

Miscellaneous Topics

Auditors Virtual Conference
October 2020

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Transfer on Death Deed

- The Transfer on Death Deed does not need to be endorsed by the County Auditor before it can be recorded.
- The Affidavit certifying the death would need to be endorsed by the County Auditor before it can be Recorder
- To complete the transfer information, the Auditor would need the information on the Transfer of Death Deed as well as the Affidavit.
- Procedures need to be established within Counties so that all information is provided to the Auditor.
- IC 32-17-14-11



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Reimbursements and Appropriations



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Reimbursements - Insurance

- IC 6-1.1-18-7
- An asset of the county has been damaged
- A claim is filed with the Insurance company or an individual is determined to be liable for the damage
- Proceeds are received for the cost of the damage
- Those proceeds will be used to repair or replace the asset
- The repair or replacement will be within 12 months of receiving the proceeds.
- Increase the appropriation for the amount of the proceeds



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Reimbursements - Overpayments

- IC 6-1.1-18-9
- A claim is paid in error or
- The amount paid on a claim exceeds the actual amount due
- The error is discovered during the same budget year as the error was made.
- A refund is received from the vendor for the overpaid amount
- Post the refund from the vendor and restore the appropriation for the excess or overpayment made.



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Interfund Reimbursement

- One fund pays the entire cost for a good or service that will be shared by more than one office or department.
- Another fund could have paid a portion of that cost.
- The second fund reimburses the original fund that paid the cost
- No authority to increase the appropriation for the reimbursement



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Rebates

- County needs to have a policy in place regarding the use of rebates
- Internal controls should exist to track the receipt and use of rebates
- Accounting and Uniform Compliance Guidelines Manual
 - *Any compensation, premium, bonus or product earned as a result of the purchase of foods or services by the unit becomes the property of the unit. Any amounts received by an official or employee may be the personal obligation of the responsible official or employee.*



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Forfeiture of Assets



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IC 34-24-1-4

- Property seized as part of an arrest, search or administrative inspection and held by the law enforcement agency.
- A civil case is opened to determine if the seized property is subject to forfeiture
- If forfeited procedures are followed to distribute the seized assets, including sale of the asset by the Sheriff
 - Attorney for civil case
 - Prosecutor
 - Law Enforcement
 - Common School Fund



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County Auditor's Responsibility

- Forfeited funds turned over the to County Auditor/Treasurer to be receipted into the Treasury
- Auditor will post the Prosecuting Attorney portion to Fund 1234 – Prosecutor – Forfeiture fund
- Law Enforcement portion is receipted to the General fund of the state or unit that employed the law enforcement officers that seized the property. (One exception to this)
- The portion for the Common School fund will be receipted to Fund 7101 for semi-annual distribution to the Auditor of State.



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Prosecutor Forfeiture Fund

- IC 34-24-1-4(d)(3)(B): *“After payment to of attorney’s fees under clause (A), one third (1/3) of the remaining shall be deposited into the forfeiture fund established by the prosecuting attorney to offset expenses incurred in connection with the investigation and prosecution of the action.”*



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Drug Task Force

- IC 34-24-1-4(d)(3)(C): *“...after distribution of the proceeds described in clause (A) and (B), if applicable, 85% of the remaining proceeds shall be deposited into the: (i) general fund of the state; (ii) general fund of the unit that employed the law enforcement officers that seized the property; or (iii) county law enforcement fund established for the support of the drug task force.”*



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ACCOUNTING FOR SEIZED PROPERTY

CUSTODY

If property or cash is seized during a law enforcement investigation, Indiana Code 34-24-1-4 establishes how custody of the seized property is to be handled until a court order for the disposition of the property is received.

"(c) When property is seized under subsection (a), the law enforcement agency making the seizure may, pending final disposition:

- (1) place the property under seal;
- (2) remove the property to a place designated by the court; or
- (3) require another agency authorized by law to take custody of the property and remove it to an appropriate location."

Our audit position would be that the law enforcement agency and any other agencies authorized by the law to take custody of property would design and implement internal control policies and procedures to ensure proper handling and accounting of property that has been seized.



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Levy Excess Funds

IC 6-1.1-18.5-17



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Levy Excess Funds - Defined

- Fund 1167 on the Uniform Chart of Accounts – Statutory Fund
- Receipts
 - When the taxing unit collects more than its tax levy for a year
 - Does not include collection of delinquent taxes
 - DLGF calculates levy excess
- Disbursements
 - DLGF includes the levy excess in the unit's budget
 - Only spent as part of that budget
 - May reimburse a fund or funds withheld as property tax refunds



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Levy Excess Fund Balance

- You should be able to trace the receipt into the Levy Excess fund to calculation made by DLGF
- If you have a balance, it should have been included in the subsequent year's budget
- Common errors:
 - Calculating you own levy excess amount
 - Not transferring the Levy Excess funds as directed by DLGF in that budget year



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Levy Excess Funds - Corrections

- If you can research and determine the correction needed make the correction and keep documentation for audit
- If you research and can't determine where your fund balance came from, work with DLGF to resolve in 2021.
- To use these funds, you need to move them to the appropriate operating fund for the county.



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Solid Waste Management



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Solid Waste Management Districts

- Separate entity with a governing board and controller
- Joint District with one or more other Counties
 - Commissioners from each County appoint one member of the Board
 - Council from each County appoint one member of the Board
 - Cities/Towns would also have representation on the Board
- Single County District
 - Commissioners appoint two members of the Board
 - Council appoints two members of the Board
 - Cities/Towns would also have representation on the Board



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Solid Waste Management District Dissolved

- County receives assets of the District or proportionate share of assets from a Joint District
- County assumes the obligations of the District or proportionate share of the liabilities of a Joint District
- County may still have a tax levy for solid waste
- County may still collect fees for solid waste
- DEPARTMENT OF THE COUNTY



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Other Special Districts

- Redevelopment Authority IC 36-7-14.5
- Airport Authority IC 8-22-3
- Soil and Water Conservation Districts IC 14-32
- Port Authorities IC 8-10-5
- Land Banks IC 36-7-38
- Inter-local Agreements IC 36-1-7



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Working with Courts



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Unique Relationship

- Courts are units of the judicial branch of government
- Courts are not departments of the County
- Court employees are not County employees

- However,
 - Court operating costs are funded through County budgets
 - Court employees are paid through County payroll



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Court Policies and Procedures

- Judges can establish personnel policies for the court employees; however copy of the policies should be provided to the Auditor's office.
- Courts must still track employee time and keep employee service records
- Courts have a budget approved by Council
- Courts can implement and train on their internal controls; however they would need to provide certification to the County Auditor



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Court Claims

- Judges approve the claims for the court
- IC 36-2-6-3 provides that the County Auditor must publish all allowances made by the court three days before issuing the warrants
 - Cost for publication should be included in the budget
- We do not take audit exception if the Court claims are not advertised and the claims are made through the County's claim process with approval by the County Commissioners.



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Transfers



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Transfers of Cash Balance

- Fund Accounting
 - Basic tenant of fund accounting is that the receipts and disbursements for a specific fund are accounted for within that fund.
- Transfers of fund balances
 - Transfers between funds may not be may, unless there is statutory authority to make the transfer
- EDIT Funds IC 6-3.6-10-2
 - EDIT Fund statutes no longer contain the authority to transfer these funds.



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Common Allowable Transfers

- Rainy Day IC 35-1-8-5.1
 - Transfers In
 - Transfers Out
- Cumulative Funds IC 6-1.1-41-15
- Drainage Funds IC 36-9-27
- Identification Security Protection IC 36-2-7.5-11
- Levy Excess IC 6-1.1-18.5-17
- Surplus Tax and Tax Sale Surplus IC 6-1.1-26-6; IC 6-1.1-24-6.4



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SBOA Website

www.in.gov/sboa



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Updates

- We are moving to new platform this month which will allow for more user-friendly topic searches.
- Updates to manuals – finally!!
- SBOA Youtube channel under Presentations and Training Materials
 - Recordings of virtual meetings and conferences
 - Future training on specific topics



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New Email Lists

Auditor

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Future for Training

- For 2021
 - 2021 – Spring Quadrant Meetings
 - Fall Conference
- For 2021 and Beyond
 - Virtual Sessions
 - Training Library



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