

TOWNSHIP BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

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February 2006

ITEMS TO REMEMBER

MARCH

- March 1: Assessing period begins, (IC 6-1.1-1-2) for all tangible property except mobile homes as defined in IC 6-1.1-7-1.
- March 6: (First Monday in March) Make report of the Dog Fund to the County Auditor and pay to the County Treasurer any funds in a Township Dog Fund designated (by the county) for a Humane Society under IC 15-5-9-8; and/or any amount in a Township Dog Fund exceeding \$300 over and above orders drawn on the fund, and must show all receipts into the Township Dog Fund and all orders drawn in order. (IC 15-5-9-10) Also give the County Auditor the number of receipts issued if a humane society has been designated. (IC 15-5-9-8)
- March 13: (Second Monday in March) County Auditor makes distribution of County Dog Fund to the townships of the county in which the orders drawn against the Dog Fund exceeded the money on hand as shown on the report filed on March 6 (or by the county to a humane society if an ordinance is passed). Any money received from the County Dog Fund must be receipted to Township Dog Fund. (IC 15-5-9-10)
- March 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.

APRIL

- April 14: Good Friday - Legal Holiday (IC 1-1-9-1)
- April 15: Last day to make pension report and payment for first quarter by townships participating in PERF.
- April 30: Last day to file quarterly report, Form 941, to the Internal Revenue Service for federal and social security taxes for the first quarter.
- April 30: Last day to make report for first quarter to the Department of Workforce Development.
- April 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.

MAY

- May 1: On or before this date report to county auditor, in writing, the amount of unpaid claims against the Dog Fund which have not been paid because of lack of funds. (IC 15-5-9-11)
- May 15: Date for completion of assessing. (IC 6-1.1-1-7)
- May 29: Memorial Day - Legal Holiday (IC 1-1-9-1)

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MAY (Continued)

- May 31: 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).
- May 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.

TOWNSHIP TRUSTEES' MEETING

The State Board of Accounts Meeting for Township Trustees, November 18, 2005, held in Indianapolis, was a success, as indicated by the many comments received, and a crowd which seems to get bigger each year. We again would like to thank the Indiana Township Association for their cooperation in our having the November 18th meeting in conjunction with the Township Convention as has been the custom for over 20 years.

Trustees not attending the 2005 meeting are encouraged and specifically requested to attend a similar meeting we plan on calling in 2006. A wide range of topics were discussed both during and between sessions which pertain to your audits by the State Board of Accounts.

Your ideas and suggestions have been addressed in the past and will also be at the 2006 meeting. We anticipate seeing all Township Trustees at our meeting in 2006 which tentatively will be held on November 15, 2006.

SOCIAL SECURITY WITHHOLDINGS - 2006

We understand that for the maximum amount of taxable and creditable annual earnings subject to social security will increase to \$94,200 in 2006. No maximum base for Medicare will exist. Rates will remain at the 2005 level at a combined rate of 7.65 percent (both employer and employee for a total of 15.3 percent) representing a 6.20 percent rate for social security and 1.45 percent for Medicare.

ASSESSING EXPENSE

IC 6-1.1-35-3 regarding instructional sessions; lodging, subsistence and mileage allowances states:

(a) The department of local government finance may require township assessors, county assessors, or members of the county property tax assessment board of appeals, county auditors, and their employees to attend instructional sessions held by the department or held by others but approved by the department. An assessing official, or an employee who is required to attend an instructional session or who, at the department's request, meets with the department on official business shall receive:

(1) a lodging allowance for each night preceding session attendance not less than the lodging allowance equal to the lesser of: (A) the cost of a standard room rate at the hotel where the session is held; or (B) the actual cost of lodging paid;

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ASSESSING EXPENSE

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(2) a subsistence allowance for meals for each day in attendance not less than the subsistence allowance for meals paid to state employees in travel status, but not more than the maximum subsistence allowance permitted under the regulations of the General Services Administration for federal employees in travel status, as reported in the Federal Register;

(3) a mileage allowance equal to that sum per mile paid to state officers and employees. The rate per mile shall change each time the state government changes its rate per mile; and

(4) an allowance equal to the cost of parking at the convention site. The amount a county assessor, a township assessor, a member of a county property tax assessment board of appeals, or an employee shall receive under subdivision (2) shall be established by the county fiscal body.

(b) If a county assessor, a township assessor, a member of a county property tax assessment board of appeals, or an employee is entitled to receive an allowance under this section, the department of local government finance shall furnish the appropriate county auditor with a certified statement which indicates the dates of attendance. The official or employee may file a claim for payment with the county auditor. The county treasurer shall pay the warrant from the county general fund from funds not otherwise appropriated.

(c) In the case of one (1) day instructional sessions, a lodging allowance may be paid only to persons who reside more than fifty (50) miles from the session location. Regardless of the duration of the session, and even though more than one (1) person may have been transported, only one (1) mileage allowance may be paid to an official or employee furnishing the conveyance.

The current rate paid per mile to state officers and employees for reimbursement of mileage is 40 cents per mile.

All supplies necessary for the annual assessment of property are to be furnished and paid for by the county. No part of the expense of assessing is to be paid from township funds.

DOG TAX

We have been asked our audit position on how much to charge an owner of more than one dog. IC 15-5-9-1 provides in part: (a) The township assessor shall make a diligent census as to the number of dogs owned, harbored, or kept by any person. A person owning or harboring a dog shall pay immediately to the township assessor a tax for each dog owned, harbored, or kept on the same premises, whether owned by that person or some other person, as follows: (1) Except as provided in subsection (d), for each neutered dog, two dollars (\$2). (2) For each nonneutered dog, four dollars (\$4). (3) For each additional dog, six dollars (\$6). No dog under six (6) months of age is subject to any tax under this chapter.

We are therefore of the audit position that if an individual has three dogs and one dog is neutered and the second and third dogs are nonneutered, the total fee would be \$12.00, \$2.00 for the neutered dog \$4.00 for the nonneutered dog and \$6.00 for the additional dog. If all three dogs were neutered the fees would be \$2.00 for the neutered dog and \$6.00 for each of the additional neutered dogs and if all three dogs were nonneutered the charge would be \$4.00 for the first and \$6.00 for each additional for a total of \$16.00.

TOWNSHIP EMPLOYEE DUTIES

We have been advised that isolated situations exist in some townships where clerks and other employees have not been assigned any duties and/or do not perform any work. Other situations have come to our attention of individuals being assigned duties but documentation of work performed is not presented for audit.

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TOWNSHIP EMPLOYEE DUTIES

(Continued)

IC 35-44-2-4 concerning ghost employment states in part: "(a) A public servant who knowingly or intentionally: (1) hires an employee for the governmental entity that he serves; and (2) fails to assign to the employee any duties, or assigns to the employee any duties not related to the operation of the governmental entity; commits ghost employment, a Class D felony. (b) A public servant who knowingly or intentionally assigns to an employee under his supervision any duties not related to the operation of the governmental entity that he serves commits ghost employment, a Class D felony. (c) A person employed by a governmental entity who, knowing that he has not been assigned any duties to perform for the entity, accepts property from the entity commits ghost employment, a Class D felony. (d) A person employed by a governmental entity who knowingly or intentionally accepts property from the entity for the performance of duties not related to the operation of the entity commits ghost employment, a Class D felony. (e) Any person who accepts property from a governmental entity in violation of this section and any public servant who permits the payment of property in violation of this section are jointly and severally liable to the governmental entity for that property. The attorney general may bring a civil action to recover that property in the county where the governmental entity is located or the person or public servant resides."

The State Board of Accounts is of the audit position that all townships, as governmental entities, should carefully maintain accurate prescribed or approved employment, service and other records for all persons employed so that documentation is available to substantiate all duties assigned and all amounts paid to each person. Payments without supporting documentation may be the personal obligation of the responsible official or employee.