

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

Volume 342, Page 1

September 2023

ITEMS TO REMEMBER

**OCTOBER**

- October 1: Prove all ledgers for the prior month
- October 9: Columbus Day – Legal Holiday [IC 1-1-9-1]
- October 12: Last day to post notice to taxpayers of proposed 2024 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 6-1.1-17-5]
- October 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for August 2023 to Gateway. [State Examiner Directive 2018-1 (Amended 2023)]
- 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 2024 budgets. Public hearing must be held at least 10 days before budget is adopted. [IC 6-1.1-17-5]
- 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 2024 budgets, tax rates, and tax levies. [IC 6-1.1-17- 5(a)]
- November 7: Election Day – Legal Holiday [IC 1-1-9-1]
- November 8: Last day for Townships to submit their 2024 budgets, tax rates, and tax levies to the DLGF through Gateway
- November 10: Veteran's Day – Legal Holiday [IC 1-1-9-1]

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**NOVEMBER**

- November 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for September 2023 to Gateway. [State Examiner Directive 2018-1 (Amended 2023)]
- 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 23: 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.

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)]

**DECEMBER**

- December 1: Prove all ledgers for the prior month.
- 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 Township 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]
- December 15: Deadline to upload monthly bank reconcilements, bank statements, outstanding check lists, approved board minutes, and funds ledger, summarizing total receipts, disbursements, and balances by fund for October 2023 to Gateway. [State Examiner Directive 2018-1 (Amended 2023)]
- December 25: Legal Holiday - Christmas Day. [IC 1-1-9-1]
- December 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(e)]

Last day for the Department of Local Government Finance to accept additional appropriation requests for the 2023 budget year from units. [IC 6-1.1-18-5]

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**SCHOOL AND TOWNSHIP DIRECTOR CHANGES**

There have been some changes to the School and Township Directors. Chase Lenon has transitioned to working with the State Advisory Services team. We are happy to announce Tanner Huber as a new member of our team. Tanner will be working with Jonathan Wineinger as his co-director for Schools and Townships. You may be seeing his name in future emails or hear his voice if you call our office with questions. If you see him at any future conferences, please introduce yourself to him! Chase has asked us to include the *message* below.

*I am excited to be working with State Agencies, but I will greatly miss working with both school and township officials. The last 7 years of my career have been very rewarding. I am thankful to have been given the opportunity to work with schools and townships. School and township officials are still (and will always be) my favorite people to work with. They have so many kind people providing excellent service to their community. I have not left the State Board of Accounts, so you may still see me at future conferences, but I know you are in good hands with Tanner and Jonathan.*

**NEPOTISM AND CONTRACTING CERTIFICATIONS**

Each township board member and the trustee are required to certify in writing under penalties of perjury before December 31 of each year that they have not violated the requirements of IC 36-1-20.2 (Nepotism) and IC 36-1-21 (Contracting). These certifications shall be submitted to the trustee and retained locally.

IC 36-1-20.2-16, concerning the annual certification on nepotism, states:

“Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year.”

IC 36-1-21-6, concerning the annual certification on contracting, states:

“Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year.”

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**NEPOTISM POLICY**

Each township board shall adopt a nepotism policy that includes, at a minimum, the requirements set forth in IC 36-1-20.2. The policy may include requirements that are more stringent or detailed. These policies should be retained locally. There is no requirement that a new policy be adopted annually.

When completing the Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R), the trustee must indicate if a nepotism policy has been implemented. If a policy has not been implemented, the Department of Local Government Finance may not approve the township's budget or any additional appropriations for the township. If the township board implements a nepotism policy after the trustee has completed the Form 100R, the trustee should send an email to [annualreports@sboa.in.gov](mailto:annualreports@sboa.in.gov) and ask for the report to be unlocked. After the report is unlocked, the trustee should go back into the report and indicate that a policy has been adopted. The trustee must submit the report again in order for this change to be effective.

IC 36-1-20.2-9 states:

"(a) This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. However, the policy may:

- (1) include requirements that are more stringent or detailed than any provision in this chapter; and
- (2) apply to individuals who are exempted or excluded from the application of this chapter.

The unit may prohibit the employment of a relative that is not otherwise prohibited by this chapter.

(b) The annual report filed by a unit with the state board of accounts under IC 5-11-13-1 must include a statement by the executive of the unit stating whether the unit has implemented a policy under this chapter."

IC 36-1-20.2-17 states:

"If the state board of accounts finds that a unit has not implemented a policy under this chapter, the state board of accounts shall forward the information to the department of local government finance."

IC 36-1-20.2-18 states:

"If a unit has not implemented a policy under this chapter, the department of local government finance may not approve:

- (1) the unit's budget; or
- (2) any additional appropriations for the unit;

for the ensuing calendar year until the state board of accounts certifies to the department of local government finance that the unit is in compliance with this chapter."

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**CONTRACTING POLICY**

Each township board shall adopt a contracting policy that includes, at a minimum, the requirements set forth in IC 36-1-21. The policy may include requirements that are more stringent or detailed. These policies should be retained locally. There is no requirement that a new policy be adopted annually.

When completing the Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R), the trustee must indicate if a contracting policy has been implemented. If a policy has not been implemented, the Department of Local Government Finance may not approve the township's budget or any additional appropriations for the township. If the township board implements a contracting policy after the trustee has completed the Form 100R, the trustee should send an email to [annualreports@sboa.in.gov](mailto:annualreports@sboa.in.gov) and ask for the report to be unlocked. After the report is unlocked, the trustee should go back into the report and indicate that a policy has been adopted. The trustee must submit the report again in order for this change to be effective.

IC 36-1-21-4 states:

"(a) This chapter establishes minimum requirements regarding contracting with a unit. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. However, the policy may:

- (1) include requirements that are more stringent or detailed than any provision in this chapter; and
- (2) apply to individuals who are exempted or excluded from the application of this chapter.

The unit may prohibit or restrict an individual from entering into a contract with the unit that is not otherwise prohibited or restricted by this chapter.

(b) The annual report filed by a unit with the state board of accounts under IC 5-11-13-1 must include a statement by the executive of the unit stating whether the unit has implemented a policy under this chapter."

IC 36-1-21-7 states:

"If the state board of accounts finds that a unit has not implemented a policy under this chapter, the state board of accounts shall forward the information to the department of local government finance."

IC 36-1-21-8 states:

"If a unit has not implemented a policy under this chapter, the department of local government finance may not approve:

- (1) the unit's budget; or
- (2) any additional appropriations for the unit;

for the ensuing calendar year until the state board of accounts certifies to the department of local government finance that the unit has adopted a policy under this chapter."

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**STATE EXAMINER DIRECTIVE 2018-01 AMENDED**

Directive 2018-01 was amended on August 22, 2023 to include additional monthly and annual upload requirements. The amended directive is effective starting with December 2023 monthly files and 2023 annual files. The upload of December monthly files will be due February 15, 2024, and by the 15<sup>th</sup> of each month thereafter unless the State Board of Accounts establishes a different date. The annual files are due on March 1<sup>st</sup> each year. A user guide of the Engagement Uploads is available for review at <https://gateway.ifionline.org/userguides/engagementguide>. The following files and governmental unit information are required to be uploaded monthly by Townships:

- 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

The following file and governmental unit information are required to be uploaded annually:

- Year-end Investment Statements and Register of Investments, General Form 350
- 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
- 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
- Contracts for Mowing and Fire Protection

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](mailto:gateway@sboa.in.gov).

Exceptions to certain requirements set forth in this Directive, such as for **manual records**, units audited by private CPA firms, 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.

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**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.

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.

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