

**THRESHOLD FOR MATERIAL LOSS, SHORTAGE, OR THEFT
OF SCHOOL FUNDS OR PROPERTY**

The Board of School Trustees of the _____
School Corporation recognizes that losses, shortages, and theft of school corporation
funds and other assets may occur from time to time. State law requires the school
corporation to report to the Indiana State Board of Accounts all erroneous or irregular
material losses, shortages or theft of school corporation funds or property. The Indiana
State Board of Accounts requires school corporations to determine their own material
threshold for the purposes of reporting the loss, shortage, or theft to the Indiana State
Board of Accounts as required by state law.

The threshold for material losses, shortages, or theft for the _____
School Corporation which must be reported to the Indiana State Board of Accounts by
the superintendent or the superintendent's designee, is as follows:

Cash Losses, Shortage, or Theft:

[The school board must choose one of the following provisions.]

*A loss, shortage, or theft of cash from any school corporation fund is ___ % of the total
fund.*

{OR}

*A loss, shortage, or theft of cash from any school corporation fund is an amount over
\$___.*

{OR}

A loss, shortage, or theft of cash from the following funds as designated below:

| | |
|-------------------------------|------|
| <i>General Fund:</i> | ___% |
| <i>Capital Projects Fund:</i> | ___% |
| <i>Transportation Fund:</i> | ___% |
| <i>Bus Replacement Fund:</i> | ___% |
| <i>Debt Service Fund:</i> | ___% |
| <i>ECA Funds:</i> | ___% |

{OR}

A loss, shortage, or theft of cash from the following funds as designated below:

| | |
|-------------------------------|-------|
| <i>General Fund:</i> | \$___ |
| <i>Capital Projects Fund:</i> | \$___ |
| <i>Transportation Fund:</i> | \$___ |

Bus Replacement Fund: \$____
Debt Service Fund: \$____
ECA Funds: \$____

Other Assets Loss, Shortage or Theft:

[The school board must choose one of the following provisions.]

A loss, shortage, or theft of a school corporation asset other than cash exceeding a value of \$____.

A loss, shortage, or theft of a school corporation asset other than cash of any value.

[OR in lieu of the above provisions for cash and other assets, the school board may use the following provision.]

The superintendent is to develop regulations and/or procedures concerning the threshold for material losses, shortages, and theft of cash and other assets of the school corporation and to present the regulations to the school board for its approval.

Whenever a loss, shortage or theft of school funds or property occurs, no matter the amount or value, or the requirement to report such to the Indiana State Board of Accounts, the administration should investigate any and all losses, shortages, or thefts of school corporation funds or assets. The investigation and the resolution of the investigation must be documented by the administrator who conducts the investigation. Such documentation should be maintained in the school corporation central office. State law requires public employees who have actual knowledge of, or reasonable cause to believe, a misappropriation of school funds has occurred to report such misappropriation to the Indiana State Board of Accounts and the county prosecuting attorney.

LEGAL REFERENCE: IC 5-11-1-27(j)
IC 5-11-1-27(l)