IC 20-42
ARTICLE 42. FIDUCIARY FUNDS AND ACCOUNTS

IC 20-42-1
Chapter 1. Administration of Common School Fund by County

IC 20-42-1-1
Application
Sec. 1. This chapter applies to a county that has not:
(1) transferred the money in the county's fund to the debt service funds of the school corporations in the county under section 5 of this chapter, IC 21-2-4-5 (before its repeal), or a predecessor law; or
(2) surrendered the money in the county's fund to the treasurer of state under section 6 of this chapter, IC 21-1-3-1 (before its repeal), or a predecessor law.
As added by P.L.2-2006, SEC.165.

IC 20-42-1-2
"Fund"
Sec. 2. As used in this chapter, "fund" refers to a common school fund administered by a county.
As added by P.L.2-2006, SEC.165.

IC 20-42-1-3
Sources of fund
Sec. 3. The funds that:
(1) before March 6, 1865, were:
   (A) known and designated as the surplus revenue funds;
   (B) appropriated to common schools;
   (C) known and designated as the saline fund;
   (D) known and designated as the bank-tax fund;
   (E) derived from the sale of county seminaries and property belonging to county seminaries or after March 5, 1865, are derived from the sale of county seminaries and property belonging to county seminaries; or
   (F) money and property held for county seminaries;
(2) are derived from fines assessed for breaches of the penal laws of the state;
(3) are derived from forfeitures that accrue;
(4) are derived from lands and other estate that escheat to the state for want of heirs or kindred entitled to the inheritance of the lands or other estate;
(5) are derived from lands that:
   (A) were granted before March 6, 1865; or
   (B) are granted after March 5, 1865;
to the state, if no special object is expressed in the grant;
(6) are derived from the proceeds of the sales of the swamp lands granted to the state of Indiana by the act of Congress of
September 1850;
(7) are derived from the taxes that are assessed periodically
upon the property of corporations for common school purposes; and
(8) are derived from the one hundred and fourteenth section of
the charter of the state bank of Indiana;
constitute the common school fund.
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-1-4**
Prohibition on reducing principal of fund

Sec. 4. Subject to sections 5, 6 and 9 of this chapter, the fund shall
never be diminished in amount.
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-1-5**
Transfer of fund balance to debt service fund

Sec. 5. Any balance remaining in a fund shall be transferred to the
debt service funds of the school corporations in the county. The
amount transferred may be appropriated and paid to a school
corporation's general fund.
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-1-6**
Transfer of custody of fund balance to state

Sec. 6. (a) A county council may adopt a resolution to:
(1) elect to surrender the custody of the fund; and
(2) order the board of county commissioners, the county auditor,
and the county treasurer to take any and all steps necessary to
surrender the custody of a fund held in trust by the county.
If the county council adopts a resolution under this section, the
amount of money distributed to and held in trust by the county is due
and payable to the treasurer of state. A county council may elect
whether the county shall surrender all or any part of the fund. If the
county retains custody of any money in the fund, the county shall
loan the money as otherwise provided by law. Any part of the money
in the fund surrendered by the county shall be paid to the treasurer of
state immediately after the election by the county council.
(b) Within ten (10) days after the passage of the resolution by a
county council of a county electing to surrender the custody of the
fund, the county auditor shall prepare and file with the board of
commissioners of the county a report showing the following:
(1) The total amount of the fund that has been entrusted to and
is held in trust by the county.
(2) The total amount of the funds that is loaned as provided by
law.
(3) The total amount of the fund, if any, loaned to the county
and which loans are unpaid.
(4) The total amount of the fund held in cash in the possession
and custody of the county and that is not loaned.
(5) A separate schedule of past due loans. The schedule must show the unpaid balance of principal and the amount of delinquent interest due and unpaid on each delinquent loan.

(c) The board of county commissioners shall examine the reports, and, if found correct, the board of county commissioners shall order:

(1) that the report be entered on its records; and

(2) the county auditor to draw the county auditor's warrant, payable to the treasurer of state, for the amount of the fund that is not loaned and is held in cash in the custody and possession of the county as shown by the report.

The county auditor shall forward the warrants to the auditor of state together with a certified copy of the report. The county auditor shall also forward with the payment a certified copy of the resolution of the county council electing to surrender the custody of the fund or any part of the fund.

(d) After passage by the county council of a resolution electing to surrender the custody of the funds, no part of the fund that is in the custody of the county may be loaned by the county or by any official of the county. Except as provided in this subsection, all outstanding loans of the fund at the time of the passage of the resolution shall be collected when due. Any loan that comes due and payable after the passage of the resolution may be renewed for one (1) additional five (5) year period, on the application of the person owing the loan as provided by law. However, a loan that is more than one (1) year delinquent in payment of principal or interest at the time of the passage of the resolution of the county council may not be renewed.

(e) On:

(1) May 1 or November 1 immediately after the passage of the resolution electing to surrender the fund; and

(2) each May 1 and November 1 thereafter;

all the money collected and on hand that belongs to the fund shall be paid to the treasurer of state. If at the time for a semiannual payment the amount collected and paid to the treasurer of state when added to the amounts previously paid to the treasurer of state is less than the result determined by multiplying one-fortieth (1/40) of the amount of the fund held in trust at the time of the passage of the resolution by the number of semiannual payments that have occurred after the passage of the resolution, the county auditor shall draw the county auditor’s warrant on the general fund of the county for an amount sufficient to pay to the treasurer of state the difference between the amount paid and the amount equal to the result of multiplying one-fortieth (1/40) of the amount of the fund held in trust at the time of the passage of the resolution by the number of semiannual payments that have occurred after the passage of the resolution.

(f) At the same time and in the same manner, there shall be paid to the treasurer of state interest to the date of the semiannual payment on the balance of the funds held in trust by the county from the immediately preceding October 31 or April 30 at the rate fixed by law. Whenever within the preceding six (6) months any payment of the fund has been made by the county to the treasurer of state, the
county shall also pay interest at the rate fixed by law on the amount of the payment to the date of receipt of the payment by the treasurer of state. If the amount collected as interest on the fund is not sufficient to make payment of interest to the treasurer of state, the county auditor shall draw the county auditor's warrant on the general fund of the county for an amount sufficient when added to the amount collected as interest on the fund to pay the interest due to the state.

(g) The board of county commissioners shall, in its annual budget estimate, include an estimate of the amount necessary to make the payments from the county general fund as required by this section, and the county council shall appropriate the amount of the estimate.

(h) A county is subrogated to all the rights and remedies of the state with respect to loans made from a fund held in trust by the county to the extent of any and all payments made from the county general fund under this chapter.

As added by P.L.2-2006, SEC.165.

IC 20-42-1-7
County liability for fund
Sec. 7. A county shall be held liable for the:
(1) preservation of the part of the fund as is entrusted or has been entrusted to the county; and
(2) payment of the annual interest on the fund at the rate established by law.
As added by P.L.2-2006, SEC.165.

IC 20-42-1-8
Deposit of interest in fund
Sec. 8. The payment of annual interest must be full and complete every year. The payment must appear in the county auditor's report to the state superintendent. The state superintendent shall, at any time when the state superintendent discovers from the report, or otherwise, that there is a deficit in the amount collected, for want of prompt collection or otherwise, direct the attention of the board of county commissioners and the county auditor to the fact. The board of commissioners shall provide for the deficit in their respective counties.
As added by P.L.2-2006, SEC.165.

IC 20-42-1-9
Required transfer of revenue to state
Sec. 9. (a) This section does not apply to a fund entrusted to a county before November 1, 1851.
(b) Loans may not be made of the principal of the common school funds held in trust by the several counties of the state. Each county auditor and treasurer shall forward semiannually all payments made and all interest collected on any loan made before March 7, 1953, by any county from the fund, to the treasurer of state. The amount transferred to the treasurer of state must be held under IC 20-49-3.
IC 20-42-1-10
Loans; required interest rate
Sec. 10. Subject to section 9 of this chapter, the:
(1) principal belonging to a fund; and
(2) accumulations to the principal of a fund held by a county;
must be loaned at four percent (4%) per annum. Loans made before
June 1, 1943, with a rate of interest higher than four percent (4%) per
annum must have an interest rate of four percent (4%) per annum.
As added by P.L.2-2006, SEC.165.

IC 20-42-1-11
Minimum balance; loans; maximum term
Sec. 11. In a county where the total amount in the:
(1) fund; or
(2) congressional township school fund;
accumulates to the amount of at least one thousand dollars ($1,000),
a county may borrow and use the funds or any part of the funds for
any lawful purpose for a period not exceeding five (5) years.
As added by P.L.2-2006, SEC.165. Amended by P.L.162-2006,
SEC.40.

IC 20-42-1-12
Form of loan agreement
Sec. 12. (a) If a county council borrows funds under this chapter,
the county council shall adopt an ordinance specifying the amount of
the funds to be borrowed and specify the time for which the loan will
be made. The board of county commissioners shall execute to the
state of Indiana for the use of the funds a written obligation, executed
by the board of county commissioners and attested by the county
auditor, that specifies the following:
(1) The facts under which the written obligation is executed.
(2) The sum of money borrowed.
(3) The time when the money will be repaid to the fund by the
county.
(b) The obligation must be deposited with the county auditor of
the county. The county auditor shall retain the obligation and record
entries concerning the loans. The provisions of IC 6-1.1-20
concerning the loan to the county from the school funds apply to this
section.
As added by P.L.2-2006, SEC.165.

IC 20-42-1-13
Distribution of loaned amount from fund
Sec. 13. After the obligation is deposited with the county auditor
under section 12 of this chapter, the county auditor shall issue a
warrant to the county treasurer, to be paid to the county for the
amount of money specified in the ordinance and obligation. When the
warrant is presented to the county treasurer, the treasurer shall
transfer from the fund the amount contained in the warrant from the principal sum of the fund to the credit of the county revenue of the county. Funds transferred under this section become a part of the general revenue funds of the county.

As added by P.L.2-2006, SEC.165.

IC 20-42-1-14
Investments
Sec. 14. (a) If the funds remain in the county treasury of the county for four (4) months without having been loaned under this chapter, upon the request of the county auditor, the board of county commissioners may, by an order entered of record, direct the county treasurer to invest the funds in:

(1) bonds, notes, certificates, and other valid obligations of the United States; and

(2) bonds, notes, debentures, and other securities issued by any federal instrumentality that are fully guaranteed by the United States.

(b) If it becomes necessary to obtain the funds invested in the government bonds under subsection (a) to be able to make a loan to any borrower, whose application has been approved and granted, the treasurer shall sell, at the earliest opportunity, a sufficient amount of the government bonds to make the loan.

As added by P.L.2-2006, SEC.165.

IC 20-42-1-15
Receipts for payment of principal or interest on loan
Sec. 15. (a) All payments of principal or interest must be paid to the county treasurer. The:

(1) county treasurer shall file a receipt with the county auditor; and

(2) county auditor shall give the payor a receipt and record the payment.

(b) The county auditor may accept payment of principal or interest if the county auditor can immediately transmit and pay the payment to the county treasurer.

As added by P.L.2-2006, SEC.165.
IC 20-42-2
Chapter 2. County Administration of Congressional Township School Fund

IC 20-42-2-1
Application
Sec. 1. This chapter applies to a county that has money in a fund and has not surrendered custody of the fund to the treasurer of state under section 4.5 of this chapter, or a predecessor law.

IC 20-42-2-2
"Fund"
Sec. 2. As used in this chapter, "fund" refers to a congressional township school fund administered by a county.
As added by P.L.2-2006, SEC.165.

IC 20-42-2-3
Sources of fund
Sec. 3. The fund derived from the sale of congressional township school lands constitutes the congressional township school fund.
As added by P.L.2-2006, SEC.165.

IC 20-42-2-4
Prohibition on reducing principal of fund
Sec. 4. The fund shall never be diminished in amount.
As added by P.L.2-2006, SEC.165.

IC 20-42-2-4.5
Transfer of custody of fund balance to state
Sec. 4.5. (a) A county council may adopt a resolution to:
(1) elect to surrender the custody of the fund or any part of the fund; and
(2) order the board of county commissioners, the county auditor, and the county treasurer to take all steps necessary to surrender the custody of the fund or part of the fund that is to be surrendered.
If the county council adopts a resolution under this section, the amount of money designated by the resolution distributed to and held in trust by the county is to be transferred to the treasurer of state over a period not to exceed twenty (20) years. A county council may elect whether the county shall surrender all or any part of the fund. If the county retains custody of any money in the fund, the county shall loan the money as otherwise provided by law.
(b) Within ten (10) days after the passage of the resolution by a county council of a county electing to surrender the custody of the fund or part of the fund, the county auditor shall prepare and file with the board of commissioners of the county a report showing the following:
(1) The total amount of the fund that has been entrusted to and
is held in trust by the county.

(2) The total amount of the fund that is loaned as provided by law.

(3) The total amount of the fund, if any, loaned to the county and which loans are unpaid.

(4) The total amount of the fund held in cash in the possession and custody of the county and that is not loaned.

(5) A separate schedule of past due loans. The schedule must show the unpaid balance of principal and the amount of delinquent interest due and unpaid on each delinquent loan.

(c) The board of county commissioners shall examine the reports, and, if found correct, the board of county commissioners shall order:

(1) that the report be entered on its records; and

(2) the county auditor to draw the county auditor's warrant, payable to the treasurer of state, for the amount of the fund that is not loaned and is held in cash in the custody and possession of the county as shown by the report.

The county auditor shall forward the warrants to the auditor of state together with a certified copy of the report. The county auditor shall also forward with the payment a certified copy of the resolution of the county council electing to surrender the custody of the fund or any part of the fund.

(d) After passage by the county council of a resolution electing to surrender the custody of the fund or any part of the fund, no part of the fund up to the amount designated in the resolution that is not surrendered to the treasurer of state and is in the custody of the county may be loaned by the county or by any official of the county. Except as provided in this subsection, all outstanding loans of the fund not part of the amount retained by the county at the time of the passage of the resolution shall be collected when due. Any loan that comes due and payable after the passage of the resolution may be renewed for one (1) additional five (5) year period, on the application of the person owing the loan as provided by law. However, a loan that is more than one (1) year delinquent in payment of principal or interest at the time of the passage of the resolution of the county council may not be renewed.

(e) The maximum time to surrender money that the county designates in the resolution is for a period not to exceed twenty (20) years. On:

(1) May 1 or November 1 immediately after the passage of the resolution electing to surrender the fund or any part of the fund; and

(2) each May 1 and November 1 thereafter;

all the money collected and on hand up to the amount designated in the resolution that belongs to the fund that is to be surrendered shall be paid to the treasurer of state. If at the time for a semiannual payment the amount collected and paid to the treasurer of state when added to the amounts previously paid to the treasurer of state is less than the result determined by multiplying two and one-half percent (2.5%) of the amount in the resolution by the number of semiannual
payments that have occurred after the passage of the resolution, the county auditor shall draw the county auditor's warrant on the general fund of the county for an amount sufficient to pay to the treasurer of state the difference between the amount paid and the amount equal to the result of multiplying two and one-half percent (2.5%) of the amount designated in the resolution by the number of semiannual payments that have occurred after the passage of the resolution.

(f) The board of county commissioners shall, in its annual budget estimate, include an estimate of the amount necessary to make the payments from the county general fund as required by this section, and the county council shall appropriate the amount of the estimate.

(g) A county is subrogated to all the rights and remedies of the state with respect to loans made from a fund held in trust by the county to the extent of any and all payments made from the county general fund under this chapter.

(h) If a county elects to transfer custody of the fund or any part of the fund to the treasurer of state, the treasurer of state shall ensure that the principal of the fund belonging to any congressional township or a part of a congressional township shall never be diminished in amount.

(i) If a county elects to transfer custody of the fund or any part of the fund to the treasurer of state, the treasurer of state shall take steps to ensure that the income of the fund belonging to any congressional township or a part of a congressional township may not be:

1. diminished by an apportionment; or
2. diverted or distributed to another township.


**IC 20-42-2-5**

**County liability for fund**

Sec. 5. A county shall be held liable for the:

1. preservation of the part of the fund as is entrusted or has been entrusted to the county; and
2. payment of the annual interest on the fund, at the rate established by law.

As added by P.L.2-2006, SEC.165.

**IC 20-42-2-6**

**Deposit of interest in fund**

Sec. 6. The payment of annual interest must be full and complete every year. The payment must appear in the county auditor's or treasurer of state's report to the state superintendent. The state superintendent shall, at any time when the state superintendent discovers that there is a deficit in the amount collected, direct the attention of the board of county commissioners and the county auditor to the fact. The board of commissioners shall provide for the deficit in the commissioners' respective counties.


**IC 20-42-2-7**
Annual distribution of balance to school corporations
Sec. 7. The county auditor of each county or the treasurer of state shall, semiannually, on the second Monday of July and on the last Monday in January make apportionment of the amount of the congressional township school revenue belonging to each school corporation. The apportionment shall be paid to each school corporation's treasurer.

IC 20-42-2-8
Report to state superintendent
Sec. 8. The county auditor or treasurer of state shall report the amount apportioned to the state superintendent, verified by affidavit.

IC 20-42-2-9
Distributions proportional to balance deposited in fund from township
Sec. 9. The income of the fund belonging to any congressional township or part of a congressional township may not be:
(1) diminished by an apportionment; or
(2) diverted or distributed to another township.
As added by P.L.2-2006, SEC.165.

IC 20-42-2-10
Loans; required interest rate
Sec. 10. The:
(1) principal belonging to the fund; and
(2) accumulations to the principal of a fund held by a county;
must be loaned at four percent (4%) per annum. Loans made before June 1, 1943, with a rate of interest higher than four percent (4%) per annum must have an interest rate of four percent (4%) per annum.
As added by P.L.2-2006, SEC.165.

IC 20-42-2-11
Minimum balance; loans; maximum term
Sec. 11. In a county where the total amount in the:
(1) common school fund; or
(2) fund;
accumulates to the amount of at least one thousand dollars ($1,000), a county may borrow and use the funds, or any part of the funds, for any lawful purpose for a period not exceeding five (5) years.

IC 20-42-2-12
Form of loan agreement
Sec. 12. (a) If a county council borrows funds under this chapter, the county council shall adopt an ordinance specifying the amount of the funds to be borrowed and specify the time when the loan will be
made. The board of county commissioners shall execute to the state of Indiana for the use of the funds a written obligation, executed by the board of county commissioners and attested by the county auditor, that specifies the following:

1. The facts under which the written obligation is executed.
2. The sum of money borrowed.
3. The time when the money will be repaid to the fund by the county.

(b) The obligation must be deposited with the county auditor. The county auditor shall retain the obligation and record entries concerning the loans. The provisions of IC 6-1.1-20 concerning the loan to the county from the school funds apply to this section.

As added by P.L.2-2006, SEC.165.

IC 20-42-2-13
Distribution of loaned amount from fund
Sec. 13. After the obligation is deposited with the county auditor under section 12 of this chapter, the county auditor shall issue a warrant to the county treasurer to be paid to the county for the amount of money specified in the ordinance and obligation. When the warrant is presented to the county treasurer, the treasurer shall transfer from the fund the amount contained in the warrant from the principal sum of the fund to the credit of the county revenue of the county. Funds transferred under this section become a part of the general revenue funds of the county.

As added by P.L.2-2006, SEC.165.

IC 20-42-2-14
Investments
Sec. 14. (a) If the funds remain in the county treasury of the county for four (4) months without having been loaned under this chapter, upon the request of the county auditor, the board of county commissioners may, by an order entered of record, direct the county treasurer to invest the funds in:

1. bonds, notes, certificates, and other valid obligations of the United States; and
2. bonds, notes, debentures, and other securities issued by any federal instrumentality that are fully guaranteed by the United States.

(b) If it becomes necessary to obtain the funds invested in the government bonds under subsection (a) to be able to make a loan to any borrower, whose application has been approved and granted, the treasurer shall sell, at the earliest opportunity, a sufficient amount of the government bonds to make the loan.

As added by P.L.2-2006, SEC.165.

IC 20-42-2-15
Receipts for payment of principal or interest on loan
Sec. 15. All payments of principal or interest must be paid to the county treasurer. The:
(1) treasurer shall file a receipt with the county auditor; and
(2) auditor shall give the payor a receipt and record the payment.
The county auditor may accept payment of principal or interest if the county auditor can immediately transmit and pay the payment to the county treasurer.

As added by P.L.2-2006, SEC.165.
IC 20-42-3
Chapter 3. Seminary Township School Fund

IC 20-42-3-1
Application
Sec. 1. This chapter applies in a county that has a seminary township school fund.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-2
"Account"
Sec. 2. As used in this chapter, "account" refers to the seminary lands school account established under section 8 of this chapter.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-3
"Fund"
Sec. 3. As used in this chapter, "fund" refers to a seminary township school fund established under section 5 of this chapter.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-4
"Seminary land"
Sec. 4. As used in this chapter, "seminary land" means land dedicated to the inhabitants of a township by the Northwest Territory Ordinance of 1787 for educational purposes.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-5
Establishment of fund
Sec. 5. There is established in any township containing seminary land a fund to be known as the seminary township school fund.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-6
Source of fund balance
Sec. 6. The fund consists of all money received before August 18, 1969, from the rental of seminary lands.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-7
Administrator
Sec. 7. The administrator of the fund is the trustee of the township in which the seminary lands are located.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-8
Deposit; public depository
Sec. 8. (a) The fund shall be deposited in a commercial bank or other institution authorized by law to receive public money.
(b) The account into which the fund is deposited must be an interest paying account. The trustee shall annually take the interest from the fund and deposit the interest into a separate bank account known as the seminary lands school account maintained by the trustee for purposes of this chapter.

(c) The trustee shall also deposit in the account:
(1) forty percent (40%); or
(2) two thousand five hundred dollars ($2,500);
whichever is greater, each year of the annual rental received from seminary lands.

As added by P.L.2-2006, SEC.165.

IC 20-42-3-9
Distribution of revenue; school corporations

Sec. 9. (a) Both:
(1) sixty percent (60%) of the annual rental received from seminary lands; and
(2) the interest received from the fund created by the proceeds from the lease or sale of seminary lands;
shall be paid each year by the trustee to the school corporations in the county in which seminary lands are located.

(b) The amount paid each year under this section shall be credited on a pro rata basis to the school property tax obligations of the owners of land in the township containing the seminary land. The school property tax obligation of the owners of land shall be reduced each year on a pro rata basis by the amount of the payment.

As added by P.L.2-2006, SEC.165.

IC 20-42-3-10
Uses; educational purposes

Sec. 10. The trustee, with the advice and consent of the township board, shall use the account for the following educational purposes:
(1) Each year the trustee shall pay, to the parent or legal guardian of any child whose residence is within the township, the initial cost for the rental of curricular materials used in any elementary or secondary school that has been accredited by the state. The reimbursement for the rental of curricular materials shall be for the initial yearly rental charge only. Curricular materials subsequently lost or destroyed may not be paid for from this account.

(2) Students who are residents of the township for the last two years of their secondary education and who still reside within the township are entitled to receive financial assistance in an amount not to exceed an amount determined by the trustee and the township board during an annual review of postsecondary education fees and tuition costs of education at any accredited postsecondary educational institution. Amounts to be paid to each eligible student shall be set annually after this review. The amount paid each year must be:
(A) equitable for every eligible student without regard to
race, religion, creed, sex, disability, or national origin; and
(B) based on the number of students and the amount of funds
available each year.
(3) A person who has been a permanent resident of the township
continuously for at least two (2) years and who needs
educational assistance for job training or retraining may apply
to the trustee of the township for financial assistance. The
trustee and the township board shall review each application and
make assistance available according to the need of each
applicant and the availability of funds.
(4) If all the available funds are not used in any one (1) year, the
unused funds shall be retained in the account by the trustee for
use in succeeding years.
As added by P.L.2-2006, SEC.165. Amended by P.L.2-2007,
SEC.239; P.L.234-2007, SEC.132; P.L.3-2008, SEC.121;
P.L.286-2013, SEC.124.

IC 20-42-3-11
Bond
Sec. 11. The bond required by law for the trustee shall be
increased by an amount equal to the sum of the fund and the average
annual rental income from the seminary lands.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-12
Audit
Sec. 12. All funds and accounts provided in this chapter and the
accumulation of the funds and accounts shall be periodically audited
and examined in the same manner provided by law for public money.
As added by P.L.2-2006, SEC.165.

IC 20-42-3-13
Duty to maintain seminary lands
Sec. 13. All expenditures and payments made under this chapter
shall be made only after necessary expenditures to protect and
maintain the seminary lands in a good and safe condition are first
made from the annual rental income.
As added by P.L.2-2006, SEC.165.
IC 20-42-4
Chapter 4. Funding of Retirement or Severance Plan

IC 20-42-4-1
Application
Sec. 1. This chapter applies to a school corporation that:
(1) after June 30, 2001, establishes a retirement or severance plan that will require the school corporation to pay postretirement or severance benefits to employees of the school corporation; or
(2) includes in a collective bargaining agreement or other contract entered into after June 30, 2001, a provision to increase:
   (A) the benefit; or
   (B) the unfunded liability;
under a retirement or severance provision that will require the school corporation to pay postretirement or severance benefits to employees of the school corporation.

As added by P.L.2-2006, SEC.165.

IC 20-42-4-2
Actuarial funding requirement; separate accounting
Sec. 2. (a) A school corporation must fund on an actuarially sound basis the postretirement or severance benefits that will be paid to employees under a plan, an agreement, or a contract described in section 1(1) of this chapter or an increase described in section 1(2) of this chapter.
   (b) A school corporation must place the assets used to fund on an actuarially sound basis the postretirement or severance benefits in a separate fund or account, and the school corporation may not commingle the assets in the separate fund or account with any other assets of the school corporation.

As added by P.L.2-2006, SEC.165.