



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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STATE EXAMINER DIRECTIVE 2020-1

Date: March 19, 2020
Subject: Timely Deposits and the Claims Process
Authority: IC 5-11
Application: This Directive applies to all local governmental units
From: Paul D. Joyce, CPA, State Examiner

State Examiner Memorandums titled Policy Regarding Corona Virus dated March 12, 2020, and Corona Virus Items to Consider dated March 16, 2020, are hereby incorporated by reference into this Directive.

During the time of this Public Health Emergency, local governmental units may need to adjust normal procedures for the timely deposit of funds and the approval of claims. The State Board of Accounts will not take audit exception to the following alternative procedures for the timely deposit of funds or the approval of claims.

Timely Deposit of Funds. Indiana Code 5-13-6-1 governs the procedure for the deposit of public funds and is still in effect during this time of emergency. However, the State Board of Accounts will not take audit exception if the governing body approves the frequency for deposit of public funds to be limited to two times per week. The approval of the governing body must state that the deposits will be made on Tuesday and Thursday and require the public funds to be secured on those days when a deposit is not made. As always, proper internal controls must be in place to safeguard the assets of the unit.

Approval of Claims. Indiana Code 5-11-10 governs the claim approval process and is still in effect during this time of emergency. However, the State Board of Accounts will not take audit exception if the governing body uses the following procedures:

1. The governing body may designate one of its members to approve claims for payment in advance of board allowance. The board must allow those claims at its first meeting after the Public Health Emergency has ended.
2. For those units of government which have statutory authority to adopt an ordinance for the preapproved payment of claims, the board may provide written approval to the fiscal officer to pay certain claims during the Public Health Emergency. The board must allow those claims at its first meeting after the Emergency has ended.

This Directive will be rescinded upon Declaration by the Governor that the Public Health Emergency has ended.

Sincerely,

Paul D. Joyce, CPA
State Examiner



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MEMORANDUM

March 12, 2020

Re: Policy for Coronavirus

Dear Officials,

We have received several questions regarding the Coronavirus (COVID-19) and its impact on governmental activities. Currently the questions are centering on disruption of travel, work environment, and employee benefits/compensation.

We urge governing bodies to work in the very near future with their attorneys to develop a policy specific to this emerging pressing situation. It should incorporate those items that could be of concern in the coming months. We would advise that this policy have broad language that may reference more specific materials so that the policy does not need to be constantly updated and approved to address the quickly changing real-time issues. The policy should be adopted through normal processes as provided by statute, including public meetings. IC 5-14-1.5-5(d) provides for emergency meetings if those become necessary. Also, if you have collective bargaining, do not forget to consider the agreement's impact.

We will not take audit exception to these policies and resulting responses that are due to the Coronavirus.

We will be providing in a separate communication Monday suggestions and items to consider.

Please continue to send any questions to the Directors, they may be reached at 317-232-2512.

The wellbeing of our citizens is paramount to us all.

Sincerely,

Paul D. Joyce, CPA
State Examiner



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MEMORANDUM

TO: All Units

FROM: Paul D. Joyce, CPA, State Examiner

RE: Items to Consider when Governing Bodies are Developing Actions/Policies Regarding Coronavirus

DATE: March 16, 2020

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Provided are suggestions and items to consider as referred to in the memorandum provided on March 12, 2020.

It must be stressed the urgency to both monitor and address situations as they arise. This is a very fluid situation, changing constantly. Governing bodies will need to be flexible in their approach. Any guidance we provide must be taken in that context and should not be taken as restrictive.

If it is determined that there are needed actions that do not need a formal policy or that there are actions that should be done in conjunction with a formal policy, as long as there is written evidence that a governing body is appropriately approving actions in an appropriate forum, those are acceptable.

For example, school boards who decide to pay employees when schools are closed or impose specific directives or procedures in response to the coronavirus epidemic should do so in a public meeting and the board's action must be in writing. The written action of the board may be in the form of a resolution or board meeting minutes. It is not necessary to do a formal board policy as this action will be temporary and not one that will be ongoing and continuous in the future.

Any policies/actions should have in mind to maintain operations of government as normal or near normal as possible while maintaining the wellbeing of governmental employees and the public.

Here are some items to consider when developing policies/actions for personnel specific to the coronavirus:

What will be done regarding compensation and leave time of employees if there is a mandatory closure of the building? If there is already normally scheduled time off, such as spring break, then for that period of time compensation and leave would be proceed as normal. For mandatory closure outside of normally scheduled time off then guidelines specific to the emergency situation would come into effect.

First to consider, is there specific guidance regarding the coronavirus by the U.S. Department of Labor (DOL)?

DOL website is recommending review of leave policies and consideration of increased flexibility. Q & A regarding pandemics and the fair standards labor act as well as the family medical leave act can be found at dol.gov/agencies/whd/pandemic.

Part of this flexibility is considering what work might be done from home and what will require work from the office in order to conduct business.

Questions to be asked and instituted into policy/action items:

Are there essential employees that must work from a certain location?

Are there trade off days where certain employees would work at the office one day and others another to allow for social distancing but also allow for those things that are easier to be completed in the office to still be done that way?

Are there prohibitions against a certain number of employees meeting in close proximity and the need to utilize virtual meetings, even when in the office?

What duties can be done remotely?

How will employees be informed that they will be working remotely? Who will be making the decision, who will be communicating that information and how will it be communicated?

When working remotely will the work schedule be the same? How will employees "check in"? What common way should they be communicating (phone, email, virtual system, etc.)? How often should supervisors communicate with those who report to them?

What security issues are there? Will documents be allowed to leave the office? Is there secure IT systems in place that allow for remote access? What equipment is needed to work remotely? Can employees utilize their own devices?

For employees that cannot work from home due to nature of duties performed, but there is mandatory closure, what will leave time/benefits/compensation be allowed? We have been asked several times if we will take exception to the compensation of employees that must stay home but their duties do not allow for working from home. We won't take exception to extension of paid leave time that is in accordance with allowable approved policies/actions and provisions.

As this document is being written, Congress is considering passage of paid leave time that would provide for sick time off as well as time off for a parent when there is mandatory shut down of a child's school, with either advance funding or reimbursement funding for entities with certain staffing levels.

You should consider tracking costs that are directly associated with this emergency as no one at this time knows what type of reimbursements or stimulus may be put into effect by the federal government.

Again, you must work with your attorneys and keep monitoring for changes.

Also, your individual associations are monitoring this situation and many will provide guidance that will cover specific legal aspects to consider, such as for libraries what is their responsibilities regarding patrons. Please, carefully review the guidance they are providing you.

We will work with you to provide guidance that incorporates maximum flexibility, but remember, even in emergency times we all should strive to provide good stewardship of those responsibilities and assets that have been entrusted to us.

Contact us with any questions you might have at 317-232-2513.