

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT
FINANCE



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TO: County Assessors, Auditors and Treasurers

CC: County Commissioners, County Councils, Vendors

FROM: Jeff Volz, Director, Operations Division *JAV*

RE: Phase II Vendor Certification

DATE: February 2, 2009

Over the last several months, the Department of Local Government Finance (the Department) and its affiliates have been conducting the first phase of the certification of property tax software programs and systems, as required by 50 IAC 23. During the initial phase, the Department certified individual software components in a process known as Vendor Certification. As of December 31, 2008, all but one of the CAMA, Tax and Billing, and Personal Property systems currently in use in Indiana have been individually certified by the Department.

Work now must begin on Phase II—certification of the installations of complete software systems in use in each county.

What is Phase II Certification?

Phase II certification refers to a requirement in 50 IAC 23 that each county have their complete software system tested for functionality and compatibility by an independent, third-party testing authority. This testing and certification must be completed by December 31, 2009.

Specifically, the complete software system currently in use by county officials – assessor, auditor and treasurer – must meet certain performance benchmarks related to the administration of the property tax assessment and billing process. For example, the county must certify that its CAMA system works with its Personal Property system and the Tax and Billing system.

The Department, working with its partner in the certification process, Crowe Horwath, has finalized the requirements and tests that every county system must meet and pass to receive certification. These standards are attached.

How will Phase II Certification be conducted?

Phase II certification will be conducted on-site in each county by Department–authorized testing entities. The county system will undergo several individual tests, covering both the individual components of the tax system—the CAMA and Tax and Billing software packages—as well as

the way in which the systems communicate with one another. The tests, included with this memo, will match the county systems against a series of consistent benchmarks that the Department has determined are important for effective property tax administration. The county system must pass each test to be certified.

If the testing uncovers problems with the county's system, the county will be given a full briefing of the issues and instructions on how to proceed with re-testing once the issues are rectified. If testing uncovers problems that are outside of the county's control, the Department will assist with solving the problem. For instance, a particular vendor's software may not work well with other vendors' software. In these instances, when a problem can be traced to a particular vendor or software package, the Department would contact the vendor to require that the software be fixed. The Department reserves the right to take action against vendors who do not act to resolve these issues, up to and including revocation of software certification.

What options are available for third party testing?

As part of the oversight process, the Department is responsible for authorizing third-party providers to conduct the Phase II tests. Crowe Horwath is currently the only authorized third-party. The Department is negotiating costs of providing the testing on-site and will distribute more information on this soon.

Counties also have the option of submitting for authorization any third party they choose, so long as these parties meet the Department's requirements for conducting the test.

In addition, the Department is working with county officials to develop alternatives that may be used to conduct the Phase II certification. Once these options are finalized, we will notify counties of their availability.

What should we do to get started, and when should we start?

The Department encourages counties to begin laying the groundwork for their individual county testing as soon as possible due to the importance of the software system's role in the property tax administration process and the upcoming general reassessment. As this process affects systems utilized by the county assessors, auditors and treasurers, it will require a great amount of county-level coordination for successful completion. Therefore, as the testing is being planned, the Department strongly encourages the county to name one individual project manager to carry out the administration of the testing and to serve as a single point of contact for the Department for questions and updates.

Included with this memo is a form that the county should use to identify their local project manager and provide the Department with some information about the certification process. It is not necessary to have all of the information available at this time; we do ask, however, that you return the completed form to us by March 1, 2009, so that we can begin working with the appropriate personnel.

The testing window will open officially on March 1, 2009, and will close on December 31, 2009.

What happens if we can't become certified by December 31, 2009?

The Department will work with counties to ensure that each system is compliant with the standards set out in 50 IAC 23 by the December 31, 2009. Counties that fail to show significant progress in achieving this certification will be handled on a case-by-case basis.

Who can we contact with questions?

Tim Jorczak, Assistant Director of Operations, will be managing the Department's role in the Phase II Certification process. He can be reached at 317-234-5675, or at tjorczak@dlgf.in.gov.

Courtney Schaafsma is the project manager for Crowe Horwath. She can be reached at 317-269-2371, or at courtney.schaafsma@crowehorwath.com.