

Claims Processing

Back to Basics
County Auditors Spring 2012

Claims Laws

County Fiscal Administration

- IC 36-2-6

Audit of Claims

- IC 5-11-10-1.6

Claim Certification and Approval

- IC 5-11-10-2



Claim Procedure IC 36-2-6-2

“ A person who has a claim against a county shall file an invoice or a bill with the county auditor.

The auditor shall present the invoice or bill to the executive, which shall examine the merits of the claim. The executive may allow any part of the claim that it finds to be valid.”

Publishing Claims IC 36-2-6-3

- Auditor shall publish all allowances made by courts of the county.
- Publish at least 3 days before issuance of warrants for payment
- One publication in two newspapers is required
- Allowances of circuit or superior courts must be published within 60 days after the allowances are made and must state:
 - The amount
 - To whom
 - For what purpose
- Exceptions:
 - Salaries fixed by ordinance or statute
 - Per diem of jurors
 - Salaries of officers of a court

Allowance of Claims IC 36-2-6-4

- The county executive may allow or order payment of a claim only at a regular or special meeting of the executive.
- Auditor may only issue a county warrant for payment of a claim against the county only if the executive or a court orders him to do so.
- The executive may allow a claim if the claim:
 - Complies with IC 5-11-10-1.6, and
 - Is placed on the claim docket by the auditor at least 5 days before the meeting at which the executive is to consider the claim.

Allowance of Claims IC 36-2-6-4 (Continued)

- Violation is a Class C infraction.
- Auditor who violates this section is liable on his official bond for twice the amount of the illegally drawn warrant, which may be recovered for the county by a taxpayer.
- A taxpayer may bring an action to recover an illegal, unwarranted, or unauthorized allowance by demanding refund by the executive within 60 days after allowance.

Claims Paid in Advance IC 36-2-6-4.5

- Auditor may make claim payments in advance of board allowance when the county executive has adopted an ordinance allowing money to be disbursed for lawful county purposes under this law.
- Each payment must be supported by a fully itemized invoice or bill and certification by the county auditor
- Executive must review and allow the claim at its next regular or special meeting following the preapproved payment of expense.

Other Sections Under IC 36-2-6

Supplies purchased by contract

- IC 36-2-6-5

Maintenance and Subsistence Supplies for County Institutions

- IC 36-2-6-17

Claims for Work On Contract

IC 36-2-6-6

- The executive may allow a contract claim for work that was to be conducted under the supervision of:
 - County surveyor
 - An architect
 - An engineer
 - Superintendent; or
 - Inspector

Only if that supervisor certifies in writing on the claim that the work listed has been performed according to the contract & claim is due and owing

- Certificate must be filed with the claim.

Payment of Claims IC 36-2-6-7

- Claims must comply with IC 5-11-10-1.6
- Must be filed with the auditor more than 5 days before the meeting of the executive at which it is allowed

Charging the Appropriation IC 36-2-6-11

Whenever the auditor draws a warrant for a claim he shall charge the claim against the appropriation made for that purpose.

If the claim is for materials, supplies or labor for more than 1 officer, the auditor shall apportion the claim and charge the proper amount against the appropriation for each officer.

Similar apportionments shall be made in other cases in which a claim should be charged to more than 1 appropriation.

Requirements for Issuance of Warrant by Fiscal Officer IC 5-11-10-1.6(c)

The fiscal officer may not draw a warrant or check for payment of a claim unless:

- 1) There is a fully itemized invoice or bill for the claim;
- 2) The invoice or bill is approved by the officer or person receiving the goods or services;
- 3) The invoice or bill is filed with the county's fiscal officer;
- 4) The fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- 5) Payment of the claim is allowed by the county executive.

Issuing Warrants IC 5-11-10-1.6(d)

The fiscal officer does not incur personal liability for disbursements;

- 1) Processed in accordance with this section; and
- 2) For which funds are appropriated and available.



Appropriation is Permission to Spend

IC 36-2-5-2(b)

“...money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law.”

When Appropriation is Not Required

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| 1. Premiums on official bonds. (IC 5-4-5-3) | 11. Surplus tax refunds. (IC 6-1.1-26-5) |
| 2. Tax refunds. (IC 36-2-9-14) | 12. Refund of money erroneously received. (IC 6-1.1-18-9) |
| 3. Any money belonging to the state, school fund, or any fund of any township, town or city and commanded by law to be paid to such municipality. (IC 36-2-9-14) | 13. Correction of errors in posting. (IC 6-1.1-18-9) |
| 4. Any money due a taxpayer which has been paid on a public improvement such as ditches and drains. (IC 36-2-9-14) | 14. Jail commissary fund. (IC 36-8-10-21) |
| 5. Redemption of property sold at tax sale. (IC 36-2-9-14) | 15. Investment of funds. |
| 6. Per diem, lodging, and mileage for conferences called by State Board of Accounts. (IC 5-11-14-1) | 16. Title IV-D incentive fund (IC 31-25-4-23) |
| 7. Examination of records. (IC 5-11-4-4) | 17. Repayment of temporary loans. |
| 8. Line fence assessments. (IC 32-26-9-4) | 18. Recorder's records perpetuation fund. (IC 36-2-7-10) |
| 9. Federal grants, if advanced and not received as a reimbursement of expenditures. | 19. Firearms Training Fund. (IC 35-47-2-3). |
| 10. Advances to conservancy districts on order of court. (IC 14-33-7-15) | 20. Accident Report Fund. (IC 9-29-11-1) |
| | 21. County Law Enforcement Continuing Education Fund. (IC 5-2-8-1) |
| | 22. Special Death Benefit Fee Fund. (IC 5-10-10; IC 35-33-8-3.2) |
| | 23. Military Fines. (IC 10-16-9-3) |

Claims Documentation IC 5-11-10-2

- Documentation should show evidence of:
 - Approval by the officer receiving goods or services
 - Audit and Approval of disbursing officer
 - Allowance of the board of county commissioners
 - Signature on Accounts Payable Voucher, Form 17
 - Signature on Register of Claims, Form 364
 - Certification of the fiscal officer
- Register of Claims is filed with supporting invoices or bills and preserved.

Appeals IC 36-2-6-9

- Decision of County Executive on a claim may be appealed.
- File the appeal in circuit or superior court
- File within 30 days of their decision to allow, partially allow or not allow claim.
- Includes a bond covering court costs and payable to the executive.
- If there is no increase in the allowance, the appellant shall pay the costs of the appeal.

Recovery of Illegal Payments IC 36-2-6-13

- Money paid in violation of this article may be recovered by the county executive bringing action in the name of the state.
- They have 30 days from the date of the payment
- Taxpayer may demand in writing that the executive bring action then bring the action themselves if the commissioners do not.
- Courts are to award the amount of the illegal payment + 6% per year to the county and attorney's fees and expenses to the plaintiff if successful in the action.
