

# TOWNSHIP BULLETIN

## AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

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August 2012

### ITEMS TO REMEMBER

#### September

- 1 Last day for townships to submit proposed 2013 budgets, rates, and levies to the county council for review and recommendation. (IC 6-1.1-17-3.5)
- 3 Legal Holiday - Labor Day (IC 1-1-9-1)
- 13 Last day for first publication of proposed 2013 tax levy, budget, and notice to taxpayers of public hearing (Form 3). The first publication must be at least 10 days before the date fixed for the public hearing. (IC 6-1.1-17-3)
- 20 Last day for second publication of proposed 2013 tax levy, budget, and notice to taxpayers of public hearing (Form 3). (IC 6-1.1-17-3)
- 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)

The Township Board should set the salaries of township officials and employees in conjunction with the preparation and completion of the township budget using Township Form No. 17.

#### October

- 1 Last day for county council to complete review and issue non-binding recommendation to the township regarding the township's proposed 2013 tax rates, levies and budgets. (IC 6-1.1-17-3.5)
- 8 Legal Holiday - Columbus Day (IC 1-1-9-1)
- 15 Last day to submit quarterly report and payment of employee and employer contributions for the quarter ending September 30 for townships participating in the Indiana Public Retirement System (INPRS).
- 19 Last date for townships to file excessive levy appeals. (IC 6-1.1-18.5-12)
- 22 Last possible day for townships to hold a public hearing on the 2013 budget. The public hearing must be held at least 10 days before the budget is adopted. (IC 6-1.1-17-5)
- 28 Last possible day 10 or more taxpayers may object to a 2013 budget, tax rate, or tax levy with the township not more than 7 days after the public hearing. (IC 6-1.1-17-5)

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**ITEMS TO REMEMBER**  
**(Continued)**

**October**

- 31 Last day to file Employer's Quarterly Federal Tax Return (Form 941) with the Internal Revenue Service for federal and social security taxes for the third quarter.

Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending 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)

**November**

- 1 Last day for townships to adopt 2013 budgets, rates, and levies and to adopt a finding if an objection is filed. (IC 6-1.1-17-5)

- 5 Last day for townships to file adopted 2013 budgets with the county auditor. (IC 6-1.1-17-5)

Last day for townships to submit their 2013 budgets with the department of local government finance (DLGF) through Gateway.

- 6 Legal Holiday - Election Day (IC 1-1-9-1)

- 11 Legal Holiday - Veterans' Day (IC 1-1-9-1)

- 22 Legal Holiday - Thanksgiving Day (IC 1-1-9-1)

- 30 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 name and address 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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**STATE BOARD OF ACCOUNTS CALLED MEETING**

Once again the State Board of Accounts anticipates (in accordance with IC 5-11-14-1) calling a meeting of all Township Trustees in conjunction with the Indiana Township Association 2012 Education Conference September 23 through September 26, 2012, in Indianapolis. Many items pertaining to our audits of townships will be discussed at our meeting on Wednesday, September 26, 2012. The Indiana Township Association will again provide for arrangements of the meeting location at the Sheraton Indianapolis Hotel & Suites, Keystone at the Crossing.

**REPORTING IRREGULAR VARIANCES, LOSSES, SHORTAGES  
OR THEFTS OF LOCAL GOVERNMENT FUNDS OR PROPERTY**

Current prevailing state statutes (IC 5-11-1-25) require the State Board of Accounts to examine townships on a biennial basis. This examination responsibility is in addition to all other governmental and not-for-profit entities that we must examine or for which we have oversight responsibilities. Due to this tremendous workload, we physically are unable to immediately respond to requests for special examinations of townships.

However, it should be noted that if any official suspects or has reason to believe funds are missing or are being taken, IC 5-11-1-27 requires all townships to report such occurrences immediately to the State Board of Accounts.

IC 5-11-1-27(c) states:

"All erroneous or irregular variances, losses, shortages, or thefts of local government funds or property shall be reported immediately to the state board of accounts. The state board of accounts shall:

- (1) determine the amount of funds involved and report the amount to the appropriate government and law enforcement officials;
- (2) determine the internal control weakness that contributed to or caused the condition; and
- (3) make written recommendations to the appropriate legislative body or appropriate official overseeing the internal control system addressing:
  - (A) the method of correcting the condition; and
  - (B) the necessary internal control policies and internal control procedures that must be modified to prevent a recurrence of the condition."

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**SPREADSHEET SOFTWARE UTILIZATION TO  
GENERATE EXACT REPLICAS OF PRESCRIBED FORMS**

The Indiana State Board of Accounts prescribes the forms to be utilized in accounting systems, but does not specify the source from which the prescribed forms must be obtained. The use of spreadsheet software may, with the current capabilities of spreadsheet software, in some instances, be an acceptable method of generating exact replicas of prescribed forms.

Spreadsheets may not be utilized to replace functionality that should be an integral function of a computerized accounting system or replace a controlled document for the entry of accounting information. Examples of controlled document type of forms include forms that are required to be either prenumbered by an outside printing supplier or numbered by the accounting system with sufficient controls to prevent unauthorized generation of the form or duplication of control numbers on the forms. These forms include receipts, checks, purchase orders and material receiving documents. Additionally, spreadsheets should not be utilized to generate control documents such as ledgers, receipt registers, check registers, outstanding check lists and similar reports.

Under no circumstances is it acceptable to implement an electronic interface from spreadsheet software directly to the information files of an accounting system without being processed through the same edit and control features as are utilized to ensure the accuracy of information entered manually into the accounting system.

Exact replicas of prescribed forms generated by spreadsheet software may be utilized for forms incidental to the computerized accounting system. Examples of these forms which might be applicable with the aforementioned requirements are: (NOTE, these forms may not be used with a spreadsheet software if the data is directly from information files of an accounting system without being processed through the same edit and control features as are utilized to ensure the accuracy of information entered manually into the accounting system.

- Mileage claim (Form 101)
- Bond Register (Form 53)
- Register of Investments (Form 350)
- Register of Insurance (Form 351)
- Contractor's Combination Bid Bond and Bond for Construction (Form 86)
- Contractor's Bond for Construction (Form 86A)
- Contractor's Bid for Public Work (Form 96)
- Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R)
- Authorization Agreement for Automatic Deposit (Electronic Funds Transfers Form 368)
- General Fixed Assets (Form 369)

If you have any questions on the utilization of spreadsheet software to replicate a specific prescribed form, please contact Mr. John Eppley at 317-232-2513 or by e-mail at [jeppley@sboa.in.gov](mailto:jeppley@sboa.in.gov).

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**LUCRATIVE OFFICES - DUAL OFFICE HOLDING**

Under Indiana law, some government officials may not legally serve in more than one public service position at any given time. The holding of two lucrative offices may result in the constitutional violation commonly referred to as "dual office holding."

Article 2, Section 9 of the Indiana Constitution states in part: "...no person may hold more than one lucrative office at the same time, except as expressly permitted in this Constitution..." Official Opinion No. 13 (June 4, 1970) of the Attorney General points out that dual office-holding involves at least six major questions and three particular sections of the Indiana Constitution. The questions are:

1. Is each position a lucrative office within the meaning of the Indiana Constitution? (Article 2, Section 9 of the Indiana Constitution)
2. Is such office-holding in violation of the doctrine of the separation of powers? (Article 3, Section 1 of the Indiana Constitution)
3. Does such office-holding involve a judicial office, and another office of trust and profit under the State? (Article 7, Section 16 of the Constitution of Indiana)
4. Are such offices incompatible with each other?
5. Is there a conflict of interest?
6. Would such office-holding be against public policy?

The Office of the Indiana Attorney General has created the Dual Office Holding Guide for your information. This Guide provides a four-part legal analysis that public officials may use in order to determine whether accepting a second public service position violates the law. It may be found on the Office of the Indiana Attorney General's website: [www.in.gov/attorneygeneral](http://www.in.gov/attorneygeneral).

This guide urges all readers to seek legal advice from an attorney before deciding to accept a second public service position.

The Attorney General's office has consistently stated in numerous unofficial opinions that trustees and board members hold a lucrative office. Therefore, we are of the audit position that a township trustee or board should not also hold another lucrative office.