

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

Volume 326, Page 1

September 2019

ITEMS TO REMEMBER

SEPTEMBER

- September 1: Prove all ledgers for the prior month.
- September 3: Last day for units with appointed boards to submit proposed 2020 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 5: Labor Day – Legal Holiday [IC 1-1-9-1]
- September 15: Deadline to upload monthly bank reconcilements, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for July 2019 to Gateway. [State Examiner Directive 2018-1]
- September 20: If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- September 30: If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

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 11: Last day to post notice to taxpayers of proposed 2020 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 14: Columbus Day – Legal Holiday [IC 1-1-9-1]
- October 15: Deadline to upload monthly bank reconcilements, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for August 2019 to Gateway. [State Examiner Directive 2018-1]
- October 20: If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.
- October 22: Last possible day for Townships to hold a public hearing on their 2020 budgets. Public hearing must be held at least 10 days before budget is adopted. [IC 6-1.1-17-5]

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October 30: If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

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 2020 budgets, tax rates, and tax levies. [IC 6-1.1-17- 5(a)]

November 4: Last day for Townships to submit their 2020 budgets, tax rates, and tax levies to the DLGF through Gateway

November 11: Veteran's Day – Legal Holiday [IC 1-1-9-1]

November 15: Deadline to upload monthly bank reconcilements, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for September 2019 to Gateway. [State Examiner Directive 2018-1]

November 20: If your monthly average tax withheld is more than \$1,000, the 20th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

November 28: Thanksgiving Day – Legal Holiday [IC 1-1-9-1]

November 30: If your monthly average tax withheld is \$1,000 or less, the 30th is the last day to report and make payment for the balance of State and County Income Tax withheld in the prior month to Indiana Department of Revenue.

On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the Trustee shall certify a list of the names and addresses of each person who has money due from the township to the County Treasurer. (IC 6-1.1-22-14)

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]

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Health Savings Account Payments

It has come to our attention that some units are not using payroll withholding funds to account for the employee directed Health Savings Account payments. Instead, the units make direct deposits to the Health Savings Accounts in a similar manner to the process of making net pay direct deposits to the employee's bank account. Historically, our audit position has been to take exception to this accounting practice because all payroll transactions were not being recorded in the financial records. The State Board of Accounts has revised the audit position on this process and we will not take audit exception to amounts approved by employees being deposited directly into Health Savings Accounts without the use of a payroll withholding fund, provided the following criteria are observed:

- 1) Unit is following state and federal guidelines of Health Savings Accounts;
- 2) Reports of amounts deposited into Health Savings Accounts are produced in detail by employee for each individual payroll period and maintained for audit; and
- 3) Amounts deposited into Health Savings Accounts (employee and employer share) are approved by the governing board.

ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS

When it is not possible to determine the historical cost of capital assets owned by a governmental unit, the following procedure should be followed.

Develop an inventory of all capital assets which are significant for which records of the historical costs are not available. Obtain an estimate of the replacement costs of these assets. Through inquiry determine the year or approximate year of acquisition. Then multiply the estimated replacement cost by the factor for the year of acquisitions from the Table of Cost Indexes. The resulting amount will be the estimated cost of the asset.

In some cases estimated replacement cost can be obtained from insurance policies; however, if estimated replacement costs are not available from insurance policies, you should obtain or make an estimate of the replacement costs.

If the replacement cost is estimated to be \$76,000.00 and the asset was constructed about 1946, then the estimated cost of the asset should be reported as \$6,080.00.

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ESTABLISHING THE ESTIMATED COST OF CAPITAL ASSETS (Continued)

\$76,000.00 X .08 = \$6,080.00

TABLE OF COST INDEXES
1913 to 2018

<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>Index</u>
2018	1.00	1992	.56	1965	.13	1938	.06
2017	.98	1991	.54	1964	.12	1937	.06
2016	.96	1990	.52	1963	.12	1936	.06
2015	.94	1989	.49	1962	.12	1935	.05
2014	.94	1988	.47	1961	.12	1934	.05
2013	.93	1987	.45	1960	.12	1933	.05
2012	.91	1986	.44	1959	.12	1932	.05
2011	.90	1985	.43	1958	.12	1931	.06
2010	.87	1984	.41	1957	.11	1930	.07
2009	.85	1983	.40	1956	.11	1929	.07
2008	.86	1982	.38	1955	.11	1928	.07
2007	.83	1981	.36	1954	.11	1927	.07
2006	.80	1980	.33	1953	.11	1926	.07
2005	.78	1979	.29	1952	.11	1925	.07
2004	.75	1978	.26	1951	.10	1924	.07
2003	.73	1977	.24	1950	.10	1923	.07
2002	.72	1976	.23	1949	.09	1922	.07
2001	.71	1975	.21	1948	.10	1921	.07
2000	.69	1974	.20	1947	.09	1920	.08
1999	.66	1973	.18	1946	.08	1919	.07
1998	.65	1972	.17	1945	.07	1918	.06
1997	.64	1971	.16	1944	.07	1917	.05
1996	.63	1970	.15	1943	.07	1916	.04
1995	.61	1969	.15	1942	.06	1915	.04
1994	.59	1968	.14	1941	.06	1914	.04
1993	.58	1967	.13	1940	.06	1913	.04
		1966	.13	1939	.06		

SBOA YOUTUBE CHANNEL

The State Board of Accounts has a YouTube Channel. As we receive questions at trainings sessions we plan to release short and relevant training videos to supplement our trainings. When a video is released you will receive an email from communications@sboa.in.gov. You are also able to subscribe to our channel to receive updates via YouTube notifications. To access the SBOA YouTube Channel, there is a link under the Presentations and Training Materials sections of the SBOA website. You may also click on this link to view other training videos - <https://www.youtube.com/channel/UC62Ozm0wY81GZHipK2UrjLA>.

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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.

PUBLIC WORKS UNDER \$150,000

IC 36-1-12-4.9 provides "(a) This section applies to a public work for the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property if the cost of the public work is estimated to be less than one hundred fifty thousand dollars (\$150,000). (b) The board may award a contract for public work described in subsection (a) in the manner provided in IC 5-22." We will not take audit exception to expenditures for projects under \$150,000 that maintain the existing condition of the asset or restore the asset to normal operating efficiency and which might qualify as routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property under IC 36-1-12-4.9. Included in our audit position could be expenditures for the replacement and repair of elevators, flooring, ceiling, tile, bathroom fixtures, windows, sidewalks, parking lots, and roofs which would not be part of another public works project. Additionally, the costs associated with reconfiguring the interior of offices (additions/deletions of wiring for electrical outlets, lighting, data lines, and telephones, cubicle walls, etc) and reconfiguring offices with movable walls which would not be part of another public works project, could be considered. Not included would be additions to the structure, reconfiguring offices with permanent walls, change of purpose of an area that involves substantial addition or removal of plumbing or gas lines (adding a kitchen area or bathroom), addition of elevator shafts, parking lots and other like changes to the interior or exterior that involve changes to the structural integrity of the building or improvements to real property, etc. or expenditures for which a determination has been made of the applicability of other provisions of the Public Works Law, IC 36-1-12-1 et seq. Our audit position is with the assumption a determination has been made by the governmental unit in a public meeting of the applicability of IC 36-1-12-4.9 to the proposed public works project.

PAYMENT OF FUNDS DUE DECEASED PERSON

The State Board of Accounts is often asked the correct method of making payment of money due an official, employee, or other person who has died. The following procedure is authorized by IC 29-1-8-1. IC 29-1-8-1 states "(a) Forty-five (45) days after the death of a decedent and upon being presented an affidavit that complies with subsection (b), a person: (1) indebted to the decedent; or (2) having possession of personal property or an instrument evidencing a debt, an obligation, a stock, or a chose in action belonging to the decedent; shall make payment of the indebtedness or deliver the personal property or the instrument evidencing a debt, an obligation, a stock, or a chose in action to a person claiming to be entitled to payment or delivery of property of the decedent. (b) The affidavit required by subsection (a) must be an affidavit made by or on behalf of the claimant and must state the following: (1) That the value of the gross probate estate, wherever located (less liens and encumbrances), does not exceed fifty thousand dollars (\$50,000). (2) That forty-five (45) days have elapsed since the death of the decedent. (3) That no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction. (4) The name and address of each other person that is entitled to a share of the property and the part of the property to which each person is entitled. (5) That the claimant has notified each person identified in the affidavit of the claimant's intention to present an affidavit under this section. (6) That the claimant is entitled to payment or delivery of the property on behalf of each person identified in the affidavit."

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The affidavit furnished should be similar to the following:

STATE OF INDIANA)
COUNTY OF _____) SS:

AFFIDAVIT FOR TRANSFER OF ASSETS WITHOUT ADMINISTRATION

_____, being first duly sworn upon _____ oath deposes and says:

1. That _____ died on the _____ day of _____, 20____
(testate), (intestate) while domiciled in _____ County, Indiana.
2. That no petition for the appointment of a personal representative of his estate is pending or has been granted.
3. That forty-five days have elapsed since the death of said decedent.
4. The value of the gross probate estate less liens and encumbrances thereon does not exceed fifty thousand dollars (\$50,000).
5. That this affiant is entitled to receive without administration the following listed property from the person, firm or corporation listed opposite said property subject to the items and encumbrances thereon.

KIND OF PROPERTY	WHERE LOCATED	VALUE	LIEN OR ENCUMBRANCES IF ANY	NAME AND ADDRESS OF PERSON, FIRM OR CORPORATION HOLDING PROPERTY OF DECEDENT
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

This affidavit is made for the purpose of inducing the above named holders of said decedent's property to turn said property over to this affiant as provided by law.

AFFIANT

ADDRESS

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

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