

SPECIAL DISTRICTS BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

SEPTEMBER 2023

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BIDS AND CONTRACTS - PETROLEUM PRODUCTS

IC 5-22-17-10 allows a purchasing agent to award a contract for petroleum products to:

1. the lowest responsible and responsive offeror, or
2. all responsible and responsive offerors.

The contract may allow for the escalation and de-escalation of price.

Where a contract is awarded to all responsible and responsive offerors, the purchasing agent must purchase the petroleum products from the lowest of the responsible and responsive bidders. The contract must provide that the bidder from whom petroleum products are being purchased shall provide five (5) business days written notice of any change in price. Upon receipt of written notice, the purchasing agent shall request current price quotes in writing based upon terms and conditions of the original offer (as awarded) from all successful responsible and responsive offerors. The purchasing agent shall record the quotes in minutes or memoranda. The purchasing agent shall purchase the petroleum products from the lowest responsible and responsive offeror, taking into account the price change of the current supplier and the price quotes of the other responsible and responsive offerors.

IC 5-22-17-10(a) defines "petroleum products" to mean, gasoline, fuel oils, lubricants, or liquid asphalt.

INSPECTION OF MOTOR VEHICLES PRIOR TO REGISTRATION

IC 9-17-2-12 concerns certificates of title of any motor vehicle or recreational vehicle. This statute states in part:

“. . . an application for a certificate of title for a motor vehicle or recreational vehicle may not be accepted by the bureau unless the motor vehicle or recreational vehicle has been inspected by one (1) of the following:

1. An employee of a dealer designated by the secretary of state to perform an inspection.
2. A military police officer assigned to a military post in Indiana.
3. A police officer.
4. A designated employee of the bureau.
5. An employee of a qualified person operating under a contract with the commission under IC 9-16-1-4 for operation of a full service license branch.
6. An employee of a qualified person operating under a contract with the commission under IC 9-16-1-4.5 for the operation of partial service license branch.”

A person inspecting such vehicle shall make a record of inspection upon the application form prepared by the bureau and verify the facts set out in said application.

The following procedures are recommended for a municipality to impose an inspection fee.

1. If the legislative body of a municipality wishes to authorize the imposition of a fee for inspecting motor vehicles, the city or town attorney should be consulted for his or her guidance in preparing and enacting an ordinance listing the inspection fee to be charged and how such revenues should be handled. IC 9-29-4-2 states that the fee may not exceed five dollars (\$5).
2. In the enabling ordinance, it is suggested a procedure for handling the fees be established similar to those prescribed by the State Board of Accounts for accident report copy fees and handgun license applications.
 - A. Issue a receipt, General Form Number 352, for each fee collected.
 - B. Remit the receipts to the clerk-treasurer or controller at least once each week.
 - C. The clerk-treasurer or controller shall issue an official receipt for remittance specifying on such receipt the number of general receipts included. (For instance: General Receipts Numbers 1-4, four at \$5.00, \$20.00.)
 - D. The clerk-treasurer or controller shall receipt the fees to the local law enforcement continuing education fund. Such receipts shall be deposited in the municipality's general bank account. A separate depository account is not required.

HAZARDOUS MATERIALS EMERGENCY FEES

A fire department imposing a charge for hazardous materials cleanup costs may bill the responsible party for the total value of the assistance provided, as determined from the State Fire Marshal's schedule of service charges issued under IC 36-8-12-16(h).

Money collected must be deposited in a hazardous materials response fund or the general fund of the city or town that established the fire department under IC 36-8-2-3 or IC 36-8-13-3(a)(1) and may be used only for the following:

1. Purchase of supplies and equipment used in providing hazardous materials emergency assistance.
2. Training for members of the fire department in skills necessary for providing hazardous materials emergency assistance.
3. Payment to persons with which the fire department contracts to provide services related to the hazardous materials emergency assistance provided by the fire department.

A fire department may not bill for services provided that duplicate services provided by another governmental entity.

The responsible party billed for services may elect to reimburse the fire department by providing replacement materials that are of equal or greater value than those expended by the fire department in responding to the emergency.

A fire department that imposes a service charge and maintains an action for reimbursement under IC 13-25-6-5 may recover all costs of the action, including attorney's fees.

A responsible party is subject to a penalty for failure to pay the full amount of a charge made within sixty (60) days after the issuance of the bill for payment by the fire department. The amount of the penalty is ten percent (10%) of the amount of the charge that remains unpaid on the due date.

The fiscal body of each city or town that establishes a fire department under IC 36-8-2-3 may, by ordinance or resolution, establish a hazardous materials response fund.

The hazardous materials response fund shall be administered by the unit's fiscal officer, and the expenses of administering the fund shall be paid from money in the fund. Money in the fund not currently needed to meet the obligations of the fund may be invested in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund. Money in the fund at the end of a particular fiscal year does not revert to the unit's general fund. (IC 36-8-12.2)

RAINY DAY FUND

IC 36-1-8-5.1 states, as follows:

- (a) "A political subdivision may establish a rainy day fund by the adoption of:
- (1) an ordinance, in the case of county, city, or town; or
 - (2) a resolution, in the case of any other political subdivision.
- (b) An ordinance or a resolution adopted under this section must specify the following:
- (1) The purposes of the rainy day fund.
 - (2) The sources of funding for the rainy day fund, which may include the following:
 - (A) Unused an unencumbered funds under:
 - (i) section 5 of this chapter;
 - (ii) IC 6-3.5-1.1-21.1;
 - (iii) IC 6-3.5-6-17.3; or
 - (iv) IC 6-3.5-7-17.3.
 - (B) Any other funding source;
 - (i) specified in the ordinance or resolution adopted under this section; and
 - (ii) not otherwise prohibited by law.
- (c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money.
- (d) In any fiscal year, a political subdivision may, at any time, do the following:
- (1) Transfer any unused and unencumbered funds specified in subsection (b)(2)(A) from any fiscal year to the rainy day fund.
 - (2) Transfer any other unobligated cash balances from any fiscal year that are not otherwise identified in subsection (b)(2)(A) or section 5 of this chapter to the rainy day fund as long as the transfer satisfies the following requirements:
 - (A) The amount of the transfer is authorized by and identified in an ordinance or resolution.
 - (B) The amount of the transfer is not more than ten percent (10%) of the political subdivision's total annual budget adopted under IC 6-1.1-17 for that fiscal year.
 - (C) The transfer is not made from a debt service fund.
- (e) A political subdivision may use only the funding sources specified in subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund. The political subdivision may adopt a subsequent ordinance or resolution authorizing the use of another funding source.

RAINY DAY FUND (CONTINUED)

(f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

(g) A county, city, or town may at any time, by ordinance or resolution, transfer to:

(1) its general fund; or

(2) any other appropriated funds of the county, city, or town;

money that has been deposited in the rainy day fund of the county, city, or town."

EXAMINATION OF RECORDS AND STATEMENT OF ENGAGEMENT COST

At the end of an audit engagement the State Board of Accounts sends a notice of Statement of Engagement Cost to each political subdivision, including the County. This statement details a summary of the engagement including the number of days spent on the audit, the daily/hourly rate, and any report processing fees. We would like to point out that this statement is not an invoice that is to be paid by the entities.

A separate invoice for payment of these audit costs will be sent to the County for payment in accordance with IC 5-11-4. Immediately upon receipt of the certified statement, the county auditor shall issue a warrant on the county treasurer payable to the treasurer of state out of the general fund of the county for the amount stated in the certificate. The county auditor shall reimburse the county general fund, except for the expense of examination and investigation of county offices, out of the money due the taxing units at the next semiannual settlement of the collection of taxes.

If the county reasonably believes or knows that it does not have on hand or will not have collected enough taxes by the next distribution date for a taxing unit included on the examination of records billing, then the county auditor will send the certified statement to the taxing unit. The taxing unit should then contact the State Board of Accounts for directions on paying for the cost of the examination directly to the State Board of Accounts, instead of using settlement. It is important that the cost be paid off prior to the next audit. If the audit costs, due the State Board of Accounts, are not paid prior to the subsequent audit, it impairs the independence of the State Board of Accounts. This will delay future audits.

As the amount of federal funding to local governments has increased so has the need for single audits and more frequent audits which has helped drive up audit costs. We are now beginning to see this result in semiannual tax distributions that are not sufficient to pay the audit costs. It is important to plan and budget accordingly for these costs. It might be beneficial once an examination of records has been completed for the taxing unit to go directly to the county auditor if sufficient taxes will not be collected to pay the estimated costs of the examination of records. Having this conversation before receiving the certified statement from the county auditor can prepare the taxing unit for the payment of these costs. You can discuss with your field examiner during the exit, how you may best meet the costs. This may involve the use of other funds such as Rainy Day or if there are ARPA funds remaining under the revenue loss category, those can also be used to pay audit costs. If you have questions after the exit, please feel free to reach out to your State Board of Accounts Director for further assistance in looking for funds that can pay the audit costs.

EXAMINATION OF RECORDS AND STATEMENT OF ENGAGEMENT COST (CONTINUED)

When determining how these costs will be paid, it is also important to plan for the next year. During this determination, take into consideration the amount of federal assistance that you have disbursed during the year. If you have expended \$750,000 or more of federal awards (whether the award is direct or passed-through another entity) in a year the taxing unit is required to have a single audit conducted in accordance with the Federal Office of Management and Budget's Uniform Guidance. Single audits require an annual audit. If your unit does not need a Single Audit, there may be a longer time between your examinations. Since these costs could become an annual expense for the taxing unit, future budgets would need to be adjusted for those costs.



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

AMENDED STATE EXAMINER DIRECTIVE 2018-1

Date: August 22, 2023
Subject: Monthly and Annual Engagement Uploads
Authority: Ind. Code §§ 5-11-1-2, 4, 9, 10, 21, and 24
Application: This Directive applies to all local governmental units
From: Paul D. Joyce, CPA, State Examiner

The purpose of this Directive is to provide guidelines for the use of the "Indiana Gateway for Government Units" (Gateway) application entitled "Monthly and Annual Engagement Uploads" (Engagement Uploads). The Engagement Uploads provide a more efficient and cost-effective audit process for governmental units.

The changes to uploads made in this amendment are in bold below. This amended directive is effective starting with December 2023 monthly files and 2023 annual files. The December 2023 monthly file upload is due February 15, 2024, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. For all calendar year end units, the 2023 annual file upload is due March 1, 2024, and on March 1 each year thereafter unless the SBOA establishes a different date. For schools and extracurricular accounts, the upload for the year ending June 30, 2024, is due August 29, 2024, and on August 29 each year thereafter unless the SBOA establishes a different date.

All counties, cities, towns, townships, libraries, schools, and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

A user guide for the Engagement Uploads is available and located at: <https://gateway.ifionline.org/userguides/engagementguide>. It is pertinent that this user guide be used in conjunction with this Directive. It provides critical information to you that will help guide you to uploading the correct documents.

The following files and governmental unit information are required to be uploaded MONTHLY by all units except as noted immediately below:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes (please see the user guide for more information and examples)
- Funds Ledger summarizing total receipts, disbursements, and beginning and ending balances by fund

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For County Auditors:

- Approved Board Minutes (please see the user guide for more information and examples)
- Funds Ledger summarizing total receipts, disbursements, and beginning and ending balances by fund
- Documentation of Reconciliation of Form 61 between Auditor and Treasurer

For County Treasurers:

- Cash Balance Report (Cash Book)
- Bank Reconcilements, Bank Statements, and Outstanding Check List
- Documentation of Reconciliation of Form 61 between Auditor and Treasurer

For County Clerks, Recorders, and Sheriffs:

- Cash Balance Report (Cash Book)
- Bank Reconcilements, Bank Statements, and Outstanding Check Lists

For School Extracurricular Accounts (ECAs):

- Bank Reconcilements, **Bank Statements, and Outstanding Check Lists**

The following files and governmental unit information are required to be uploaded ANNUALLY by all units (for Counties, these apply to County Auditors unless otherwise noted):

- Year-end Investment Statements and **Register of Investments, General Form 350** (for County Treasurers)
- Excel Data Capture/Data Dump (**no longer optional**)
- Detail of Receipts **by fund and account (if Data Capture not available)**
- Detail of Disbursements **by fund and account (if Data Capture not available)**
- Current year Salary Ordinance (or Schedule) and Amendments (except Schools)
- Annual Vendor History Report
- Annual Payroll History Report without social security numbers
- Annual Funds Ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- **Accounts Payable/Accounts Receivable Schedule support**
- **Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year**
- **Agreements for Subawards made to Subrecipients for all Federal Grants initiated during the year**

Additionally, for Schools only:

- School Lunch Prepaid Account Balance Report as of June 30
- Approved Salary Schedule for Noncertified Employees and Amendments

Additionally, for County Sheriffs only:

- Inmate Trust Fund Subsidiary Detail as of December 31

Additionally, for County Clerks and Cities/Towns with courts:

- Court Trust Fund Subsidiary Detail as of December 31

Additionally, for Townships only:

- **Contracts for Mowing and Fire Protection**

Additionally, for GAAP and ACFR units only:

- **Capital Assets Ledger, General Form 369**

In addition to the monthly and annual files, additional records, known as "Direct Request Uploads," must be uploaded when required by the SBOA. This process is discussed in the user guide described below.

If you have questions, please refer to the user guide for the Engagement Uploads located at: <https://gateway.ifionline.org/userguides/engagementguide>. If, after consulting the user guide, you still have questions, please contact the helpdesk at gateway@sboa.in.gov.

Exceptions to certain requirements set forth in this Directive, such as for **manual records**, Opt Out units, and other exceptions, are discussed in the [user guide](#). Contact information for questions and other help, including a "Frequently Asked Questions" section, is also available in the [user guide](#).

More information is available on the SBOA website by clicking the Political Subdivisions link on the left-hand menu and then by selecting the appropriate unit type. Scroll down and select the Gateway section and the Gateway Upload Application link.

This Directive may be amended from time to time and may be rescinded at any time in writing by the State Examiner or a Deputy State Examiner.


Paul D. Joyce, CPA
State Examiner

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