levy imposed under IC 20-46-4 for the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-6-4
Establishment of fund
Sec. 4. The governing body of each school corporation shall establish a school transportation fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-6-5
Uses; required use of fund
Sec. 5. (a) Subject to this chapter and except as provided in IC 20-40-2-4(b), the fund is the exclusive fund to be used by a school corporation for the payment of costs attributable to transportation.
(b) Contracted transportation service costs transferred to the school bus replacement fund under IC 20-40-7 are payable from the school bus replacement fund.

IC 20-40-6-6
Uses; costs payable from fund
Sec. 6. (a) The following costs are payable from the fund:
(1) The salaries paid to bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation related employees.
(2) Contracted transportation service.
(3) Wages of independent contractors.
(4) Contracts with common carriers.
(5) Student fares.
(6) Transportation related insurance.

(7) Other expenses of operating the school corporation's transportation service, including gasoline, lubricants, tires, repairs, contracted repairs, parts, supplies, equipment, and other related expenses.

(b) Percentages or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this subsection (other than instructional aide costs) may not be budgeted for payment or paid from the fund.

(c) Costs for a calendar year are those costs attributable to transportation for students during the school year ending in the calendar year.

As added by P.L.2-2006, SEC.163.

IC 20-40-6-7

Source of fund balances; appropriation requirement

Sec. 7. In addition to property tax collections, receipts available for school transportation from any other revenue source shall be received in and disbursed from the fund to pay costs attributable to transportation. An expenditure may be made only if it has been provided for in the school corporation's annual budget or by an additional appropriation under IC 6-1.1-18-5.

As added by P.L.2-2006, SEC.163.

IC 20-40-6-8

Repealed

(Repealed by P.L.234-2007, SEC.268.)
IC 20-40-7
Chapter 7. School Bus Replacement Fund

IC 20-40-7-1
"Costs attributable to transportation"
Sec. 1. As used in this chapter, "costs attributable to transportation" has the meaning set forth in IC 20-40-6-1.
As added by P.L.2-2006, SEC.163.

IC 20-40-7-2
"Fund"
Sec. 2. As used in this chapter, "fund" refers to a school bus replacement fund established under section 5 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-7-3
"Levy"
Sec. 3. As used in this chapter, "levy" refers to a property tax levy imposed under IC 20-46-5 for the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-7-4
"Plan"
Sec. 4. "Plan" refers to a plan or amended plan adopted and approved under IC 20-46-5.
As added by P.L.2-2006, SEC.163.

IC 20-40-7-5
Establishment of fund
Sec. 5. The governing body of each school corporation shall establish a school bus replacement fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-7-6
Uses; general provisions; exception for transfers
Sec. 6. Except as otherwise provided by law, including the exception for transfers permitted by IC 20-40-2-4(d), the fund is the exclusive fund used to pay the following costs attributable to transportation:

(1) Amounts paid for the replacement of school buses, either through a purchase agreement or under a lease agreement.
(2) The costs of contracted transportation service payable from the fund under section 7 of this chapter.

IC 20-40-7-7
Uses; expenditures; transportation, fleet, and common carrier contracts
Sec. 7. (a) Before the last Thursday in August in the year
preceding the first school year in which a proposed contract commences, the governing body of a school corporation may elect to designate a part of a:

(1) transportation contract (as defined in IC 20-27-2-12);
(2) fleet contract (as defined in IC 20-27-2-5); or
(3) common carrier contract (as defined in IC 20-27-2-3);

as an expenditure payable from the fund.

(b) An election under this section must be made in a transportation plan approved by the department of local government finance under this chapter. The election applies throughout the term of the contract.

(c) The amount that may be paid from the fund in a school year is equal to the fair market lease value in the school year of each school bus, school bus chassis, or school bus body used under the contract, as substantiated by invoices, depreciation schedules, and other documented information available to the school corporation.

(d) The allocation of costs under this section to the fund must comply with the allocation guidelines adopted by the department of local government finance and the accounting standards prescribed by the state board of accounts.

As added by P.L.2-2006, SEC.163.

IC 20-40-7-8
Requirement of expenditure plan

Sec. 8. The department of local government finance may approve appropriations from the fund only if the appropriations conform to a plan.

As added by P.L.2-2006, SEC.163.
IC 20-40-8
Chapter 8. Capital Projects Fund

IC 20-40-8-1
"Calendar year distribution"
Sec. 1. As used in this chapter, "calendar year distribution" means the sum of the following:

(1) A school corporation's:
   (A) state tuition support; and
   (B) maximum permissible tuition support levy (as defined in IC 20-45-1-15 before its repeal);
for the calendar year.

(2) The sum of the following excise tax revenue of the school corporation for the immediately preceding calendar year:
   (A) Financial institution excise tax revenue (IC 6-5.5).
   (B) Motor vehicle excise taxes (IC 6-6-5).
   (C) Commercial vehicle excise taxes (IC 6-6-5.5).
   (D) Boat excise tax (IC 6-6-11).
   (E) Aircraft license excise tax (IC 6-6-6.5).


IC 20-40-8-2
"Emergency"
Sec. 2. As used in this chapter, "emergency" means:

(1) when used with respect to repair or replacement:
   (A) a fire;
   (B) a flood;
   (C) a windstorm;
   (D) a mechanical failure of any part of a structure; or
   (E) an unforeseeable circumstance; and

(2) when used with respect to site acquisition, the unforeseeable availability of real property for purchase.

As added by P.L.2-2006, SEC.163.

IC 20-40-8-3
"Fund"
Sec. 3. As used in this chapter, "fund" refers to the capital projects fund established under section 6 of this chapter.

As added by P.L.2-2006, SEC.163.

IC 20-40-8-4
"Levy"
Sec. 4. As used in this chapter, "levy" refers to a property tax levy imposed under IC 20-46-6 for the fund.

As added by P.L.2-2006, SEC.163.

IC 20-40-8-5
"Plan"
Sec. 5. As used in this chapter, "plan" refers to a plan or amended
plan adopted and approved under IC 20-46-6.  
As added by P.L.2-2006, SEC.163.

IC 20-40-8-6
Establishment of fund
Sec. 6. A school corporation may establish a capital projects fund.  
As added by P.L.2-2006, SEC.163.

IC 20-40-8-7
Deposit of interest
Sec. 7. Interest on money in the fund, including the fund’s pro rata share of interest earned on the investment of total money on deposit, shall be deposited in the fund. However, the governing body may adopt a resolution to transfer any interest earned on money in the fund to the school corporation's general fund.  
As added by P.L.2-2006, SEC.163.

IC 20-40-8-8
Requirement of expenditure plan
Sec. 8. Notwithstanding IC 6-1.1-17, the department of local government finance may approve appropriations from the fund only if the appropriations conform to a plan.  
As added by P.L.2-2006, SEC.163.

IC 20-40-8-9
Rules
Sec. 9. The department of local government finance may adopt rules under IC 4-22-2 to implement this chapter and IC 20-46-6.  
As added by P.L.2-2006, SEC.163.

IC 20-40-8-10
Uses; land and improvements
Sec. 10. (a) Except as provided in subsection (b), with respect to any facility used or to be used by the school corporation, money in the fund may be used to pay for the following:
(1) Planned construction, repair, replacement, or remodeling.
(2) Site acquisition.
(3) Site development.
(4) Repair, replacement, or site acquisition that is necessitated by an emergency.
(b) Except as provided in section 12 of this chapter, money in the fund may not be used to pay for:
(1) planned construction, repair, replacement, or remodeling;
(2) site acquisition;
(3) site development; or
(4) repair, replacement, or site acquisition that is necessitated by an emergency;
of a facility used or to be used primarily for interscholastic or extracurricular activities.  
As added by P.L.2-2006, SEC.163.
IC 20-40-8-11
Uses; equipment
Sec. 11. Money in the fund may be used to pay for the purchase, lease, repair, or maintenance of equipment to be used by the school corporation. However, money in the fund may not be used to pay for the purchase, lease, repair, or maintenance of the following:
(1) Vehicles to be used for any purpose.
(2) Except as provided in section 12 of this chapter, equipment to be used primarily for interscholastic or extracurricular activities.

IC 20-40-8-12
Uses; school sports facilities
Sec. 12. Money in the fund may be used to pay for the construction, repair, replacement, remodeling, or maintenance of a school sports facility. However, a school corporation's expenditures in a calendar year under this section may not exceed five percent (5%) of the property tax revenues levied for the fund in the calendar year.
As added by P.L.2-2006, SEC.163.

IC 20-40-8-13
Uses; computer systems
Sec. 13. Money in the fund may be used for any of the following purposes:
(1) To purchase, lease, upgrade, maintain, or repair one (1) or more of the following:
   (A) Computer hardware.
   (B) Computer software.
   (C) Wiring and computer networks.
   (D) Communication access systems used to connect with computer networks or electronic gateways.
(2) To pay for the services of full-time or part-time computer maintenance employees.
(3) To conduct nonrecurring in-service technology training of school employees.
(4) To pay advances, together with interest on the advances, from the common school fund for educational technology programs under IC 20-49-4.
(5) To acquire any equipment or services necessary:
   (A) to implement the technology preparation curriculum under IC 20-30-12;
   (B) to participate in a program to provide educational technologies, including:
      (i) computers in the homes of students (commonly referred to as "the buddy system project") under IC 20-20-13-6;
      (ii) the 4R's technology program; or
      (iii) any other program under the educational technology
program described in IC 20-20-13; or
(C) to obtain any combination of equipment or services
described in clauses (A) and (B).

As added by P.L.2-2006, SEC.163.

IC 20-40-8-14
Uses; vocational capital expenditures
Sec. 14. Money in the fund may be used to purchase any of the
following for the use of vocational building trades classes to
construct new buildings and remodel existing buildings:
(1) Building sites.
(2) Buildings in need of renovation.
(3) Building materials.
(4) Equipment.

As added by P.L.2-2006, SEC.163.

IC 20-40-8-15
Uses; renting or leasing real estate
Sec. 15. Money in the fund may be used for leasing or renting
existing real estate. However, money in the fund may not be used for
payments authorized under IC 20-47-2 and IC 20-47-3.

As added by P.L.2-2006, SEC.163.

IC 20-40-8-16
Uses; skilled trades
Sec. 16. (a) For purposes of this section, maintenance does not
include janitorial or comparable routine services normally provided
in the daily operation of the facilities or equipment.
(b) Subject to this section, money in the fund may be used to pay
for services of school corporation employees who are:
(1) bricklayers;
(2) stone masons;
(3) cement masons;
(4) tile setters;
(5) glaziers;
(6) insulation workers;
(7) asbestos removers;
(8) painters;
(9) paperhangers;
(10) drywall applicators and tapers;
(11) plasterers;
(12) pipe fitters;
(13) roofers;
(14) structural and steel workers;
(15) metal building assemblers;
(16) heating and air conditioning installers;
(17) welders;
(18) carpenters;
(19) electricians; or
(20) plumbers;
as these occupations are defined in the United States Department of Labor, Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised 1991.

(c) Payment may be made under this section for employee services described in subsection (b) only if:

(1) the employees perform:
   (A) construction of;
   (B) renovation of;
   (C) remodeling of;
   (D) repair of; or
   (E) maintenance on;

   the facilities and equipment specified in sections 10 and 11 of this chapter;

(2) the total of all annual salaries and benefits paid by the school corporation to employees described in this section is at least six hundred thousand dollars ($600,000); and

(3) the payment of the employees described in this section is included as part of the school corporation's proposed plan.

(d) The number of employees covered by this section is limited to the number of employee positions described in this section that existed in the school corporation on January 1, 1993.


IC 20-40-8-17
Uses; energy savings contracts

Sec. 17. Money in the fund may be used to pay for energy saving contracts entered into by a school corporation under IC 36-1-12.5.
As added by P.L.2-2006, SEC.163.

IC 20-40-8-18
Repealed
(Repealed by P.L.133-2012, SEC.193.)

IC 20-40-8-19
Uses; utility services; insurance

Sec. 19. Money in the fund may be used before January 1, 2016, to pay for up to one hundred percent (100%) of the following costs of a school corporation:

(1) Utility services.
(2) Property or casualty insurance.
(3) Both utility services and property or casualty insurance.

A school corporation's expenditures under this section may not in a calendar year exceed three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

IC 20-40-8-20
Uses; transfers to other funds
Sec. 20. Money in the fund may be transferred to another fund and used as provided by law. The laws permitting a transfer of money from the fund include the following:
(1) IC 20-40-11-3 (repair and replacement fund).
(2) IC 20-40-12-6 (self-insurance fund).
(3) IC 20-49-4-22 (advance for educational technology program).

IC 20-40-8-21
Transfer of money in the fund to replace lost property tax revenue; amount of transfer
Sec. 21. Money in the fund may be transferred to another fund to replace property tax revenues lost to the fund as a result of the granting of circuit breaker credits under IC 6-1.1-20.6. A school corporation shall make a transfer of money under this section if the fund experiencing a shortfall is a debt service fund and money is not transferred from any other fund to cover the shortfall. The amount transferred must be equal to the amount of the shortfall that is not replaced from other funds.
As added by P.L.146-2008, SEC.478.

IC 20-40-8-22
Repealed
(Repealed by P.L.229-2011, SEC.274.)
IC 20-40-9
Chapter 9. Debt Service Fund

IC 20-40-9-1
"Debt service"
Sec. 1. As used in this chapter, "debt service" includes bonds and coupons, civil bond obligations, lease rental contracts, and interest cost on emergency and temporary loans.
As added by P.L.2-2006, SEC.163.

IC 20-40-9-2
"Fund"
Sec. 2. As used in this chapter, "fund" refers to a debt service fund established under section 4 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-9-3
"Levy"
Sec. 3. As used in this chapter, "levy" refers to a debt service levy under IC 20-46-7 for the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-9-4
Establishment of fund
Sec. 4. The governing body of each school corporation shall establish a debt service fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-9-5
Uses; required use of fund
Sec. 5. Except as otherwise provided by law, all expenditures for debt service must be paid from the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-9-6
Uses; payment of debt and lease expenses; transfers to transportation fund
Sec. 6. (a) Money in the fund may be used for payment of the following:

1. All debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction.
2. A lease to provide capital construction.
3. Interest on emergency and temporary loans.
4. All debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-27-4-5, for that purpose.
5. All debt and other obligations arising out of funds borrowed
to pay judgments against the school corporation.
(b) A school corporation may before July 1, 2015, transfer excess money in the fund to the school corporation's transportation fund, if the transfer is approved by the distressed unit appeal board under IC 6-1.1-20.3-8.4.

IC 20-40-9-7
Use of money; curricular material
Sec. 7. (a) Money in the fund may be used for payment of all unreimbursed costs of curricular materials for the school corporation's students who were eligible for free or reduced lunches in the previous school year.
(b) The governing body may transfer the amount levied to cover unreimbursed costs of curricular materials under this section to the curricular materials rental fund or extracurricular account.

IC 20-40-9-8
Uses; lease rentals
Sec. 8. (a) Lease rental obligations on account of leases entered into under IC 21-5-11 (before its repeal), IC 20-47-2, IC 21-5-12 (before its repeal), or IC 20-47-3 may be paid by a school corporation from the fund.
(b) Payments described in subsection (a) must be provided for in the annual budget for the fund from which the payment is made.
(c) This section does not prohibit the payment of lease rental obligations from the general fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-9-9
Uses; community school corporations
Sec. 9. Money in the fund may be used to pay lease rental obligations, school bonds and coupons, and civil bond obligations assumed by school corporations reorganized under IC 20-23-4.
As added by P.L.2-2006, SEC.163.

IC 20-40-9-10
Limitation on payment of principal; emergency and temporary loans
Sec. 10. (a) Except as otherwise provided by law, a school corporation may not pay from the fund the principal of emergency and temporary loans obtained for the benefit of any other fund.
(b) Except as provided in IC 20-48-1-7 and IC 20-48-1-9, payment of interest on emergency and temporary loans must be received in and disbursed from the fund.
IC 20-40-9-11
Uses; principal and interest; state advance

Sec. 11. An amount equal to deductions made or to be made in the current year for the payment of principal and interest on an advancement from any state fund (including the common school fund and the veterans memorial school construction fund) may be included in debt service and appropriated and paid to the general fund.

As added by P.L.2-2006, SEC.163.
IC 20-40-10  
Chapter 10. Levy Excess Fund

IC 20-40-10-1  
"Fund"
Sec. 1. As used in this chapter, "fund" refers to a levy excess fund established under section 2 of this chapter.  
As added by P.L.2-2006, SEC.163.

IC 20-40-10-2  
Establishment of fund
Sec. 2. Each corporation shall establish a levy excess fund for purposes of IC 20-44-3.  
As added by P.L.2-2006, SEC.163.

IC 20-40-10-3  
Investments
Sec. 3. The chief fiscal officer of a school corporation may invest money in the school corporation's fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the fund.  
As added by P.L.2-2006, SEC.163.
IC 20-40-11
Chapter 11. Repair and Replacement Fund

IC 20-40-11-1
"Fund"
Sec. 1. As used in this chapter, "fund" refers to a repair and replacement fund established under section 2 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-2
Establishment of fund
Sec. 2. The governing body of each school corporation may establish a repair and replacement fund under this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-3
Resolution governing fund
Sec. 3. (a) The procedure for establishing a fund is the same as the procedure to be used in making an additional appropriation under IC 6-1.1-18-5.
(b) The resolution of the governing body must be in the form prescribed by the department of local government finance and must contain at least the following:
1. The annual amount permitted to be expended from the fund each year.
2. The duration of the fund, which may not exceed five (5) years.
3. That the sources for the fund for each year must be from either the general fund or the capital projects fund, or both.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-4
Source of fund balances
Sec. 4. The fund consists of:
1. any balance in the fund at the beginning of the year; and
2. any transfers into the fund from the capital projects fund or the general fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-5
Transfer to fund; required appropriation
Sec. 5. A transfer to the fund from the general fund or capital projects fund may be made without appropriation.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-6
Uses
Sec. 6. The fund shall be used solely for the repair of buildings and the repair and replacement of building fixtures that are:
1. owned or leased by the school corporation; and
(2) of a type constituting loss capable of being covered by casualty insurance.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-7
Expenditures; required appropriation
Sec. 7. Expenditures from the fund may be made only after appropriation in the school corporation's annual budget or by an additional appropriation under IC 6-1.1-18-5.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-8
Balance; nonreverting
Sec. 8. Any balance remaining in the fund at the end of a year does not revert to the general fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-9
Investment
Sec. 9. Any balance in the fund may be invested in the manner provided for investment of general fund money and the net proceeds from the investment become a part of the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-10
Duration
Sec. 10. The fund may extend for a specified number of years, not to exceed five (5), and for a specified annual amount permitted to be expended during each year.
As added by P.L.2-2006, SEC.163.

IC 20-40-11-11
Termination or reduction in balance of fund
Sec. 11. (a) The fund may be reduced or rescinded before its expiration by resolution of the governing body of the school corporation.
   (b) Not later than August 1 of any year, ten (10) or more taxpayers in a taxing district in which the school corporation is located may file with the county auditor of the county in which the taxing district is located a petition for reduction or rescission of the fund. The petition must set forth the taxpayers' objections to the fund. The petition shall be certified to the department of local government finance.
   (c) Upon receipt of a petition under subsection (b), the department of local government finance shall, within a reasonable time, fix a date for a hearing on the petition. The hearing must be held in the county in which the taxing district is located. Notice of the hearing shall be given to the executive officer of the school corporation and to the first ten (10) taxpayers whose names appear on the petition. The notice must be in the form of a letter signed by the commissioner or deputy commissioner of the department of local government finance,
sent by mail with full prepaid postage to the executive officer and the taxpayers at their usual places of residence at least five (5) days before the date fixed for the hearing.

(d) After the hearing under subsection (c), the department of local government finance shall approve, disapprove, or modify the request for reduction or rescission of the fund and shall certify that decision to the county auditor of the county in which the taxing district is located.

(e) If the fund is rescinded under this section, any balance remaining shall be transferred to the school corporation's capital projects fund.

As added by P.L.2-2006, SEC.163.

IC 20-40-11-12

Levy prohibited

Sec. 12. This chapter does not authorize an additional levy increase.

As added by P.L.2-2006, SEC.163.
IC 20-40-12
Chapter 12. Self-Insurance Fund

IC 20-40-12-1
"Fund"
Sec. 1. As used in this chapter, "fund" refers to a self-insurance fund established under section 4 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-12-2
"Health care services"
Sec. 2. As used in this chapter, "health care services" has the meaning set forth in IC 27-8-11-1.
As added by P.L.2-2006, SEC.163.

IC 20-40-12-3
"Self-insurance program"
Sec. 3. As used in this chapter, "self-insurance program" means a program of self-insurance established or maintained by a governing body to provide coverage for health care services to a school corporation's employees and the employees' dependents.
As added by P.L.2-2006, SEC.163.

IC 20-40-12-4
Establishment of fund
Sec. 4. 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.
As added by P.L.2-2006, SEC.163.

IC 20-40-12-5
Uses
Sec. 5. 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).
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).
As added by P.L.2-2006, SEC.163.

IC 20-40-12-6
Transfers to fund
Sec. 6. 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.

IC 20-40-12-7
Balance; nonreverting
Sec. 7. Any balance remaining in the fund at the end of the year does not revert to the general fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-12-8
Compliance with chapter; self-insurance programs
Sec. 8. Subject to IC 20-26-5-4(15) and this chapter and notwithstanding any other law, a self-insurance program must comply with this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-12-9
Appeals
Sec. 9. (a) A self-insurance program must provide for appeals to a review panel to:
(1) hear complaints; and
(2) resolve concerns;
regarding issues related to coverage, coverage discrimination, and access under the self-insurance program.
(b) The composition of the review panel under subsection (a):
(1) must reflect the populations covered under the self-insurance program;
(2) may include a member representative of each covered population; and
(3) must maintain a balance of administration and nonadministration members.
(c) Self-insurance program documents provided to individuals covered under the self-insurance program must specify the appeal process, including the name, address, and telephone number of the individual with whom an appeal may be filed.

As added by P.L.2-2006, SEC.163.

IC 20-40-12-10
Incurred claim basis

Sec. 10. (a) A self-insurance program must be written on an incurred claims basis.

(b) The governing body must fund a self-insurance program as described in section 4(2) of this chapter to include coverage for all eligible incurred claims.

(c) Subject to this chapter and notwithstanding any other law:
   1. contributions made on behalf of individuals covered under the self-insurance program, including employee and employer contributions; and
   2. transfers or allocations of funds by a governing body; for coverage for health care services under a self-insurance program must be directly deposited into the fund and may not be transferred to other accounts or expended for any other purpose.

As added by P.L.2-2006, SEC.163.
IC 20-40-13
Chapter 13. Petty Cash Fund

IC 20-40-13-1
"Custodian"
Sec. 1. As used in this chapter, "custodian" means a person appointed by the governing body to be responsible for the maintenance and administration of the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-13-2
"Fund"
Sec. 2. As used in this chapter, "fund" refers to a petty cash fund established under section 3 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-13-3
Establishment of fund
Sec. 3. The governing body of each school corporation may establish and maintain a petty cash fund to pay small or emergency expenses of an administrative or operating nature.
As added by P.L.2-2006, SEC.163.

IC 20-40-13-4
Maximum balance
Sec. 4. If a fund is established, the governing body shall make an appropriation for the fund in an amount that is not more than five hundred dollars ($500). The fund shall be established by a warrant drawn on the general fund of the school corporation payable to a custodian appointed by the school corporation.
As added by P.L.2-2006, SEC.163.

IC 20-40-13-5
Custodian responsibilities
Sec. 5. The custodian shall convert a warrant described in section 4 of this chapter to cash and is responsible for the administration of the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-13-6
Custodian reports
Sec. 6. (a) At the end of each month, the custodian shall file with the governing body a report showing the:
(1) balance of the fund at the beginning of the month;
(2) amount of all warrants drawn and expenditures from the fund during the month; and
(3) balance on hand in the fund at the end of the month.
(b) For each expenditure from the fund, the custodian shall obtain a receipt or voucher, which the custodian shall file with the monthly report.
IC 20-40-13-7
Termination of custodian duties; reconciliation of fund accounts
Sec. 7. If the fund is no longer needed or a change is made in custodian, the custodian shall return the balance of the fund to the general fund and make a report to the governing body containing the information and supporting receipts or vouchers required under section 6 of this chapter.
As added by P.L.2-2006, SEC.163.
IC 20-40-14
Chapter 14. Special Purpose Funds Without Local Tax

IC 20-40-14-1
Separate accounting; gifts; endowments; federal grants and loans
Sec. 1. (a) Except as provided in this section, money received by a school corporation for a specific purpose or purposes, by gift, endowment, or under a federal statute, may be accounted for by establishing separate funds apart from the general fund.
(b) Subsection (a) does not apply if local tax funds are involved.
(c) Money described in subsection (a) may not be accepted unless the:
   (1) terms of the gift, endowment, or payment; and
   (2) acceptance of the gift, endowment, or payment;
provide that the officers of the school corporation are not divested of any right or authority that the officers are granted by law.
As added by P.L.2-2006, SEC.163.

IC 20-40-14-2
Disbursement without appropriation
Sec. 2. Both:
   (1) money received for specific purposes, by gift, endowment, or under a federal statute; and
   (2) any earnings on money received for specific purposes, by gift, endowment, or under a federal statute;
may be disbursed without appropriation.
As added by P.L.2-2006, SEC.163.

IC 20-40-14-3
Application of other laws
Sec. 3. A school corporation shall maintain money received by gift, endowment, or under a federal statute in a special fund as required by law, including IC 20-35-4-7.
As added by P.L.2-2006, SEC.163.
IC 20-40-15
Chapter 15. School Technology Fund

IC 20-40-15-1
"Fund"
Sec. 1. As used in this chapter, "fund" refers to a school technology fund established under section 2 of this chapter.
As added by P.L.2-2006, SEC.163.

IC 20-40-15-2
Establishment of fund
Sec. 2. (a) Each school corporation shall establish a school technology fund.
(b) The fund consists of the following:
   (1) Money transferred to the fund under IC 20-40-14-1 or section 3 or 4 of this chapter.
   (2) Other money, as designated by the department.
   (c) Property taxes levied by a school corporation for a capital projects fund may not be transferred to the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-15-3
Transfers from the general fund
Sec. 3. All money appropriated from the general fund for any of the purposes described in section 5 of this chapter shall be transferred from the general fund to the fund.
As added by P.L.2-2006, SEC.163.

IC 20-40-15-4
Transfer of savings from universal service discounts
Sec. 4. (a) As used in this section, "base year" means:
   (1) January 1, 1998, through June 30, 1999; or
   (2) any subsequent universal service program year for which a school corporation initially makes an application to the program.
(b) All money saved by a school corporation as a result of universal service discounts provided to the school corporation under the federal Telecommunications Act of 1996 must be transferred to the fund.
(c) For purposes of this section, the amount of money saved by a school corporation as a result of universal service discounts during the base year and any subsequent universal service program year is equal to:
   (1) the sum of all reimbursements in the form of cash or discounts received or eligible to be received under the universal service program during the base year; minus
   (2) discounts from expenditures made from the debt service and capital projects funds during the base year for one (1) time costs such as new construction or remodeling projects.
As added by P.L.2-2006, SEC.163.
IC 20-40-15-5
Uses
Sec. 5. (a) Except as provided in subsection (b), money in the fund may be used for one (1) or more of the purposes described in IC 20-20-13, IC 20-26-15-6(4)(B), or IC 20-40-8-13.

(b) Money in the fund may not be used to purchase software programs to be used exclusively for administrative purposes, such as payroll and attendance records, personnel records, administration of insurance or pension programs, or any other similar purpose. However, if a particular software program will be used for administrative purposes and for other purposes described in subsection (a), a part of the cost of the software program may be paid from the fund. The part of the cost that may be paid from the fund is the total cost of the software program multiplied by the estimated percentage of use of the software program for nonadministrative purposes.

As added by P.L.2-2006, SEC.163.

IC 20-40-15-6
Reports
Sec. 6. (a) Before February 15 of each year, each school corporation shall file a report with the state superintendent's special assistant for technology.

(b) A report filed under this section must:
   (1) be prepared in the form prescribed by the special assistant for technology; and
   (2) include a list of expenditures made by the school corporation during the preceding calendar year from the school corporation's:
       (A) fund for purposes described in this chapter;
       (B) capital projects fund for purposes described in IC 20-40-8-13; and
       (C) debt service fund to provide financing for any equipment or facilities used to provide educational technology programs.

(c) Before April 1 of each year, the special assistant for technology shall compile the information contained in the reports filed under this section.

IC 20-40-16
Repealed
(Repealed by P.L.229-2011, SEC.274.)
IC 20-40-17
Chapter 17. Pilot School Corporations

IC 20-40-17-1
Selection of pilot school corporations; compliance with P.L.50-1996
Sec. 1. The department and the state board of tax commissioners shall select pilot school corporations under section 2 of this chapter. Beginning January 1, 1997, the school corporations selected under section 2 of this chapter shall comply with SECTIONS 1 through 17 of P.L.50-1996 as if those SECTIONS were effective January 1, 1997.

IC 20-40-17-2
Criteria for selection of pilot school corporations
Sec. 2. Before October 1, 1996, the department and the state board of tax commissioners shall meet to select ten (10) pilot school corporations. The pilot school corporations shall be selected with the objective that the pilot school corporations collectively represent a broad range of the different types and sizes of school corporations that exist in Indiana. In order to achieve this objective, the department and the state board of tax commissioners shall select the pilot school corporations based on the following criteria:
(1) The size of the student population within the corporation.
(2) The size of the geographic territory served by the corporation.
(3) The average growth of the property tax assessed valuation within the corporation's district over the preceding three (3) years.
(4) The growth or decline of the ADM (as defined in IC 21-3-1.6-1.1, before its repeal) within the corporation over the preceding three (3) years, excluding any year in which there is a general reassessment.
(5) The extent of urban development in the corporation.
(6) Any other factors the department and the state board of tax commissioners determine are necessary to distinguish a group or category of school corporations that deserve representation by a pilot school corporation.
As added by P.L.220-2011, SEC.337.

IC 20-40-17-3
Implementation of P.L.50-1996; cooperation of government officials
Sec. 3. All state and local government officials whose official functions relate to P.L.50-1996 shall cooperate with the department, the state board of tax commissioners, and the pilot school corporations to implement P.L.50-1996.
As added by P.L.220-2011, SEC.337.