

**TOWNSHIP BULLETIN  
AND UNIFORM COMPLIANCE GUIDELINES  
ISSUED BY STATE BOARD OF ACCOUNTS**

Volume 322, Page 1

September 2018

ITEMS TO REMEMBER

SEPTEMBER

- September 1: Prove all ledgers for the prior month.
- September 3: Labor Day – Legal Holiday [IC 1-1-9-1]
- September 3: Last day for units with appointed boards to submit proposed 2019 budgets, tax rates, and tax levies to county fiscal body or other appropriate fiscal body for binding adoption, as applicable. (IC 6-1.1-17-20)
- September 30: All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]

OCTOBER

- October 1: Prove all ledgers for the prior month
- October 8: Columbus Day – Legal Holiday [IC 1-1-9-1]
- October 12: Last day to post notice to taxpayers of proposed 2019 budgets and tax levies and public hearing (Budget Form 3) to Gateway. (Notice must be posted at least 10 days before the public hearing, which must occur at least 10 days before the adoption.) [IC 6-1.1-17-3]
- October 22: Last possible day for Townships to hold a public hearing on their 2019 budgets. Public hearing must be held at least 10 days before budget is adopted. [IC 6-1.1-17-5]
- October 31: IRS Form 941 (Employer's Quarterly Federal Tax Return) due
- All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1(e)]

NOVEMBER

- November 1: Prove all ledgers for the prior month.
- Deadline for all Townships to adopt 2019 budgets, tax rates, and tax levies. [IC 6-1.1-17- 5(a)]
- November 5: Last day for Townships to submit their 2019 budgets, tax rates, and tax levies to the DLGF through Gateway
- November 12: Veteran's Day – Legal Holiday [IC 1-1-9-1]
- November 22: Thanksgiving Day – Legal Holiday [IC 1-1-9-1]

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November 31: All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local officers, with the balance statements provided by the respective depositories. [IC 5-13-6-1]

**State Board of Accounts Called Meetings**

The SBOA has called meetings of all Township Trustees in accordance with IC 5-11-14-1. These Meetings will be similar to last year's meetings around the state. Based upon feedback from the last meetings, the meeting dates will be held in March. Please look for complete location, time, and date information in the December Bulletin.

Many items pertaining to our examinations of Townships will be discussed at the meeting. In addition, there will be a special group of SBOA field examiners that will be available to answer questions about submitting the Annual Financial Report (AFR) and assist in fixing in-depth problems, such as reconciling, etc... So feel free to come with questions and bring records that you are having trouble with.

**Newly Elected Township Trustees Meeting**

The SBOA is planning to provide training for newly elected Township Trustees on Wednesday January 23<sup>rd</sup>, 2019.

The meeting will be at the Metropolitan School District of Pike Township's Performing Arts Center, 6701 Zionsville Road, Indianapolis. Registration will start at 8:30 A.M. (Local Time) with the meeting starting promptly at 9:00 and will conclude around 12:00 P.M. Township Trustees that have been in office a short period of time may also be interested in attending.

The meeting is structured to specifically try to address the concerns and questions of new township trustees, including going through sample entries to be recorded in the Financial and Appropriation Record and budgetary questions. We will also go over some of the reporting requirements that you will have in your first two months of office. Please make every effort to attend the meeting and feel free to bring any deputies or assistants that you deem necessary.

**STATE EXAMINER DIRECTIVE 2018-1**

Directive 2018-1 from the State Examiner regarding the monthly and annual engagement upload that has been sent to all local units. This directive does not change any of the process, including implementation dates, previously received by the units. We would like to note that we have been receiving questions specific to Townships and these questions have been answered below. This directive will be available on our website at <http://www.in.gov/sboa/4428.htm>, by selecting the political subdivision then scrolling down to the Gateway section or the User Guide found at <https://gateway.ifionline.org/help.aspx>. Questions and concerns can be sent to the Gateway Help Desk at [gateway@sboa.in.gov](mailto:gateway@sboa.in.gov).

**Recently Asked Questions**

*If we do not hold board meetings each month, how am I to treat the requirement to upload board minutes each month? Do these minutes have to be approved by the board? We will not have these approved until the next meeting.*

If you do not have a board meeting for a certain month, then you would not be required to upload meetings minutes for that month. We have been suggesting Townships to upload a word document indicating that no meetings were held for that month. These minutes do not need to be approved to be uploaded. If there are any revisions to these minutes, we ask that you upload the revised minutes so we have the latest version.

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**Recently Asked Questions (Continued...)**

*I still use a manual ledger (the Township Form 1-C) as my official record. This is very large and has many pages. How am I supposed to scan and upload this?*

We have been accepting pictures of the ledger if you are unable to scan your ledger. If you have access to a phone with the capability of taking pictures, you may upload these pictures instead of scanning the ledger. Additionally, we have provided a Manual Records Template on our website that allows you to input information into an excel spreadsheet that you can upload to fulfill this requirement. This template can be found on the Townships page of our website <https://www.in.gov/sboa/4445.htm>, by navigating to the Gateway section, under the Gateway Upload Application area. This template will also be linked in the User Guide for the Gateway Upload Application as well.

**ELECTRONIC PAYMENT OF VENDOR CLAIMS**

Indiana Code 36-1-8-11.5 allows for the governing body of a political subdivision to pass a resolution that allows the fiscal officer to pay claims by electronic funds transfer. The statute also requires compliance with all other requirements of claims payment. Indiana Code 5-11-10-1.6 provides the requirements and procedures to be completed prior to issuing a check. Most of those requirements involve prior approval of a claim and ensuring that bills/invoices have been reviewed. Therefore, we recommend that if a Township is going to make payments electronically, that they complete the claims approval requirements, and then work with their depository for a payment authorization process. Except for INPRS remittances as detailed in IC 5-10.2-2-12.5, we would suggest not setting up automatic monthly payments or other instances where vendors are giving access to pull money from the Township's bank account.

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**Rainy Day Fund**

Pursuant to IC 36-1-8-5.1, a Township can establish a rainy day fund (RDF) through the adoption of a resolution. The resolution must state the following: (1) the purposes of the RDF and (2) the sources of funding for the RDF. The sources of funding can include dormant funds (IC 36-1-8-5), CAGIT (IC 6-3.5-1.1-21.1), COIT (IC 6-3.5-6-17.3), CEDIT (IC 6-3.5-7-17.3), or any other funding source specified in the resolution and not otherwise prohibited by law.

In addition, a Township can transfer an amount from a fund as long as it is authorized by the resolution, does not exceed 10% of the total annual budget for that fiscal year and is not from a debt service fund.

Our position is that a unit can transfer money from an appropriated fund to the RDF as long as the purpose of the levy has been fulfilled (and the Township Board has stated as such) and the transfer does not exceed 10% of the total annual budget. Also, any fund that has been declared dormant (by the Township Board) under IC 36-1-8-5 can be transferred to the RDF. Please note that Debt Service Funds are explicitly prohibited from being transferred to the RDF. There have been changes to the fire fund statute that now allows a Township to transfer money from the fire fund.

Township funds that **cannot** be transferred to the RDF:

**Township Assistance:** IC 12-20-21-3 states: "The funds are continuing funds and do NOT revert to any other fund at the end of the year."

**Fire Protection Territories:** IC 36-8-19-8 states in part: "...money in this fund cannot be used for any other expenses."

Township funds that **can** be transferred to the RDF:

**Township (General):** Can be transferred to RDF, subject to max of 10% total annual budget

**Fire:** Can be transferred to RDF, subject to max of 10% total annual budget

**Fire Cumulative:** Can be transferred to RDF, subject to max of 10% total annual budget [IC 36-8-14] - NOTE: If money is transferred from a Cumulative fund, the DLGF will probably question if you still need that tax levy.

**Park & Recreation:** Can be transferred to RDF, subject to max of 10% total annual budget - NOTE: For Townships with a population between 2,000 and 3,000 the following statute would apply and these funds may not be transferred to RDF. [IC 36-10-7-7 states in part: "to be used...for the maintenance and improvement of the park and for no other purpose]."

Township funds that could be in the Township General fund, depending on other information:

**Donations:** If it is a nonrestricted donation, it would go to the Township General fund. If it is a restricted donation, we would audit to the agreement.

**Cemetery:** If a cemetery is conveyed to a township, all the assets, funds, cash, etc. may only be used in connection with that cemetery [IC 23-14-64-3], and therefore could not be transferred to the RDF. However, if the township has established a cemetery, the expenses shall be paid out of the Township General fund [IC 23-14-69-9].

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