

THE COUNTY BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 430

March 2022

REMINDER OF ORDER OF BUSINESS

April

- 1 On or before April 1 is the last regular day for filing applications for tax exemption by Churches, Educational and Charitable organizations. (IC 6-1.1-11-3)

On or before April 1, of each even numbered year, the County Auditor shall provide to the County Assessor a list by taxing district of property for which a tax exemption was in effect for the immediately preceding year. (IC 6-1.1-11-5)
- 15 Good - Friday - Legal Holiday (IC 1-1-9-1)
- 19-21 State Board of Accounts called meeting for County Recorders – Indianapolis
- 28 State Board of Accounts called meeting for County Auditors - Indianapolis
- 30 Last day to file quarterly report of federal withholding tax with Director of Internal Revenue Service.

May

- 1 Prepare report of school funds to Auditor of State and make payment of principal and interest due to Treasurer of State on the Common and Permanent Endowment Funds and pay the Treasurer of State all fines and forfeitures on hand April 30, 2021, as shown in this report. (IC 20-42-1-6)
- 10 First installment of property taxes due. (IC 6-1.1-22-9)
- 15 Due date for personal property tax returns and filing for exemption. (IC 6-1.1-3-1.5) (IC 6-1.1-3-7)
- 30 Memorial Day – Legal Holiday (IC 1-1-9-1)

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REMINDER OF ORDER OF BUSINESS
(Continued)

June

- 1 Last date for filing County Highway Annual Operational Report with the State Board of Accounts and other governmental agencies. (IC 8-17-4.1-7)
- On or before this date the County Treasurer shall search the records to ascertain if person so certified is delinquent in payment of Property Taxes and certify to Auditor of State and state agencies the names of state employees owing delinquent taxes. (IC 6-1.1-22-14) (IC 6-1.1-22-16)
- County Treasurer to prepare a list of persons owing delinquent taxes and believed to have money due from Auditor of State, Indiana Department of Transportation or any state institution or state school and furnish the list to those agencies on or before June 1. (IC 6-1.1-22-16)
- 14-15 State Board of Accounts called meeting for Clerk of the Circuit Courts - Indianapolis
- 20 On or before June 20th and December 20th of each year, the county auditor and the county treasurer shall meet in the office of the county auditor. Before each semi-annual meeting, the county auditor shall complete an audit of the county treasurer's monthly reports required under IC 36-2-10-16. In addition, the county auditor shall: (1) prepare a certificate of settlement on the form prescribed by the state board of accounts; and (2) deliver the certificate of settlement to the county treasurer at least two (2) days before each semi-annual meeting. (IC 6-1.1-27-1(a))
- 30 Immediately after each semi-annual settlement, the county auditor shall send a copy of the certificate of settlement and a statement of the distribution of the taxes collected to the state auditor. On or before June 30th and December 31st of each year, the county treasurer shall pay to the state treasurer the money due the state as shown by the certificate of settlement. (IC 6-1.1-27-3)
- On or after January 1 of each calendar year in which a tax sale will be held in a county and not later than fifty-one (51) days after the first tax payment due date in that calendar year, the County Treasurer shall certify to the county auditor a list of real property eligible for tax sale. (IC 6-1.1-24-1(a))

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EXPENSES FOR ATTENDANCE AT PURDUE ROAD SCHOOL

Expenses of county officials for attending the Purdue Road School are covered by the following statutes:

County Highway Supervisor

IC 8-17-3-10(a) states in part, "...The expenses of the county highway supervisor, including the actual expenses of transportation to and from the school, together with the expense of lodging and tuition, shall be paid from the county highway maintenance fund."

Board of County Commissioners

IC 8-17-7-7 states, "(a) Each member of the county executive elected for the first time after October 31, 2020, shall attend any school or course conducted for local officials under IC 8-23-9-56 not later than two (2) years after the date of the member's election to the county executive.

(b) A member of the county executive not described in subsection (a) may attend any school or course conducted for local officials under IC 8-23-9-56.

(c) The fiscal body of each county shall appropriate sufficient funds to pay each member of the county executive a per diem for expenses for each day or part of a day the member is in attendance at any school or course conducted for local officials under IC 8-23-9-56, and to pay the member a sum for mileage at a rate determined by the county fiscal body for each mile traveled to attend the school."

Other County Personnel

IC 36-9-8 permits the county surveyor or county engineer, and any other person authorized by the county commissioners to attend the annual road school and provides that their expenses including mileage, lodging and tuition to be paid from the county general fund. These expenses must be documented with proper receipts and approved by the board of commissioners before the county auditor can issue a warrant.

Mileage shall be at the rate per mile as approved by the county fiscal body for those authorized county officials and employees who used their personal conveyances in traveling to and from the road school.

All claims for reimbursement must be itemized and documented with paid receipts.

EXPENSES FOR ATTENDANCE AT STATE BOARD OF ACCOUNTS STATE CALLED MEETINGS

We appreciate and applaud efforts by the county council to be fiscally responsible. During tough budgetary times it is natural to restrict spending on those areas that may not be deemed absolutely necessary to the function of government. One of these areas that is naturally looked upon to reduce costs is travel. While many times travel may be viewed as optional there is of course travel that either is statutorily required or by its nature necessary. IC 5-11-14-1 entitles those officials called by State Board of Accounts to attend these meetings and it is our position that they should attend. Expenses for those officials called to attend state called meetings by the State Board of Accounts are required to be paid as follows under IC 5-11-14-1.

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EXPENSES FOR ATTENDANCE AT STATE BOARD OF ACCOUNTS STATE CALLED MEETINGS
(Continued)...

IC 5-11-14-1(g):

“(g) Each official representing a unit and attending any conference under this section shall be allowed the following:

(1) A sum for mileage at a rate determined by the fiscal body of the unit the official represents for each mile necessarily traveled in going to and returning from the conference by the most expeditious route. Regardless of the duration of the conference, only one (1) mileage reimbursement shall be allowed to the official furnishing the conveyance even if the official transports more than one (1) person.

(2) An allowance for lodging for each night preceding conference attendance in an amount equal to the single room rate. However, lodging expense, in the case of a one (1) day conference, shall only be allowed for persons who reside fifty (50) miles or farther from the conference location.

(3) Reimbursement of an official, in an amount determined by the fiscal body of the unit the official represents, for meals purchased while attending a conference called under this section.

(h) The state board of accounts shall certify the number of days of attendance and the mileage for each conference to each official attending any conference under this section.

(i) All payments of mileage and lodging shall be made by the proper disbursing officer in the manner provided by law on a duly verified claim or voucher to which shall be attached the certificate of the state board of accounts showing the number of days attended and the number of miles traveled. All payments shall be made from the general fund from any money not otherwise appropriated and without any previous appropriation being made therefor.

(j) A claim for reimbursement under this section may not be denied by the body responsible for the approval of claims if the claim complies with IC 5-11-10-1.6 and this section.”

LOANS BETWEEN FUNDS

The authority for such loans is found in IC 36-1-8-4 which states, “...The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision if all these conditions are met:

- (1) It must be necessary to borrow money to enhance the fund that is in need of money for cash flow purposes.
- (2) There must be sufficient money on deposit to the credit of the other fund that can be temporarily transferred.
- (3) Except as provided in IC 36-1-8-4(b), the prescribed period must end during the budget year of the year in which the transfer occurs.
- (4) The amount transferred must be returned to the other fund at the end of the prescribed period.
- (5) Only revenues derived from the levying and collection of property taxes or special taxes or from operation of the political subdivision may be included in the amount transferred.”

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LOANS BETWEEN FUNDS *(Continued)*

If the fiscal body of the political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - (A) A statement that the fiscal body has determined that an emergency exists.
 - (B) A brief description of the grounds for the emergency.
 - (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.

- (2) Immediately forwards the ordinance or resolution to the State Board of Accounts and the Department of Local Government Finance.”

Since the county auditor keeps the funds ledger, we feel it would be appropriate for the county auditor to initiate such loans.

Upon adoption of the ordinance or resolution by the county council the auditor is authorized to make such a loan.

CREDIT CARDS

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

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CREDIT CARDS (Continued)

7. Payment should not be made on the basis of a statement, or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

LEVY EXCESS FUND

IC 6-1.1-18.5-17 defines levy excess to mean the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the department of local government finance. It requires that the levy excess be deposited into a fund to be known as the levy excess fund except as provided under IC 6-1.1-18.5-17 (h).

To expend the levy excess IC 6-1.1-18.5-17 (d)-(g) provides that Department of Local Government Finance will work with the taxing unit to include the levy excess amount in a subsequent budget. It also provides for a transfer of funds from levy excess fund to other funds to offset the loss from property tax refund.

SUPPLEMENTAL JUVENILE PROBATION SERVICES FUND

The Supplemental Juvenile Probation Services Fund is a statutory fund that is established by statute within IC 31-40-2. The statute defines the fees charged, appropriations, restrictions on use, along with additional information. The collection of these user fees can be by either the probation department or the clerk of the court. This fund has been established with the prescribed chart of accounts as fund #2150.

JUVENILE PROBATION ADMINISTRATIVE FUND

In 2003 Senate Bill 506 under non code section 16, and later in 2011 under the new section IC 36-2-16.5-6, both required a more restricted use for the \$100 administrative fee collected under IC 31-40-2-1(a)(3). IC 31-40-2-2 requires the receipts in the supplemental juvenile probation services fund to be used for supplementing probation services to juveniles and supplementing the salaries of juvenile probation officers. IC 36-2-16.5-6 requires that the administrative fee first be used to pay for the salary increases required under IC 36-2-16.5 and IC 11-13-1-8. The amount of these fees collected that exceed the amount required to pay for these salary increases may then be used for supplementing probation services.

In a memorandum dated August 4, 2003, the State Board of Accounts instructed that these fees be accounted for in a separate fund due to the more restrictive expenditure requirement. Under the chart of accounts this fund is entitled Juvenile Probation Administrative under fund #2050.

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SUPPLEMENTAL ADULT PROBATION SERVICES FUND

The Supplemental Adult Probation Services Fund is a statutory fund that is established by statute within IC 35-38-2. The statute defines the fees charged, appropriations, restrictions on use, along with additional information. The collection of these user fees can be by either the probation department or the clerk of the court. This fund has been established with the prescribed chart of accounts as fund #2100.

ADULT PROBATION ADMINISTRATIVE FUND

In 2003 Senate Bill 506 under non code section 16, and later in 2011 under the new section IC 36-2-16.5-6, both required a more restricted use for the \$100 administrative fee collected under IC 35-38-2-1(f) and IC 35-38-2-1(g). IC 35-38-2-1 allows the supplemental adult probation services fund to be used for supplementing probation services and supplementing the salaries of probation officers. IC 36-2-16.5-6

requires that the administrative fee be first used to pay for the salary increases required under IC 36-2-16.5 and IC 11-13-1-8. The amount of these fees collected that exceed the amount required to pay for these salary increases may then be used for supplementing probation services.

In a memorandum dated August 4, 2003, the State Board of Accounts instructed that these fees be accounted for in a separate fund due to the more restrictive expenditure requirement. Under the new chart of accounts this fund is entitled Adult probation Administrative as fund #2000.

MINIMUM TAX BILLS

IC 6-1.1-22-9(g) states: "Notwithstanding any other law, a property tax liability of less than \$5 is increased to \$5. The difference between the actual liability and the \$5 amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability."

It is our audit position that the \$5 is \$5 per year (\$2.50 per installment) and not \$5 per installment.

If a person has a veteran's deduction that reduces their tax liability to zero, DO NOT CHARGE THE \$5 MINIMUM TAX BILL. This also applies to churches, cemeteries, fraternal organizations and not for profit organizations that have exemptions that reduce their tax liability to zero.

The statement processing fee becomes a part of the collections, and it is not necessary to keep a separate accounting of the amounts collected for statement processing fees.

Since the statement processing fee is a part of the total tax liability, the same penalties for delinquencies apply to this fee as apply to property taxes.

The \$5 minimum tax bill does not apply to conservancy district taxes and other special assessments (i.e., Barrett Law, Line Fence, Delinquent Dog Tax, Weed Cutting Assessments, etc.).

However, since the taxes on lands classified as forest reserve are real estate taxes, the \$5 minimum tax bill does apply to taxes on lands classified as forest reserve.

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MANDATE OF FUNDS – TRAIL RULE 60.5

(A) Scope of mandate. Courts shall limit their requests for funds to those which are reasonably necessary for the operation of the court or court-related functions. Mandate will not lie for extravagant, arbitrary or unwarranted expenditures nor for personal expenditures (e.g., personal telephone bills, bar association memberships, disciplinary fees).

Prior to issuing the order, the court shall meet with the mandated party to demonstrate the need for said funds. At any time in the process, the dispute may be submitted to mediation by agreement of the parties or by order of the Supreme Court or the special judge.

(B) Procedure. Whenever a court, except the Supreme Court or the Court of Appeals, desires to order either a municipality, a political subdivision of the state, or an officer of either to appropriate or to pay unappropriated funds for the operation of the court or court-related functions, such court shall issue and cause to be served upon such municipality, political subdivision or officer an order to show cause why such appropriation or payment should not be made. Such order to show cause shall be captioned "Order for Mandate of Funds".

The matter shall be set for trial on the merits of such order to show cause unless the legislative body, the chief executive officer or the affected officer files a waiver in writing of such a trial and agrees to make such appropriation or payment.

The trial shall be without a jury before a special judge of the court that made the order. There shall be no change of venue from the county or from the special judge appointed by the Supreme Court.

The court shall promptly notify the Supreme Court of the entry of such order to show cause and the Supreme Court shall then appoint as special judge an attorney who is not a current or former regular judge and who does not reside nor regularly practice law in the county issuing the Order of Mandate of Funds or in any county contiguous thereto.

If the appointed judge fails to qualify within seven [7] days after he has received notice of his appointment, the Supreme Court shall follow the same procedure until an appointed judge does properly qualify.

Unless expressly waived by the respondent in writing within thirty (30) days after the entering of the trial judge's decree, a decree or order mandating the payment of funds for the operation of the court or court-related functions shall be automatically reviewed by the Supreme Court. Promptly on expiration of such thirty (30) day period, the trial judge shall certify such decree together with either a stipulation of facts or an electronic transcription of the evidence to the Supreme Court.

No motion to correct error nor notice of appeal shall be filed. No mandate order for appropriation or payment of funds made by any court other than the Supreme Court or Court of Appeals shall direct that attorney fees be paid at a rate greater than the reasonable and customary hourly rate for an attorney in the county.

No mandate order shall be effective unless it is entered after trial as herein provided and until the order has been reviewed by the Supreme Court or such review is expressly waived as herein provided

All trial court rules can be found at: https://www.in.gov/courts/rules/trial_proc/index.html .

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COUNTY ELECTED OFFICIALS TRAINING FUND

As of July 1, 2011, IC 36-2-7-19 required each county to establish the county elected officials training fund. This is fund number 1217 in the chart of accounts. The fund consists of money deposited under IC 36-2-7.5-6(b)(2) from collections of the county recorder in the form of the county identification security protection fee. Money in the fund shall be used solely to provide training of county elected officials required by IC 33-32-2-9, IC 36-2-9-2.5, IC 36-2-10-2.5, IC 36-2-11-2.5, IC 36-2-12-2.5, and other similar laws. The offices covered are Auditor, Treasurer, Clerk, Recorder, and Surveyor. The statute was modified in 2019 to include individuals newly elected to those positions and for persons designated by the elected official if sufficient funds are appropriated.

At this time, these are the only county elected officials and their designees, are eligible to use monies in this fund for training expenses. The statute requiring the creation of this fund does not exempt the fund from requiring appropriations prior to disbursements from the fund. Therefore, appropriation by the county council is needed either during the budget adoption process or through the use of additional appropriations. Since multiple offices can use these training funds if appropriation is provided budgeting this fund needs to be done with the county council's understanding of the limitations on the fund as well as the coordination of each of the officials eligible to use the fund.

DISASTER RECOVERY AND BACKUPS

A disaster recovery is a written plan that contains detailed instructions on how the county will respond to incidents such as a natural disaster, cyber-attack, or other disrupting events. The plan will allow for continuity of service despite these events. This includes access to data as well as access to critical documents and resources. One of the key components for protecting data is adequate backup of the data.

A disaster recovery plan should include procedures for backing up financial data frequently, if not daily, and for storing those backups in a separate and secure location. Backups that are saved on the same server as the financial software will most likely be affected by the same malware as the main data, leaving the backup useless. Storing the backup in a secure location not connected to the main server is the safest option. The plan should also include procedures to test this data regularly to ensure that the backup system is working. Storage of back-ups may be on an isolated server, in the cloud or on a server maintained by your software vendor. Being able to quickly restore access to the financial and other data of the county will greatly aid the county's ability to continue to provide service. In addition, by statute, all transactions that occur in the accounting system must be recorded and accessible upon request whether for audit or a public records request.

Governmental entities also should keep their anti-virus software up-to-date and apply security patches in a timely manner. Additional training for staff in recognizing and avoiding malware would also be beneficial in avoiding a disruption to service from a cyber-attack. The Indiana State Office of Technology has a website with a wealth of information available on cyber security and can be a great resource. The website can be found at www.in.gov/cybersecurity/

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SBOA - RESOURCE LIBRARY

The State Board of Accounts (SBOA) is pleased to present an online resource library for our clients and the citizens of Indiana. We have received many requests in the past to provide the information available on our website in a searchable format. The following information can now be searched in the resource library.

- SBOA Uniform Compliance Guidelines (including previously issued bulletin articles)
- State Examiner Directives
- Best Practice Documents
- Indiana Code Section Summaries
- Frequently Asked Questions
- Other Miscellaneous Materials

[SBOA Resource Library Home Page Link](#)

We highly recommend you review the short tutorial video linked below. This video addresses how to navigate the resource library and what information is included in the library. If you have questions for SBOA, we recommend first to search through the library before contacting SBOA personnel.

[SBOA Resource Library Tutorial Link](#)

If you have any questions about how to use this library or would like additional information on a topic you were unable to find, you can contact SBOA Government Technical Assistance & Compliance (GTAC) Directors for Counties at Counties@sboa.in.gov.

STATE AND LOCAL FISCAL RECOVERY FUNDS UPDATE

On February 28, 2022, we received the following program update from the US Department of Treasury:

“Thank you for your interest in the Department of the Treasury’s Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, authorized by the American Rescue Plan Act.

On February 28, 2022, Treasury released [updated Compliance and Reporting Guidance \(Reporting Guidance\)](#) for the SLFRF program. This Reporting Guidance includes updates to reporting requirements to reflect the final rule that Treasury adopted on January 6, 2022. These updates take effect for the next Project and Expenditure Report that all state, local, and Tribal governments need to submit by April 30, 2022.

To access the update Reporting Guidance and learn more about the SLFRF program, please visit <https://www.treasury.gov/SLFRPReporting> website.”

If you have questions or need additional information, please send an email to SLFRP@treasury.gov.



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AMOUNTS AUTHORIZED TO BE RECEIVED BY SHERIFFS FOR BOARD OF PRISONERS

By authority of IC 36-8-10-7, I, Paul D. Joyce, CPA, State Examiner of the State Board of Accounts, do hereby fix the exact amount per meal which the sheriff of each county in the State of Indiana, shall be entitled to receive for feeding prisoners legally in his charge, including Federal prisoners, for a period of one year, beginning April 15, 2022. Amounts received by the sheriff from the Federal government for board and care of Federal prisoners shall be paid into the County General Fund.

In determining and fixing the amount per meal, the use of wholesome food in quantities and varieties necessary for the preservation of the health of the prisoners is contemplated. All expenses related to preparing and serving meals, except for the costs of food, shall be borne by the county.

The amounts fixed are for meals actually served such prisoners during each respective month. Not more than three meals at county expense are to be served to any one prisoner in any one day.

The term "month" shall mean a period of time beginning April 15, 2022 and thereafter ending on the fourteenth (14th) day of each succeeding month. Claims for meals for the month beginning December 15th will be paid from the appropriation for the succeeding year.

For number of meals served during a period of one month, per meal:

In counties having a population of less than 20,000	\$2.00
In counties having a population of 20,001 to 40,000.	\$2.00
In counties having a population of 40,001 to 60,000.	\$2.00
In counties having a population of 60,001 to 80,000.	\$1.77
In counties having a population of 80,001 to 100,000.	\$1.51
In counties having a population of 100,001 to 200,000.	\$1.37
In counties having a population of 200,001 or over.	\$1.28

The following counties will not be allowed the amounts authorized above:

- Allen
- Lake
- Marion
- Vanderburgh

Paul D. Joyce CPA
State Examiner

Dated this 15th day of March, 2022
RH