



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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MEMORANDUM

March 31, 2020

Re: Policies on Assistance
During COVID-19

Dear Officials,

The State Board of Accounts (SBOA) has received numerous inquiries regarding our audit position on whether certain uses of public funds, authorized by the legislature in the Indiana Code, are acceptable uses of local government money. In light of the Governor's public health emergency declaration (PHE) as set forth in Executive Order 20-02 (EO 20-02), the SBOA acknowledges that during this time of the PHE a broader reading of statutory uses of public funds is permissible. SBOA provides the following audit position with respect to expenditures by units that relate to addressing the economic burden incurred by citizens and businesses as a result of the PHE.

SBOA will not take audit exception to these policies and expenditures so long as the following conditions are met:

- EO 20-02 and any amendments or clarifications of this EO are in effect
- The governing body has adopted a policy in a public meeting that approves the expenditures as an authorized use of public funds
- The governing body has received advice of counsel in writing that the expenditure has a legitimate government purpose and is acceptable under Indiana Code during the current emergency declaration
 - If the expenditures are from a dedicated fund source, there also must be a determination that the particular fund has a closer connection to the government purpose to be fulfilled than general fund money
- The adopted policy explains the expenditure is needed to address the economic effects of the public health emergency

Units should work with their legal counsel to draft policies that are sufficiently detailed to carry out the goal of the policy within the bounds of the law and the spirit of this memorandum. This will allow the SBOA to determine during an audit whether the unit complied with the policy and related statutes, ordinances, and resolutions in accordance with the will of the governing body.

This memorandum will be in effect only for expenditures made during the period of the Governor's PHE under EO 20-02.

Sincerely,

Paul D. Joyce, CPA
State Examiner