

Indiana State Board of Accounts

Name That Fund!

Indiana League of Municipal Clerks & Treasurers Virtual Meeting

October 2022



Funds We Are Covering

- Public Safety
- Riverboat
- Local Road & Street (LRS)
- Non-Reverting – Parks and Rec
- Motor Vehicle Highway (MVH & MVH Restricted)
- Cumulative Capital Improvement (CCI)
- Law Enforcement Continuing Education
- Rainy Day

Public Safety



- **Authorized under IC 6-3.6-6; 6-3.6-7; 6-3.6-9; 6-3.6-11**
 - **Primary purpose – account for additional tax rate imposed for public safety adopted by county’s adopting body.**

- **Specific Uses**
 - **For “Public Safety” as defined in IC 6-3.6-2-14:**
 - (1) A police and law enforcement system to preserve public peace and order.
 - (2) A firefighting and fire prevention system.
 - (3) Emergency ambulance services (as defined in [IC 16-18-2-107](#)).
 - (4) Emergency medical services (as defined in [IC 16-18-2-110](#)).
 - (5) Emergency action (as defined in [IC 13-11-2-65](#)).
 - ...
 - (13) Pension payments for police and fire
 - (14) Law enforcement training.

Riverboat



- **Authorized under IC 36-1-8-9**
 - **Primary purpose – account for tax revenue received under**
 - **IC 4-33-12-6 – Riverboat admission taxes**
 - **IC 4-33-13 – Wagering taxes**
- **Specific Uses**
 - *“Money in the fund may be used for any legal . . . purpose of the unit.”*



<https://pixels.com/featured/riverboat-gambling-tammy-mutka.html>

Local Roads & Streets (LRS)



- **Authorized under IC 8-14-2**
 - **Primary purpose – account for state gasoline tax distributions**
- **Specific Uses in IC 8-14-2-5**
 1. **Engineering, land acquisition, construction, resurfacing, maintenance, restoration, or rehabilitation of both local and arterial road & street systems**
 2. **Payment of principal & interest on bonds sold to finance road projects**
 3. **Local costs required to undertake a recreational or reservoir road project**
 4. **Purchase, rental, or repair of highway equipment**

Park Non-Reverting Fund



- **Authorized under IC 36-3-20**
 - **Primary purpose – Acquiring land or making specific capital improvements**
- **Specific Uses in IC 8-14-2-5**
 1. **(1) a special non-reverting operating fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit’s fiscal body;**
 2. **(2) a special non-reverting capital fund for the purpose of acquiring land or making specific capital improvements from which expenditures may be made by appropriation by the unit’s fiscal body.**



Motor Vehicle Highway (MVH)

- **Authorized under IC 8-14-1**

- **Primary purpose – account for state motor vehicle highway distributions**

- **Specific Uses in IC 8-14-1-5**

- **Principally used for construction and maintenance of streets and alleys**
construction, reconstruction, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of highways



Motor Vehicle Highway (MVH)



Uses of MVH include:

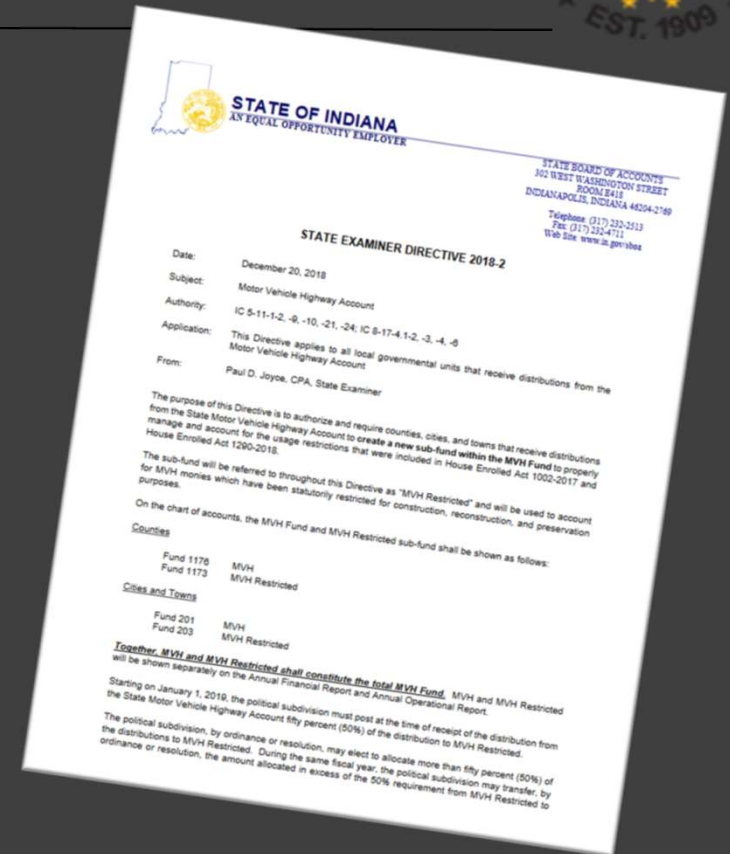
- ✓ **Curbs**
- ✓ **Unit's share of cost of separation of grades railroad crossings**
- ✓ **Purchase/lease of highway construction & maintenance equipment**
- ✓ **Traffic signs and signals**
- ✓ **Safety zones and devices**
- ✓ **Painting of structures, objects, surfaces in highways for purposes of safety and traffic regulation**



MVH Restricted (Sub-fund)

- IC 8-14-1-5(c)
- Created by State Examiner Directive 2018-2
- Fund 2203 on your ledgers
- Is a sub-fund of MVH
- www.in.gov/sboa/4488.htm

Directive 2018-2, Motor Vehicle Highway Account





MVH Restricted (Sub-fund)

Source of Funds: MVH distributions from the State MVH Account

- *(does not include local tax levy if you have one)*

“At least” 50% of State MVH distributions into MVH Restricted (#2203)

Used for:

- ✓ Construction
- ✓ Reconstruction
- ✓ Preservation



<https://www.ashevillenc.gov/news/multiple-asheville-paving-projects-get-under-way-this-spring/>



MVH Restricted (Sub-fund)

Source of Funds: MVH distributions from the State MVH Account

- *(does not include local tax levy if you have one)*

“At least” 50% of State MVH distributions into MVH Restricted (#2203)

Used for:

- ✓ Construction
- ✓ Reconstruction
- ✓ Preservation

Can't be used for:

- ✓ Snow removal



Cumulative Capital Improvement



- **Authorized under IC 6-7-1**
 - **Primary purpose – account for state cigarette tax distributions**
- **Specific Uses in IC 6-7-1-31.1**
 - **Principally used for capital improvement – several uses detailed in this statute**
 - **Most notably 6-7-1-31-1(a)(9) – *“for any other governmental purpose for which money is appropriated by the fiscal body of the city or town.”***
 - **IC 6-7-1-31.1(c) – can be transferred at any time by ordinance or resolution to General**



- **Authorized under IC 5-2-8-2**
 - **Primary purpose – account for revenue from the following sources:**
 - **Law Enforcement Continuing Ed fees – IC 33-37-5-8**
 - **Inspection of Motor Vehicles – IC 9-17-2-12**
 - **Accident Report fees – IC 9-26-9-3**
 - **Proceeds from sale of confiscated weapons – IC 35-47-3-2**
 - **ICJI distributions for gun permit fees (ICJI memo 2/17/22)**
- **Specific Uses**
 - **For training law enforcement officers employed by a city/town and for equipment and supplies for law enforcement purposes. [IC 5-2-8-6]**

Rainy Day



- **Authorized under IC 36-1-8-5 and IC 36-1-8-5.1**
 - **Primary purpose – account for transfers of unused and unencumbered funds**
 - **Amount transferred may not exceed 15% of annual budget for that fiscal year**
 - *(through 12/31/24; then 10% going forward)*
 - **Fund created by ordinance in cities and towns**
- **Specific Sources and Uses**
 - **The ordinance creating the Rainy Day fund should specifically state the source of receipts to the fund, and**
 - **Specifically state what the fund can be used for**

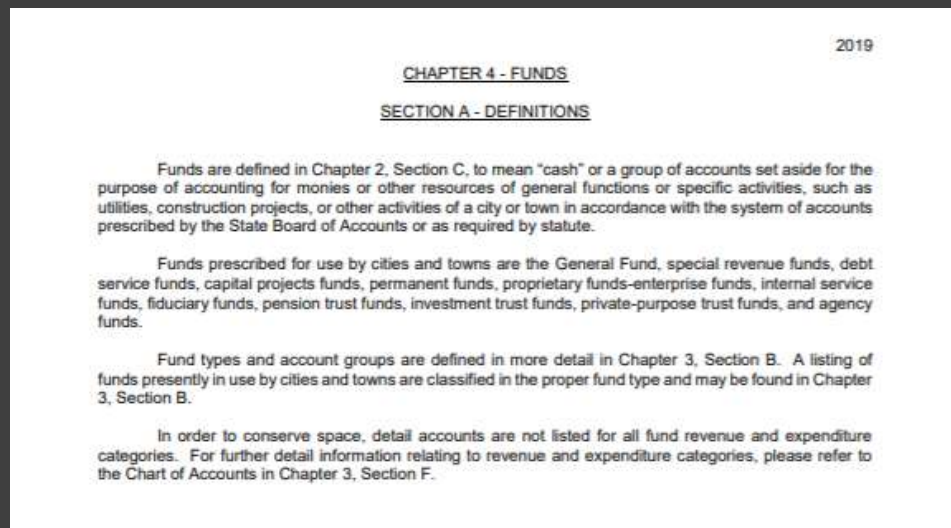


References



Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 4

www.in.gov/sboa/files/CHAPTER%204.pdf





Any Questions??



https://www.kindpng.com/imgv/biomJi_question-mark-symbol-with-cartoon-eyes-clip-arts/