

# Insights

## State Board of Accounts Provides Guidance for COVID-19 Expenditures

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On Tuesday, March 31, 2020, the Indiana State Board of Accounts ("SBOA") issued guidance relating to the SBOA's audit position surrounding the use of public funds during the COVID-19 pandemic. In this guidance, the SBOA acknowledged that it would not take audit exception to expenditures by local governmental units to address economic effects incurred by citizens and businesses during to the State's public health emergency (as set forth in Executive Order 20-02) as long as the governing body of the unit: (1) receives written advice from legal counsel that the expenditure has a legitimate government purpose which is acceptable under Indiana law during the public health emergency; and (2) adopts, at a public meeting, a policy explaining the need for the expenditure and approves the use of the public funds. Based on this guidance, local governmental units should work with their legal counsel to draft policies that are sufficiently detailed in order to satisfy the SBOA's guidance and prevent any audit exceptions.

In addition to the foregoing, the SBOA previously specified that it will not take audit exception if local governmental units approve the deposit of public funds twice a week (on Tuesday and Thursday) instead within one business day following receipt in accordance with Indiana Code 5-13-6-1 and authorized local government bodies to adopt procedures for the approval of claims for payment in advance of formal approval. For more information regarding these exceptions see State Examiner Directive 2020-1.