

IC 20-49-3

Chapter 3. State Administration of Common School Fund

IC 20-49-3-1

Application

Sec. 1. This chapter applies only to money in the fund that is not being held in trust by the several counties under IC 20-42.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-2

Purpose

Sec. 2. This chapter is in furtherance of the duties that are imposed exclusively upon the general assembly by the Constitution of the State of Indiana in connection with the:

- (1) maintenance of a general and uniform system of common schools; and
- (2) investment and reinvestment of the common school fund.

This chapter shall be liberally construed to carry out the purposes of the Constitution of the State of Indiana.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-3

"Fund"

Sec. 3. As used in this chapter, "fund" refers to the common school fund in the custody of the treasurer of state.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-4

Treasurer; fund custodian

Sec. 4. (a) The treasurer of state is the exclusive custodian of the fund not held in trust by the several counties under IC 20-42-1.

(b) The state board of finance has full and complete management and control of the fund. The state board of finance shall invest the fund as provided in this title.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-5

State board; administration of fund

Sec. 5. The state board shall administer the fund and this chapter.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-6

Rules; state board of education

Sec. 6. The state board may adopt rules under IC 4-22-2 necessary to administer the fund to carry out this chapter and IC 20-49-4.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-7

Appropriation; interest balance

Sec. 7. The fund interest balance is annually appropriated for the support of the common schools.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-8**Advances; eligible projects**

Sec. 8. The fund may be used to make advances:

(1) to school corporations, including school corporation career and technical education schools described in IC 20-37-1-1, under IC 20-49-4 and IC 20-49-5;

(2) under IC 20-49-6; and

(3) to charter and innovation network schools under IC 20-49-9.

Unless the context clearly requires otherwise, a reference to a school corporation in this chapter includes a school corporation career and technical education school described in IC 20-37-1-1. However, an advance to a school corporation career and technical education school described in IC 20-37-1-1 is not considered an advance to a school corporation for purposes of determining if the school corporation career and technical education school described in IC 20-37-1-1 qualifies for an advance.

As added by P.L.2-2006, SEC.172. Amended by P.L.146-2008, SEC.529; P.L.205-2013, SEC.307; P.L.40-2014, SEC.7; P.L.213-2015, SEC.231; P.L.233-2015, SEC.309; P.L.118-2016, SEC.20.

IC 20-49-3-9**State board; powers; applications**

Sec. 9. The state board shall consider and accept or reject, in its discretion, applications of school building corporations created under IC 21-5-11 (before its repeal) or IC 20-47-2 for the purchase of first mortgage bonds issued by the corporation under IC 21-5-11 (before its repeal) or IC 20-47-2.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-10**Investments**

Sec. 10. Except as provided in this chapter, the fund shall be invested in:

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

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

(3) bonds, notes, certificates, and other valid obligations of any state of the United States or any county, township, city, town, or other political subdivision in Indiana that are issued under law, the issuers of which, for five (5) years before the date of

the investment, have promptly paid the principal and interest on the bonds and other legal obligations in lawful money of the United States; or

(4) bonds, notes, or other securities issued by the Indiana bond bank and described in IC 5-13-10.5-11(3).

As added by P.L.2-2006, SEC.172.

IC 20-49-3-11

Advances permitted; counties managing a county common school fund

Sec. 11. (a) This section applies to a county that:

(1) has not elected to surrender custody of any part of the fund to the state; and

(2) has an insufficient amount of unloaned money in the fund when added to the amount of unloaned money in the congressional township school fund, as shown by a report of the county auditor and county treasurer, to make all loans for which the county auditor has applications.

(b) Upon petition of the board of commissioners of the county, the state board of finance may allocate to the county making the application the amount that the state board of finance determines is necessary.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-12

Management of funds; state board of finance

Sec. 12. (a) The state board of finance shall direct all disbursement from the fund. The auditor of state shall draw the auditor of state's warrant on the treasurer of state, on a properly itemized voucher officially approved by:

(1) the president of the state board of finance; or

(2) in the absence of the president, any member of the state board of finance.

(b) Except as otherwise provided by this chapter, all securities purchased for the fund shall be deposited with and remain in the custody of the state board of finance. The state board of finance shall collect all interest or other income accruing on the securities, when due, together with the principal of the securities when the principal matures and is due. Except as provided by subsection (c), all money collected under this subsection shall be:

(1) credited to the proper fund account on the records of the auditor of state;

(2) deposited with the treasurer of state; and

(3) reported to the state board of finance.

(c) All money collected under an agreement that is sold, transferred, or liquidated under IC 20-49-4-23 shall be immediately transferred to the purchaser, transferee, or assignee of the agreement.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-13**Rules; state board of finance**

Sec. 13. (a) The state board of finance may:

- (1) make all rules;
- (2) employ all help;
- (3) purchase all supplies and equipment; and
- (4) incur all expense;

necessary to properly carry out this chapter.

(b) The expense incident to the administration of this chapter shall be paid from any money in the state treasury not otherwise appropriated upon the warrant of the auditor of state issued on a properly itemized voucher approved by the president of the state board of finance.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-14**Audits**

Sec. 14. The state board of accounts shall examine the status of the fund. Upon completion of the examination, the examiner performing the duty shall prepare a report of the examination. The report must show:

- (1) all necessary pertinent information;
- (2) the balance of the fund's principal at the close of the previous examination;
- (3) the amount of interest and principal paid by each county to the state board of finance since the close of the previous examination;
- (4) the balance of principal due at the date of the closing of the report;
- (5) a statement of receipts and disbursements by the state board of finance;
- (6) a list of the securities found to be in the possession of the state board of finance;
- (7) the amount of each security; and
- (8) the total amount of all the securities held in custody.

The appropriate officer of the state board of finance shall sign the list described in subdivision (6) in duplicate. The original signed list shall be deposited with the state board of accounts, and the duplicate of the signed list shall be kept in the files of the treasurer of state.

As added by P.L.2-2006, SEC.172. Amended by P.L.181-2015, SEC.41.

IC 20-49-3-15**Statutory construction; liability of county officer**

Sec. 15. This chapter may not be construed to relieve the county auditor of any county or any other county officer of any liability fixed by law not specifically changed by this chapter.

As added by P.L.2-2006, SEC.172.

IC 20-49-3-16**Deposit of revenue in fund**

Sec. 16. (a) All fines, forfeitures, and other revenue that, by law, accrue to the fund shall be collected as provided by law. The money shall be paid into the state treasury and becomes a part of the fund in the custody of the treasurer of state. The county auditor shall keep a record of all fines and forfeitures and all other revenue that, by law, accrues to the fund. Semiannually on May 1 and November 1, the county auditor shall issue the county auditor's warrant payable to the treasurer of state in an amount equal to the total collections in the six (6) months preceding of fines and forfeitures and all other revenue that, by law, accrues to the fund or to the permanent endowment fund.

(b) At the time of payment of principal, interest, or accretions to the treasurer of state, the county auditor shall file a report with the auditor of state. The report must set forth the amount of the following:

- (1) The county's common school fund.
- (2) Interest on the county's common school fund.
- (3) Fines and forfeitures from the county.
- (4) All other accretions included in a payment from the county to the treasurer of state.

Forms for making the report shall be furnished by the auditor of state.

(c) All money collected as interest on the fund shall be paid into the state treasury and shall be distributed for the uses and purposes provided by law.

As added by P.L.2-2006, SEC.172.