

IC 20-39

ARTICLE 39. ACCOUNTING AND FINANCIAL REPORTING PROCEDURES

IC 20-39-1

Chapter 1. Unified Accounting System

IC 20-39-1-1

Required implementation

Sec. 1. All public school governing bodies, except a charter school organizer, shall adopt and fully and accurately implement a single, unified accounting system as prescribed by the state board and the state board of accounts.

As added by P.L.2-2006, SEC.162. Amended by P.L.280-2013, SEC.54.

IC 20-39-1-2

Repealed

(Repealed by P.L.280-2013, SEC.55.)

IC 20-39-1-3

Application to freeway schools

Sec. 3. IC 20-26-15-6 applies to the budget and accounting system of a freeway school.

As added by P.L.2-2006, SEC.162.

IC 20-39-1-4

Charter school organizers

Sec. 4. Charter school organizers shall adopt and accurately implement a single, unified accounting system for charter school organizers as prescribed by the state board and the state board of accounts. The system, including a chart of accounts and all prescribed forms, must enable charter school organizers to adopt the accrual basis method of accounting.

As added by P.L.280-2013, SEC.56.

IC 20-39-2

Chapter 2. Oversight by Department of Education

IC 20-39-2-1

Supervision by state superintendent

Sec. 1. (a) The state superintendent shall exercise the supervision over school funds and revenues that is necessary to ascertain their safety, secure their preservation, and secure their application to the proper object.

(b) The state superintendent may cause to be instituted, in the name of the state of Indiana, for the use of the proper fund or revenue, all suits necessary for the recovery of any part of the funds or revenues. The prosecuting attorney shall prosecute all the suits at the insistence of the state superintendent and without charge against the funds or revenue.

As added by P.L.2-2006, SEC.162.

IC 20-39-2-2

Township schools; power to require reports

Sec. 2. The state superintendent may require from the county auditors, school examiners, county treasurers, township trustees, county clerks, and county treasurers:

- (1) copies of all reports required to be made by them; and
- (2) all other information in relation to the duties of their respective offices, so far as those duties relate to the:
 - (A) condition of the school funds, school revenues, and property of the common schools; and
 - (B) condition and management of the common schools;that the state superintendent determines is important.

As added by P.L.2-2006, SEC.162.

IC 20-39-2-3

Prescription of forms

Sec. 3. The state superintendent may prepare and transmit to the proper officers:

- (1) suitable forms and rules for making all reports;
- (2) necessary blanks for all reports; and
- (3) all necessary instructions;

for the better organization and government of common schools and conducting all necessary proceedings under this chapter and IC 20-42.

As added by P.L.2-2006, SEC.162.

IC 20-39-3

Chapter 3. Financial Oversight of Township Schools

IC 20-39-3-1

Inspection of records

Sec. 1. The books, papers, and accounts of any township trustee concerning schools are at all times subject to the inspection of the school examiner, the county auditor, and the board of county commissioners of the proper county.

As added by P.L.2-2006, SEC.162.

IC 20-39-3-2

County officers; subpoena powers

Sec. 2. For purposes of an inspection, the school examiner, county auditor, and board of county commissioners may by subpoena:

(1) summon before them any trustee; and

(2) require the production of books, papers, and accounts; after three (3) days notice of the time to appear and produce any books, papers, and accounts is given.

As added by P.L.2-2006, SEC.162.

IC 20-39-3-3

Correction of records

Sec. 3. If any books and accounts have been imperfectly kept, the board of commissioners may correct them. If fraud appears, the board of commissioners shall remove the person guilty of the fraud.

As added by P.L.2-2006, SEC.162.

IC 20-39-3-4

Prescription of forms

Sec. 4. The state board of accounts shall prescribe accounting forms to be used by the county committees (as defined in IC 20-23-4-4) and shall audit the financial records of each county committee (as defined in IC 20-23-4-4) at least once every three (3) years.

As added by P.L.2-2006, SEC.162.

IC 20-39-4

Chapter 4. Audits; Reports Related to Trust Funds

IC 20-39-4-1

Application; county common school fund; congressional township school fund

Sec. 1. This chapter applies to the following funds:

- (1) A county common school fund held in trust by a county under IC 20-42-1.
- (2) A congressional township school fund held in trust by a county under IC 20-42-2.

As added by P.L.2-2006, SEC.162.

IC 20-39-4-2

Examination of records; state board of accounts

Sec. 2. The state board of accounts shall examine the records and affairs of the school funds held in trust by the counties. If the examination discloses a violation of law, the state examiner shall order the county auditor or other public official charged with the performance of any duty to comply with the law. If the county auditor or other public official fails to comply with the state examiner's order within a reasonable time, the state examiner shall certify to the prosecuting attorney of the county a copy of the report of examination and of the order issued for proper proceeding to enforce the law.

As added by P.L.2-2006, SEC.162.

IC 20-39-4-3

Annual report of county auditor and county treasurer

Sec. 3. Before May 1 of each calendar year, each county auditor and county treasurer shall prepare a written report and present the report to the board of county commissioners at the May meeting of the board. The report must concern the school funds held in trust by the county. The following information must be included concerning the county common school fund and the congressional township school fund for the previous calendar year:

- (1) The amount in each fund.
- (2) Any additions to the funds, including the sources of the additional funds.
- (3) The financial condition of the funds, including information concerning the amount safely invested, unsafely invested, and uninvested in the funds, and any loss to the funds.
- (4) The amount of interest collected on the funds.
- (5) Any amount due and unpaid to the funds.

As added by P.L.2-2006, SEC.162.

IC 20-39-4-4

Examination of report; county commissioners

Sec. 4. (a) At the May meeting the county commissioners shall, in the presence of the county auditor and county treasurer, do the

following:

- (1) Examine the:
 - (A) reports prepared under section 3 of this chapter;
 - (B) accounts and proceedings of the officers in relation to the funds listed in section 1 of this chapter; and
 - (C) revenue derived from the funds listed in section 1 of this chapter.
- (2) Compare the reports with the cash, notes, mortgages, records, and books of the officers to determine the amount in the funds and the safety of the funds.

(b) The county commissioners may do whatever is necessary to secure the preservation and prompt payment of the interest on the funds listed in section 1 of this chapter and make up any losses to the funds that have accrued or may accrue.

As added by P.L.2-2006, SEC.162.

IC 20-39-4-5

Annual report; county commissioners

Sec. 5. (a) Each board of county commissioners, at the May meeting described in section 4 of this chapter, shall prepare a written report that includes the following information for the previous year:

- (1) The amount in the funds at the close of the year.
- (2) The amount added from sale of land.
- (3) The number of acres of unsold congressional township school lands and the approximate value of the lands.
- (4) The amount added from fines and forfeitures.
- (5) The amount added by the commissioners of the debt service fund.
- (6) The amount added from all other sources.
- (7) The total amount in the funds.
- (8) The amount refunded.
- (9) The amount reloaned.
- (10) The amount safely invested.
- (11) The amount unsafely invested.
- (12) The amount uninvested.
- (13) The amount of any fund loss.
- (14) The amount of interest collected.
- (15) The amount of interest delinquent.

(b) The information in the report required by subsection (a) must distinguish between the:

- (1) congressional township school fund; and
- (2) county common school fund.

In its report of the interest or revenue derived from the funds, the board of county commissioners shall observe the same distinction.

As added by P.L.2-2006, SEC.162.

IC 20-39-4-6

Record of report; distribution of copies

Sec. 6. The report prepared under section 5 of this chapter must be entered on the records of the board of county commissioners. Copies

of the report must be:

(1) signed by the members of the board of county commissioners, the county auditor, and the county treasurer; and

(2) sent to the:

(A) auditor of state; and

(B) state superintendent.

As added by P.L.2-2006, SEC.162.